

SOARING TO NEW HEIGHTS



Determination

Forging new directions with a strong force.

Decide. Dare. Do it.

What sets the best apart from the rest? Sheer passion, determination, self-belief and doing what others can only imagine. It is this fearless vision coupled with enduring action that propels winners towards greater heights, conquering newer peaks and rising above all challenges along the way.

This ability to dream big with heads held high remains the philosophy of SBI Capital Markets Limited (SBICAP), where we rightfully choose to do whatever it takes to set new benchmarks. At SBICAP, it has been our continuous endeavour to provide holistic and innovative solutions in tune with the evolving market scenario with a 'can-do' attitude. It is this commitment that became our driving force to soar above all our peers in a watershed year and overcome every challenge coming our way.

Our performance for FY 2020-21 echoes our passion for offering the best corporate advisory and investment banking services to our clients and driving value for our stakeholders. Along with this, we take great pride in contributing our bit in supporting our nation and helping it rise above the challenges of the past year.

Dream

Aiming action with passion.

Vision

To be the best India-based Investment Bank.

Mission

To provide credible, professional and customer focused world-class investment banking services.

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Leadership

Revelling in challenges to drive change
and generate value in meaningful ways.



Shri. Dinesh Kumar Khara
Non-Executive Chairman

Our Board of Directors



Shri. Ashwini Kumar Tewari
Non-Executive Director



Smt. Bharati Rao
Non-Executive Director



Shri. T. L. Palani Kumar
Non-Executive Director



Shri. Ananth Narayan G.
Independent Director



Shri. Sharad Sharma
Non-Executive Director



Shri. Arun Mehta
Managing Director & CEO



Shri. R. Viswanathan
Whole-time Director

Achieve

Setting new benchmarks year after year.

Awards & Rankings

The Asset Triple A Infrastructure Awards 2021



The Asset Triple A Country Awards 2020



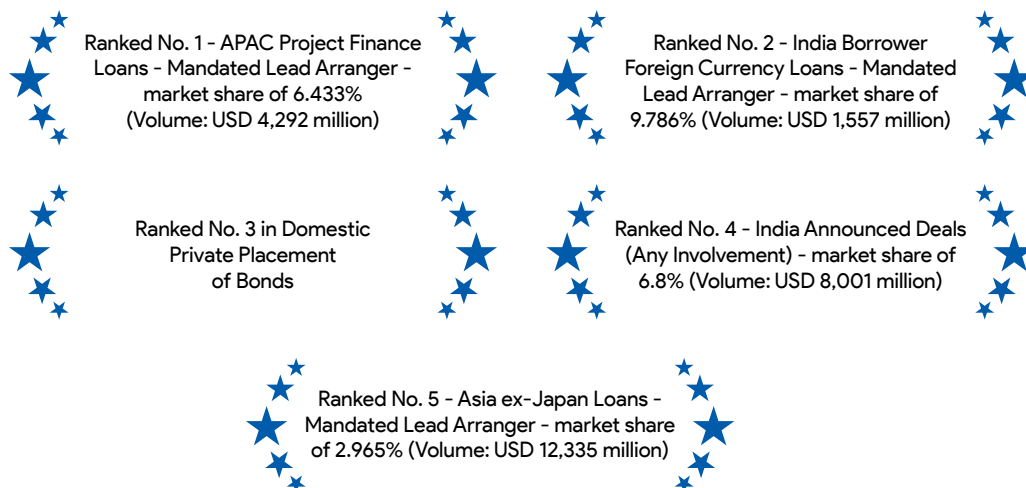
The Asset Triple A Infrastructure Awards 2020



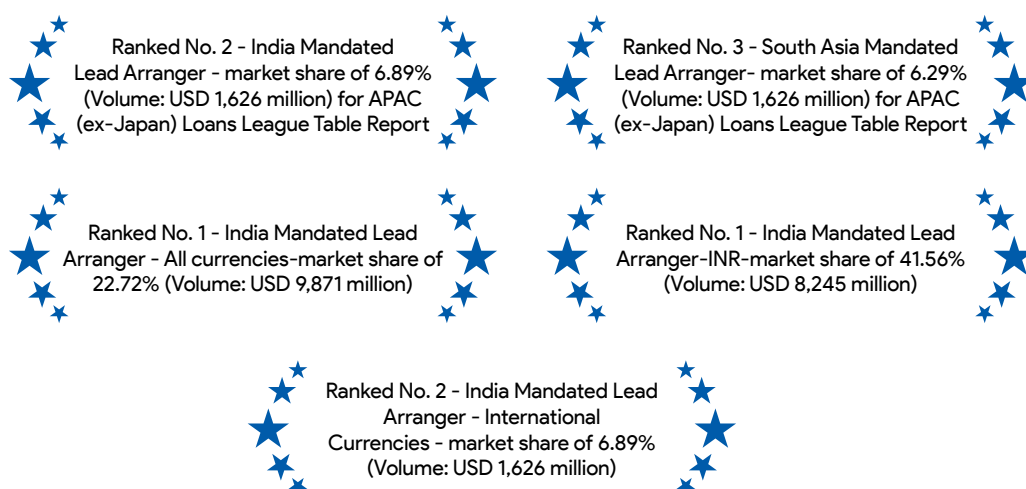
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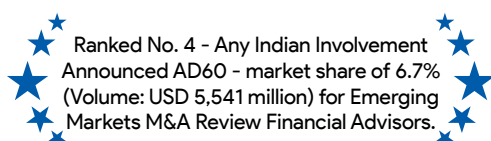
Bloomberg League Tables



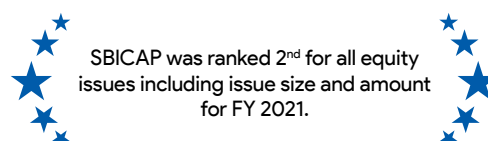
Debtwire



Refinitiv



Prime Database



Passion

Investing time, energy and soul in finding path-breaking solutions with intelligence.

About Us

SBICAP Capital Markets Limited (SBICAP), one of India's leading domestic Investment Banks, began its operations in August 1986 and is a wholly owned subsidiary and investment banking arm of State Bank of India (SBI), the largest commercial bank in India.

SBICAP offers the entire bouquet of investment banking and corporate advisory services. The service bouquet includes the full range of financial advisory services under one umbrella covering Project Advisory and Structured Financing, Capital Markets, Mergers & Acquisitions, Private Equity and Stressed Assets Resolution.

As a complete solutions provider to clients in investment banking and corporate advisory, SBICAP offers advice, innovative ideas, and unparalleled execution across all stages in the business cycle ranging from project advisory, buy and sell-side advisory, accessing financial markets to raise both debt and equity capital and even lenders led restructuring advisory. SBICAP is a global leader in the area of Project Advisory and has lent crucial support to the Indian infrastructure sector.

SBICAP is known for its astute professionalism and business ethics. The team of executives consist of qualified and dedicated professionals with vast experience in project advisory, M&A, restructuring, equity, debt and hybrid capital raising.

Headquartered in Mumbai, SBICAP has 5 Regional Offices across India (Ahmedabad, Chennai, Hyderabad, Kolkata and New Delhi) and 4 wholly owned subsidiaries - SBICAP Securities Limited, SBICAP Trustee Company Limited, SBICAP Ventures Limited and SBICAP (Singapore) Limited. The Regional Offices are located strategically at major business hubs in the country and closely liaise with clients there and at nearby centers.

The subsidiaries of SBICAP offer Equity Broking & Research, Security Agency & Debenture Trusteeship and Private Equity Investment & Asset Management.

Discover

Exploring new directions to open
new avenues of progress.

Project Advisory & Structured Finance (PA&SF) Group

SBICAP is the undisputed market leader in providing financial advisory services to a large client base across various sectors with a focus on the Infrastructure sector and core industries. SBICAP's Project Advisory & Structured Finance (PA&SF) Group provides the best-in-class service and the excellence in execution of complex transactions across the advisory space to help clients grow and achieve their strategic business objectives.

The PA&SF Group has been a pioneer in advisory services in India with a comprehensive range of offerings covering the entire life cycle of projects. Its wide knowledge base makes it the foremost choice of corporates as well as government bodies for availing advisory services in infrastructure and core industries. The PA&SF Group also provides services like M&A advisory, private equity tie-up, restructuring advisory, pre-bid advisory and bid process management services, government advisory & policy services, debt syndication services for public sector units/sovereign entities, stressed asset resolution advisory, etc. The PA&SF Group has also established itself in the structured finance space by successfully structuring and executing some of the most complex transactions in the recent past.

The PA&SF Group provides core competence with respect to sector/domain knowledge required to achieve comprehensive banking solutions for its clients. The Group has a team of highly qualified professionals from diverse backgrounds with relevant experience and expertise in respective infrastructure and core industries sub-sectors i.e. energy, transportation & urban infrastructure, telecom, aviation, mining, steel, banking & financial services, etc. The Group is actively engaged with various stakeholders like government agencies, lenders, etc. towards the resolution of stressed assets while continuing to act as a key ally for both the government and the private sector in their endeavours towards overall economic development.



PA&SF Group Offerings

Debt, M&A and Private Equity Advisory

- Arrange onshore and offshore debt and working capital for PSU clients
- Identify assets for acquisition and strategic investments
- Mobilise private/quasi-equity
- Advice on demerger and sale of assets
- Advice on divestment of companies
- Provide acquisition advisory services for both domestic and outbound acquisitions
- Provide debt down-selling services to lenders

Corporate Finance Advisory, Bid Advisory, Government Advisory

- Financial advisory to corporates
- Due diligence and capital structuring
- Business valuation and joint venture advisory
- Strategy and bid advisory to state/central governments and regulatory bodies
- Transaction & Policy advisory to various government departments/ministries/municipal bodies

Structured Finance for Acquisition, Leverage/Mezzanine Financing and Convertibles with Customized Solutions

- Advisory for tie up of bridge and interim finance for acquisitions
- Advisory on structured trade finance to meet funding requirement of overseas companies
- Advising clients for participation in equity stake buyout
- Structured finance products for off-balance sheet and receivable financing
- Capital raising for banks through ECA/Multilaterals

Corporate Restructuring/Debt Resolution Advisory, inside and outside Corporate Insolvency Resolution Process

- Re-organisation and re-capitalization advisory
- Resolution plan and business plan advisory
- Debt restructuring within the relevant RBI framework
- Bid process advisory and debt resolution advisory
- Advisory services to committee of creditors for evaluating the resolution proposal under Insolvency
- Advisory services to resolution professionals under Corporate Insolvency Resolution Process (CIRP)



Indicative Transactions for PA&SF FY 2020-21

 <p>Ministry of Coal, GOI</p> <p>Commercial auctions of 38 Coal Mines under Aatmanirbhar Bharat</p> <p>Bid Process Advisor</p>	 <p>Mumbai Pune Expressway Limited</p> <p>Bid advisory for securitization of cashflows of toll collection of Mumbai-Pune Expressway</p> <p>Bid Process Advisor</p>	 <p>Haldia Petrochemicals Limited</p> <p>Buy side advisory for acquisition of equity stake in Lummus Technology USD 1,208 million</p> <p>Buy Side Advisor</p>	 <p>Dewan Housing Finance Corporation Limited</p> <p>Advisory to Committee of Creditors (CoC) Rs. 37,650 crores</p> <p>CoC Advisor</p>
<p>Krishnapatnam Port Company Limited</p> <p>Sell Side Advisory for sale of majority Stake in Krishnapatnam port Rs. 12,000 crores</p> <p>M&A Advisor</p>	<p>Altico Capital India Limited</p> <p>Sell Side Advisory for Debt resolution outside IBC</p> <p>M&A Advisor</p>	 <p>Pune IT City Metro Rail Ltd.</p> <p>Debt Syndication of Pune Metro Rail project being implemented under PPP mode Rs. 4,790 crores</p> <p>Transaction Advisor & Debt Arranger</p>	 <p>SJVN Thermal Pvt Limited</p> <p>Debt Syndication for 1320 MW Thermal Power Project Rs. 8,448 crores</p> <p>Debt Arranger</p>
 <p>Shapoorji Pallonji & Co. Pvt Limited</p> <p>One Time Resolution for group under RBI framework for COVID-19-related Stress Rs. 11,293 crores</p> <p>Transaction Advisor</p>	 <p>Oil India Limited</p> <p>Buy side advisory for Oil India and EIL which acquired BPCL's stake in Numaligarh Refinery Rs. 9,876 crores</p> <p>M&A Advisor</p>	<p>Bhushan Power & Steel</p> <p>Process Advisory to RP appointed for resolution of Bhushan Power & Steel under CIRP process Rs. 19,350 crores</p> <p>Process Advisor</p>	<p>HPCL Shapoorji Energy Pvt Limited</p> <p>Sell Side Advisory for stake sale of SP Group to the JV partner, HPCL</p> <p>Sell Side Advisor</p>
<p>Yes Bank Limited</p> <p>Sell Side Advisory for raising capital through issuance of fresh shares Rs. 10,000 crores</p> <p>M&A Advisor</p>	 <p>Talcher Fertilizers Limited</p> <p>Financial Appraisal of 3,850 MTPD Coal Gasification based Fertilizer Plant Rs. 9,560 crores</p> <p>Financial Advisor</p>	 <p>CG Power & Industrial Solutions Limited</p> <p>Sell Side Advisory for acquisition of company resolving liabilities of financial creditors</p> <p>M&A Advisor</p>	

Unite

Embracing the power of collaboration
to achieve new heights, together.

Investment Banking Division (IBD)

Our Investment Banking Division (IBD) specializes in advising clients across the full spectrum of integrated solutions including Equity Capital Markets, M&A Advisory and Private Equity Advisory. This includes equity fund raising such as IPO, FPO, Rights Issues, QIP, OFS and advisory transactions. We have handled many complex transactions and successfully closed them across various products and sectors. We have experts with in-depth knowledge and experience in equity capital markets, mergers and acquisitions, private equity etc.

With over 35 years of rich experience, we have established our position as the preferred merchant banker of choice by providing customized client solutions. IBD assists its clients (Corporates, Banks, Financial institutions, Government Undertakings etc.) in fund-raising by way of equity from both Domestic and Foreign Investors. Our investor relationships spanning across domestic and global investors including mutual funds, insurance companies, FPI's, private equity funds, high net-worth individuals and retail investors have been long-standing and give us an edge in our product and solution offerings in the equity markets space.

Equity Capital Markets

- Public Issues including Initial and Further Public Offerings (IPOs and FPOs)
- Rights Issues
- Private Placements including Qualified Institutional Placements (QIPs) and Preferential Allotments
- Capital market advisories including Open Offers, Buy back and Delisting etc.
- Offer for sale on the stock exchange platform
- Infrastructure Investment Trusts (InvIT)/Real Estate Investment Trust (REIT)
- Bulk and Block trades
- Offering of Convertible Securities
- Pre-IPO Placements, Pre-IPO Advisory for being in regulatory preparedness etc.
- Capital restructuring advisory
- Advisory and arrangement services for products such as Indian Depository Receipts, ADR/GDR and other off-shore equity listing options

Advisory Services




- Buy-side M&A Advisory
- Sell-side M&A Advisory
- Joint Venture Advisory
- Merger Advisory and recommendation on Share Swap ratio
- Advice on demerger and sale of businesses and/or assets
- Valuation advisory
- Strategy and bid advisory to State/Central Governments and regulatory bodies

During the year, SBICAP has successfully completed 28 equity capital market issuances and raised a total amount of Rs. 1,54,636 crores through 8 IPOs, 1 FPO, 5 Rights Issues, 11 QIPs, 1 REIT and 2 OFS with a market share by issue amount of 57.0%.

SBICAP was the No. 1 QIP Bank of FY 21 with a total amount of Rs. 56,654 crores raised and a market share of 72.6%. Additionally, SBICAP was the banker of choice for BFSI deals raising Rs. 88,068 crores and concluding 19 deals across various products in BFSI – including 10 QIPs, 4 IPOs, 3 Rights Issues & 1 OFS of the 19 deals concluded, 13 were for private sector clients.

Indicative Transactions for IBD

FY 2020-21

 BARBEQUE NATION IPO March 2021 Rs. 453 crores	 varroc QIP March 2021 Rs. 700 crores	 SURYODAY A BANK OF SMILES IPO March 2021 Rs. 581 crores
 KALYAN JEWELLERS IPO March 2021 Rs. 1,175 crores	 बैंक ऑफ बड़ोदा Bank of Baroda QIP February 2021 Rs. 4,500 crores	 रेलटेल RAILTEL IPO February 2021 Rs. 819 crores
 L&T Financial Services Two-wheeler Finance Rights February 2021 Rs. 2,999 crores	 INDIAN RAILWAY FINANCE CORPORATION IPO January 2021 Rs. 4,633 crores	 CRETECA IPO December 2020 Rs. 540 crores
 IDBI BANK QIP December 2020 Rs. 1,435 crores	 pnb QIP December 2020 Rs. 3,788 crores	 Canara Bank QIP December 2020 Rs. 2,000 crores
 CreditAccess™ Grameen IPO October 2020 Rs. 800 crores	 uti UTI Mutual Fund IPO September 2020 Rs. 2,159 crores	 Angel Broking IPO September 2020 Rs. 600 crores

Indicative Transactions for IBD FY 2020-21

 <p>QIP September 2020</p> <p>Rs. 683 crores</p>	 <p>OFS August 2020</p> <p>Rs. 4,961 crores</p>	 <p>QIP August 2020</p> <p>Rs. 15,000 crores</p>
 <p>QIP August 2020</p> <p>Rs. 10,307 crores</p>	 <p>QIP August 2020</p> <p>Rs. 10,000 crores</p>	 <p>Rights July 2020</p> <p>Rs. 3,089 crores</p>
 <p>FPO July 2020</p> <p>Rs. 15,000 crores</p>	 <p>Rights July 2020</p> <p>Rs. 995 crores</p>	 <p>Rights July 2020</p> <p>Rs. 1,492 crores</p>
 <p>QIP May 2020</p> <p>Rs. 7,443 crores</p>	 <p>Rights May 2020</p> <p>Rs. 53,124 crores</p>	 <p>OFS June 2020</p> <p>Rs. 1,559 crores</p>

Debt Capital Markets (DCM)

The Debt Capital Markets (DCM) team at SBICAP is one of the leading arrangers for raising funds through domestic debt capital markets. It has also developed cutting-edge expertise in handling complex asset monetization mandates and is actively engaged in Transaction Advisory and Merchant Banking activities for Infrastructure Investment Trust [InvITs] and Real Estate Investment Trust [REITs]. In addition, the team is active in debt raising for various sectors. Our clientele includes Corporates, NBFCs, Banks, Financial Institutions, Municipal Corporations and Central/State Government Undertakings. Our long-standing investor relationships coupled with our ability to structure the transactions give us an edge in offering solutions in the debt capital market space. During the financial year 2020-21, the DCM group has executed 130 NCD issuances (Debt Issuances) through private placement basis with an aggregate gross mobilization of Rs. 263,868 crores.

In the Financial Year 2020-21, we were ranked 3rd in Bloomberg League Table for domestic issuances.

Debt Products and Solutions Offered by DCM include:

- Private placement of Non-Convertible Debentures
- Public Issue of Bonds
- Structured Debt/Securitization
- Bond Restructuring Advisory
- Real Estate Investment Trust [REITs] & Infrastructure Investment Trust [InvITs]
- Credit Enhanced Bonds
- Municipal Bonds



Evolve

Growing with time to experience
a new level of success.

Indicative Transactions for DCM FY 2020-21

 <p>Jindal Saw</p> <p>Tier I & II Rs. 27,431 crores FY 2021</p>	 <p>State Bank of India</p> <p>Tier I & II Rs. 27,431 crores FY 2021</p>	 <p>Cholamandalam Investment & Finance Co. Limited</p> <p>Rs. 575 crores Feb 2021</p>	 <p>NABARD</p> <p>Rs. 5,000 crores Jan 2021</p>
 <p>ONGC</p> <p>Rs. 1,500 crores Jan 2021</p>	 <p>NHAI</p> <p>Rs. 6,000 crores Dec 2020</p>	 <p>Canara Bank</p> <p>Rs. 1,635 crores Dec 2020</p>	 <p>Hindustan Petroleum Corp. Limited</p> <p>Rs. 2,000 crores Oct 2020</p>
 <p>Mahanagar Telephone Nigam Limited</p> <p>Rs. 4,361.40 crores Oct 2020</p>	 <p>JSW Steel</p> <p>Rs. 4,000 crores Oct 2020</p>	 <p>Power Finance Corp. Limited</p> <p>Rs. 3,000 crores Aug 2020</p>	 <p>Piramal Capital & Housing Finance</p> <p>Rs. 1,000 crores Jul 2020</p>
 <p>Tata Motors Limited</p> <p>Rs. 1,000 crores May 2020</p>	 <p>Aditya Birla Fashion & Retail</p> <p>Rs. 325 crores May 2020</p>	 <p>Larsen & Toubro Limited</p> <p>Rs. 2,500 crores Apr 2020</p>	 <p>Reliance Industries Limited</p> <p>Rs. 11,295 crores Apr 2020</p>

Adapt

Transformation creates more opportunities.
We choose to transform, always.

Our Subsidiaries

SBICAP Securities Limited

SBICAP Securities Limited (SSL) started operations in 2006 to provide primary and secondary capital market access to retail customers and became the broking arm of the State Bank of India (SBI) Group. A wholly-owned subsidiary of SBI Capital Markets, SSL has now become one of the important players in the broking industry.

SSL has 4 main verticals – Retail Broking, Retail Sales, Retail Assets, Retail Distribution and it has showcased its strength across all these verticals.

In broking, SSL currently serves more than 1.8 million customers through state-of-the-art trading platforms across mobile app, website and dealer terminal. SSL offers its customers a variety of products and services to choose from – such as Equity, Derivatives, Mutual Funds, and Currency.

The Company is acquiring new Demat accounts through the Bank channel as well as through the Open Market channel. The Company introduced a digital account opening journey during FY 20 which has been a huge success. The share of digitally opened accounts reached more than 55% in the month of March 2021. This has created the potential to acquire a larger number of accounts in a more efficient manner. In retail assets, SSL is the captive sourcing arm of the State Bank of India and is making a substantial contribution to the Bank's overall home loan and auto loan business. The Company is further expanding its presence across many cities to further enhance its contribution to the Bank's business and also helping the Bank to improve its market share. SSL is able to add value to customers by providing a single, seamless experience in their loan journey.

SSL is also a one-stop third-party distribution arm for mutual funds, bonds, insurance, etc. The Company has developed a strong IFA network that helps in the deep retail distribution of primary products. The Company is focusing on distribution of third-party products like mutual funds, bonds, insurance, sovereign gold bonds, corporate deposits, etc. The retail distribution vertical is being ably supported by all other business verticals in selling/cross-selling these products to the clients.

SBICAP Ventures Limited

Incorporated in 2005, SBICAP Ventures Limited (SVL) is a wholly owned subsidiary of SBI Capital Markets and is a Sponsor and Investment Manager of the Neev Fund. The Company also acts as an Investment Manager to Special Window for Affordable and Mid-Income Housing (SWAMIH) Investment Fund I, a SEBI registered category II AIF and, as an Investment Manager and Sponsor to SVL-SME Fund (Neev II). SVL has been appointed as a fund manager for two Funds of Funds – 1) UK India Development Cooperation Fund with a corpus of Rs. 5,000 crores and 2) Self Reliant India Fund with a corpus of Rs. 10,000 crores which is a Funds of Funds floated by NSIC Venture Capital Fund Limited for investment in MSMEs. SVL is also an anchor LP in the INFLEXOR Technology Fund with an investment of 10% of the fund corpus limited to a maximum of Rs. 50 crores.

Neev Fund

Neev Fund is a SEBI registered Category I AIF focused on infrastructure investments in eight identified Low Income States (“LIS”) in India. Neev Fund has a corpus of Rs. 5,240 million and is fully invested across 10 investee companies. The investors in the Neev Fund are SBI, SVL, SIDBI and the Department for International Development (“DFID”) – Government of UK.

The investee companies of the fund are listed below:



The Neev team has been working closely with the companies in evaluating business expansion/ M&A opportunities, building organizational capability, increasing access to finance through debt & equity and putting in place systems and processes to improve financial controls and enhance the governance standards of the companies. Post Neev’s investment, the portfolio companies have raised capital from marquee global and domestic institutional investors such as SHV Energy, Nomura, Shell, Mitsui, IFU, DFC, CDC etc.

The Fund has been rated A+ by DFID as part of its annual review in 2018, 2019 and 2020.

Special Window for Affordable and Mid-Income Housing (SWAMIH) Investment Fund I

On November 06, 2019, the Honourable Finance Minister announced that the Union Cabinet has cleared a proposal to set up a ‘Special Window’ in the form of AIF to provide priority debt financing for the completion of stalled housing projects.

Special Window for Affordable and Mid-Income Housing (SWAMIH) Investment Fund I has been formed to complete construction of stalled, brownfield, RERA registered residential developments that are in the affordable housing/mid-income category and require last mile funding.

The Sponsor of the Fund is the Secretary, Department of Economic Affairs, Ministry of Finance on behalf of the Government of India. The Government of India has committed a fund infusion of up to Rs. 10,000 crores in the Special Window and further investments will be brought in through institutional and private investors. The Fund has a target corpus of Rs.12,500 crores with a greenshoe option of Rs. 12,500 crores. The Fund achieved a first closing with 14 investors and a capital commitment of Rs. 10,037.5 crores on December 06, 2019. The Investment Manager of the Fund is SBICAP Ventures Limited.

The Fund invests in RERA-registered housing projects where 90% of the Floor Space Index (FSI) is dedicated to Affordable/ Mid-Income Housing, RERA carpet area of the units is less than 200 sqm and houses are priced below Rs. 2.0 crores in MMR / below Rs. 1.5 crores in NCR, Chennai, Kolkata, Pune, Hyderabad, Bangalore and Ahmedabad and below Rs. 1 crore in the rest of India. The projects also have to be net-worth positive and at least 30% of the construction & development has to be completed.

During the period ended Mar 31, 2021, the Investment team has analysed several proposals that meet the Fund's criteria and the overall status of the deals presented to the Investment Committee is as follows:

- In a little over 5 quarters, SWAMIH Fund has provided approvals to 185 projects committing over Rs. 17,100 crores, which should release capital of more than Rs. 51,100 crores and help in the completion of nearly 110,000 homes.
- 67 projects have received final approval where the total committed amount is more than Rs. 6,500 crores and should help complete nearly 43,000 homes while helping unlock capital of nearly Rs. 20,000 crores.
- More than 8,500 construction workers have been directly deployed across the various project sites of SWAMIH.

SVL-SME Fund (Neev - II)

The SVL-SME Fund is currently in the fund-raising mode and has seen a strong commitment interest from marquee global and domestic institutional investors. The Fund's targeting corpus is Rs. 830 crores with a greenshoe option of additional Rs. 420 crores. The Fund announced its first close on 18th June 2021. The SVL-SME Fund seeks to replicate the investment philosophy of Neev Fund across a PAN India footprint. The fund expects to invest at least 60% of the investible corpus in sectors such as waste management, water supply & sanitation, clean technology, energy efficiency, renewable energy, sustainable agriculture, urban mobility etc, with the balance being invested in other sectors including social impact sectors such as manufacturing that have the potential to generate livelihoods, promote innovations, create access to infrastructure, promote cross border trade and have an impact on climate and environment.

UK India Development Cooperation Fund: UKIDCF, a fund of funds with a projected corpus of Rs. 5,000 crores, would be the single window for routing the UK government's future capital investments into India. SVL has been selected as the Funds Platform Manager. SEBI approval was received in January 2021, and has achieved its first close in June 2021.

SRI (Self Reliant Fund): SRI Fund is a Fund of Fund being setup by NVCFL (100% subsidiary of National Small Industries Corporation) under the Ministry of MSME. Based on Quality and Cost based selection, SVL was declared H1 and was issued a letter of intent on 29th October 2020. The AMC agreement has been executed and a fund set up is underway. The SEBI registration approval is awaited.

SVL as a Limited partner: SVL is an anchor LP in the INFLEXOR Technology Fund with an investment of 10% of the fund corpus limited to a maximum of Rs. 50 crores. The fund has raised commitments of Rs. 320 crores as on February 21. In all, so far, 3 investments have been approved with Rs. 31 crores commitment.

SBICAP Trustee Company Limited

SBICAP Trustee Company Limited (STCL) is engaged in providing trusteeship services to the financial market players in India. It has a PAN India presence and operates from Mumbai with six branches located in New Delhi, Ahmedabad, Hyderabad, Bengaluru, Chennai and Kolkata.

While it acts as a Security Trustee to the Lenders for Corporate and Project Finance Loans, it performs the role of a Debenture Trustee for the Debentures / Bonds issued by Corporates. It is registered with SEBI as a Debenture Trustee. STCL also provides other related services like Share Pledge Trustee, Escrow Trustee etc. As Trustees, STCL currently handles 2483 assignments and holds securities for loans worth Rs. 35,33,348 crores as on 31.03.2021 on behalf of Lenders and Debenture/Bond holders. STCL has shown an improved new business growth of 14% for the year.

STCL has extended Trusteeship Services for AIF and InvITs during the year and recently introduced new products viz. Document Management System (DMS), Virtual Data Room (VDR), Facility Agency Services, Securitization Trusteeship and Ancillary Services to mainly cater to the requirements of Banks, NBFCs and ARCs. The services are described below:

- i) **Security Trustee** - STCL is the largest player amongst the Security Trustee service providers. It provides Security Trustee services to lenders under consortium and other forms of multiple lending to Corporates. It has completed 442 new mandates, generating a one-time fee income of Rs. 12.95 crores in 2020-21. The income from Security Trustee services forms 60% of the fee revenue.
- ii) **Debenture Trusteeship** - As a SEBI registered Debenture Trustee, STCL acts as Debenture Trustee for both public issues and private placements of debentures, bonds and other securities. During the year, the Company has completed 77 mandates amounting to Rs. 1.10 crores of one-time fee income.
- iii) **Share Pledge Trustee** - STCL also acts as Share Pledge Trustee where securities in the form of pledge of shares is provided to the lenders by corporates.
- iv) **Document Management Services (DMS)** - SBICAP Trustee Company Limited (STCL) is providing DMS (both physical and digital) on a secured platform. Through DMS services, a lender/user can store their physical documents digitally and is able to access those documents via Internet through a secured digital platform.
- v) **Virtual Data Room (VDR) Services** - STCL is providing VDR Services on a secured platform. A VDR is an ideal solution for any business that wants to streamline its document sharing and make it more efficient. Organizations which has the following needs will make perfect users of VDR services i.e. sharing documents and critical business information, protection of company information, document management and secure data management, grant access to multiple parties at the same time, support for mobile devices, permission to upload high amount of data, precise searching functionality etc.
- vi) **Facility Agency Services** - The Facility Agency Service envisages providing credit-related services to consortium/syndication lending. While this is done by outsourced agencies in developed financial markets, the service is yet to develop in India. STCL has developed the product and has showcased the same to CAG & CCG verticals in SBI.
- vii) **Securitization Service** - Securitization is a structured mechanism utilized & envisaged by Banks, NBFCs & Financial Institutions, a ring-fenced & bankruptcy remote sale of a financial asset or a pool of such homogenous assets (Asset Pool) in return for immediate cash payments. In Securitization, the underlying asset pool is transferred to a Special Purpose Vehicle (SPV) which in turn issues securities known as Pass Through Certificates (PTCs) to the Investors, mostly Banks, in exchange for incoming cash investments. STCL will act as a Trustee to the said SPV.
- viii) **Ancillary Services** - Ancillary Services include producing routine information and legal processes like KYC due diligence, obtaining title search reports, valuation reports, legal opinions, RoC search reports, collection of timely financial information, revival letters, etc. to lenders for corporate lending under consortium / multiple banking and sole lending.

SBICAP (Singapore) Limited

SBICAP (Singapore) Limited (SSGL), a wholly-owned subsidiary of SBI Capital Markets Limited was involved in the activity of underwriting and placement of overseas/offshore bonds for Indian Corporates. SSGL interacted with institutional investors and provided them insights on Indian markets across various asset classes. SSGL worked with various teams at SBI, SBI Capital Markets & SBICAP Securities Limited to offer solutions to Indian corporates for their financial and business requirements.

The Company's Board of Directors through a circular resolution dated 25 March 2021 resolved that the Company would (i) surrender the Capital Markets Services License ('CMSL') issued by the Monetary Authority of Singapore ('MAS'), and (ii) initiate the process of cessation of business after the procedure of surrendering of the CMSL is completed. SSGL is currently in the process of cessation of business.

SBICAP Corporate Social Responsibility (CSR) Programme FY 2020-21

SBICAP has a committed CSR Policy and framework in place and we endeavour to reach out to various support groups that might require our time, finances or mobilization strength. With the COVID-19 pandemic sweeping across the country from March 2020, as a responsible corporate citizen, SBICAP has stood up and contributed to mitigate the pandemic situation since the early stages of the national lockdown last year. The Company's CSR initiatives for FY 2020-21 majorly focused on various emergency relief measures reaching out to a substantial part of the affected, underprivileged population, augmentation of healthcare and emergency medical services in both urban and rural areas helping thousands to access quality healthcare amidst the pandemic and addressing the needs of frontline workers and doctors.

Apart from COVID-19 measures, SBICAP also implemented much-needed CSR initiatives in the areas of education, general healthcare, vocational training of visually challenged beneficiaries, etc., thus implementing a holistic, encompassing CSR programme and achieving the budgeted CSR spends for the financial year.

A few snapshots from SBICAP's CSR Programme for FY 2020-21 are given alongside:



Directors' Report

Directors' Report For The Financial Year 2020-21

To the Members,

The Board of Directors of SBI Capital Markets Ltd. (referred hereinafter as 'SBICAP' or 'the Company') have pleasure in presenting the Thirty-Fifth Annual Report and Audited Financial Statements for the Financial Year (FY) ended 31st March 2021.

FINANCIAL PERFORMANCE (Standalone and Consolidated)

The Company's financial performance for the year ended 31st March 2021 is summarized below:

(Rs. in crores)

Financial Year ended 31 st March	Standalone		Consolidated	
	2021	2020	2021	2020
Operating Results				
Gross Income:				
a) Fee-based Income	495.40	316.33	1,246.80	854.84
b) Income from securities and other Income	95.34	126.75	121.51	137.31
Total	590.74	443.08	1,368.31	992.15
Profit before provisions, Depreciation, Interest and Tax	414.56	282.27	776.10	456.96
Provisions	0.78	1.59	-	-
Depreciation	7.50	4.92	23.64	17.61
Interest	23.03	0.20	27.68	2.52
Profit before tax	383.25	275.56	724.78	436.83
Less: Tax expense	110.00	60.13	198.37	102.80
Add: Share in net profit of associate	-	-	0.69	0.46
Profit after Tax (A)	273.25	215.43	527.10	334.49
Other Comprehensive Income (B)	1,359.00	744.23	1,360.03	743.70
Total Comprehensive Income (A+B)	1,632.25	959.66	1,887.13	1,078.19
Add: Balance in Retained Earnings (C)	1,528.68	1,313.25	1,887.82	1,553.74
Add: Balance in Other Comprehensive Income (D)	784.51	40.28	783.64	39.93
SUBTOTAL (A+B+C+D)	3,945.44	2,313.19	4,558.59	2,671.86
LESS: APPROPRIATION				
Transferred to General Reserve	-	-	1.30	2.05
Interim Dividend	116.07	-	116.07	-
Other Adjustments	-	-	19.51	(1.64)
CLOSING BALANCE	3,829.37	2,313.19	4,421.71	2,671.45
Security Premium Reserve	63.47	63.47	63.47	63.47
General Reserve	444.39	444.39	457.20	455.91
Capital Redemption Reserve	-	-	0.94	0.94
Foreign Currency Translation Reserve	-	-	4.84	3.23
OTHER EQUITY	4,337.23	2,821.05	4,948.16	3,195.00
Financial Position				
Equity Share Capital	58.03	58.03	58.03	58.03
Reserves and Surplus	4,337.23	2,821.05	4,948.16	3,195.00
Other Select Data				
Earnings per Share (₹)	47.09	37.12	90.83	57.64
Return on Equity	6.22%	7.48%	10.53%	10.28%
Dividend per Share (₹)	20	-	20	-
Book Value per Share (₹)	757.36	496.10	862.64	560.54

Directors' Report For The Financial Year 2020-21

PERFORMANCE OVERVIEW:

Standalone basis

During the FY 2020-21, the Company has achieved gross income of Rs.590.74 crores (previous FY Rs.443.08 crores) with Year-On-Year (YoY) growth of 33.33%. The fee based income grew by 56.61% to Rs.495.40 crores (previous FY Rs.316.33 crores). The Company has reported Profit after Tax (PAT) of Rs.273.25 crores (previous FY Rs.215.43 crores) an increase of 26.84% as compared to previous year. The Total Comprehensive Income of the Company increased by 70.09% to Rs.1,632.25 crores (previous FY Rs.959.66 crores).

Consolidated basis

During the FY 2020-21, the Company has achieved total income of Rs.1,368.31 crores (previous FY Rs.992.15 crores) with YoY growth of 37.91%. The fee based income grew by 45.85% to Rs.1246.80 crores (previous FY Rs.854.84 crores). The Company has reported PAT of Rs.527.10 crores (previous FY Rs.334.49 crores) an increase of 57.58% as compared to previous year. The Total Comprehensive Income of the Company increased by 75.03% to Rs.1,887.13 crores (previous FY Rs.1078.19 crores).

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

SHARE CAPITAL

During the year under review, the issued, subscribed and paid-up equity capital of the Company remained Rs.58.03 crores divided into 5,80,33,711 equity shares having face value of Rs.10/- each. The Company has not issued any further shares or convertible securities.

DIVIDEND

During the year under review, the Board of Directors declared an Interim Dividend of Rs.20/- per equity share on the issued and paid-up equity share capital (5,80,33,711 Equity shares of Rs.10/- each) aggregating to Rs.116.07 crores to existing shareholders. The payment of Interim Dividend has resulted in net outflow of Rs.107.36 crores (Tax deducted at source Rs.8.70 crores). Directors recommend that Interim Dividend of Rs.20/- per equity share declared be considered as the final dividend for the FY 2020-21.

TRANSFER TO RESERVES BY THE COMPANY

During the year under review, the Company has not transferred any amount to the reserves. The entire amount of profits is retained in the profit and loss account.

CREDIT RATING

The Company continues to reflect the credit strength with high credit ratings assigned by M/s. India Ratings and Research (Ind-Ra) vide its letter dated 19th August 2020 as under:

- i) 'IND AAA/Outlook Stable' to SBICAP Bank Loan for Rs. 4,000 crores;
- ii) 'IND A1+' to SBICAP for issuance of Commercial Paper up to an amount of Rs. 1,000 crores.

REVIEW OF BUSINESS PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

The Company's mission is to provide credible, professional and customer focused world class Project Advisory, Loan Syndication, M&A as well as Investment Banking solutions. Several awards & recognitions received by SBICAP underlines the Company's expertise in the areas concerned.

The performance of the Company during the FY 2020-21 in respect of various business activities are as under:

(I) Merchant Banking & Advisory Activities

(a) Equity Capital Markets Group (ECM)

During the year under review, ECM group has achieved gross fee income of Rs.49.02 crores which emanated from wide spectrum of services across equity products such as Initial Public Offering (IPO), Offer for Sale (OFS), Qualified Institutional Placement (QIP), Rights Issue and Advisory. The ECM Group has raised a total amount of Rs.1,54,636 crores through equity issuances and were associated with many of the marquee transactions which concluded during the FY 2020-21. The Company has booked an underwriting fee income of Rs.46.50 crores in one of its FPO mandates. An indicative list of the key transactions executed during the year include as under:

Directors' Report For The Financial Year 2020-21

IPO Mandates

- 1) Angel Broking Limited (Rs. 600 crores)
- 2) UTI Asset Management Company Limited (Rs. 2,152 crores)
- 3) Mrs. Bectors Food Specialties Limited (Rs. 540 crores)
- 4) Indian Railway Finance Corporation Limited (Rs. 4,633 crores)
- 5) Brookfield India REIT (Rs. 3,800 crores)
- 6) Suryoday Small Finance Bank Limited (Rs. 581 crores)
- 7) Railtel Corporation of India Limited (Rs. 819 crores)
- 8) Kalyan Jewellers India Limited (Rs. 1,175 crores)
- 9) Barbeque Nation Hospitality Limited (Rs. 452 crores)

OFS Mandates

- 1) SBI Life Insurance Company Limited (Rs. 1,559 crores)
- 2) Hindustan Aeronautics Limited (Rs. 4,930 crores)

Rights Issue Mandates

- 1) Reliance Industries Limited (Rs. 53,124 crores)
- 2) Aditya Birla Fashion & Retail Limited (Rs. 995 crores)
- 3) Shriram Transport Finance Co. Limited (Rs. 1,492 crores)
- 4) Mahindra & Mahindra Financial Services Limited (Rs. 3,088 crores)
- 5) L&T Finance Holdings Limited (Rs. 3,000 crores)

QIP Mandates

- 1) Kotak Mahindra Bank Limited (Rs. 7,442 crores)
- 2) Housing Development Finance Corp. Limited (Rs. 17,693 crores)
- 3) Axis Bank Limited (Rs. 10,000 crores)
- 4) ICICI Bank Limited (Rs. 15,000 crores)
- 5) Indiabulls Housing Finance Limited (Rs. 683 crores)
- 6) Credit Access Grameen Limited (Rs. 800 crores)
- 7) Canara Bank (Rs. 2,000 crores)
- 8) IDBI Bank Limited (Rs. 1,435 crores)
- 9) Bank of Baroda (Rs. 4,500 crores)
- 10) Varroc Engineering Limited (Rs. 700 crores)

FPO Mandate

- 1) YES Bank Limited (Rs. 15,000 crores)

Advisory Mandates

- 1) Vedanta Limited
- 2) Power Grid Corporation of India Limited

Directors' Report For The Financial Year 2020-21

The ECM group has taken various other initiatives to enhance the competitive position of the Company as under:

- i) Planned and executed a strategic partnership with Global Investment Bank.
- ii) Set up Dedicated coverage For Private Equity and Financial Sponsors.
- iii) Started Bundling Pre-IPO and IPO solutions resulting in higher quality solutions for clients.
- iv) Focus on Left-Lead roles and Advisory in corporate finance.
- v) Diversification of product suite and fuller range of equity solutions has helped to improve performance.
- vi) Tie-ups with Fintech firms to further strengthen and broaden retail procurement.
- vii) Sectoral Focus to develop a knowledge-based franchise.

(b) Debt Capital Markets Group – (DCM)

During the FY 2020-21, DCM group has had executed 130 NCD issuances (Debt issuances) through private placement basis with an aggregate gross mobilization of Rs. 2,63,868 crores.

Some of the key transactions executed during the year include:

- i) Additional Tier 1 and Tier II bond issuances for various banks including State Bank of India, Indian Bank, Union Bank of India, Canara Bank, etc. with an aggregate gross mobilization of more than Rs. 39,000 crores through multiple tranches;
- ii) Bond issuances of Reliance Industries Limited, Mahanagar Telephone Nigam Limited, LIC Housing Finance Limited, JSW Steel Limited, Mahindra & Mahindra Finance Limited and Larsen & Toubro Limited.

The DCM group was advisor for Bond issuances of Bharat Sanchar Nigam Limited, Oil and Natural Gas Corporation and Rashtriya Chemicals & Fertilizers Limited. In addition to this, also acted as advisor for the InvIT of National Highways Authority of India.

Successfully executed foreign currency bond issuances for State Bank of India and Indian Railway Finance Corporation aggregating to USD 1.35 billion.

The DCM group was entrusted with implementation of the Special Liquidity Scheme ("the Scheme") for NBFCs/ HFCs as a part of Atmanirbhar Bharat initiative of the Prime Minister of India. Government of India has been highly appreciative for the end-to-end execution of the Scheme ensuring highest level of credit assessment and risk management at all stages and at the same time ensuring that the NBFCs/ HFCs were supported adequately.

(c) Project Advisory & Structured Finance Group (PA&SF)

The PA&SF group continued to maintain its leadership position (market share of approx. 41.56%) in the country even amidst an extremely challenging year amid global pandemic situation. PA&SF group earned gross income of Rs. 343.99 crores for the FY 2020-21 (previous FY Rs. 273.53 crores) recording a YoY growth of 25.91%.

The Company booked a fee income of Rs. 219.59 crores in Advisory and Syndication Services. Additionally, the M&A and PE services contributed a fee income of Rs. 104.80 crores for the year.

Some of the marquee deals undertaken during the year include:

- 1) Talcher Fertilizers Ltd. (TFL) – SBICAP syndicated the entire debt amount for TFL Urea Project which is the first Coal Gasification based Fertilizer Unit being set up in India with indigenous Coal as feedstock.
- 2) SJVN Thermal Private Limited (wholly owned subsidiary of SJVN Limited) – SBICAP was appointed as sole debt arranger for 1,320 MW Thermal Power Project being set up by SJVN Thermal Private Limited. The project is of national and strategic importance as it is covered under Government of India's (GoI) National Infrastructure Pipeline and first greenfield thermal project funded by commercial banks/FIs in last 5 years.
- 3) Altico Capital India Limited - SBICAP achieved the first ever resolution of a stressed NBFC outside Insolvency Bankruptcy Code (IBC) wherein the recovery rate for Banks/ NBFCs / MFs/ FPIs was over 70% on the total debt amount under the resolution.
- 4) CG Power & Industrial Solutions Ltd. (CGPISL) – SBICAP was appointed for debt resolution of CGPISL which included acquisition of CGPISL by Tube Investments of India (TIIL) wherein both the target and acquirer were listed entities, with change of control achieved outside CIRP.

Directors' Report For The Financial Year 2020-21

- 5) Oil India Limited (OIL) – SBICAP successfully closed the M&A Merger and Acquisition (M&A) deal for acquisition of 58.50% equity stake of BPCL in Numaligarh Refinery Ltd. (NRL) by consortium of Oil India Ltd. (OIL) and Engineers India Ltd. (EIL), along with transfer of management control to OIL.
- 6) Ministry of Coal (MoC) - SBICAP worked as a transaction advisor to MoC for the first round of auction of coal mines for sale of coal (Commercial Coal Mining in India). One of the largest tranche of coal mines auction in the country with 38 mines on offer, 19 were auctioned successfully.
- 7) Yes Bank Limited (Yes Bank) – SBICAP assisted in reviewing the Yes Bank reconstruction scheme and fund raising through FPO route.

SBICAP has received top rankings from many ranking agencies and awards, the details of which are provided under the section 'Awards & Recognition'.

(II) Income from Securities - Treasury & Investments

Treasury income for the FY 2020-21 was Rs. 57.20 crores as against income of Rs. 69.96 crores in the previous FY. The reduction in income was mainly on account of lower short term interest rates during the current FY as compared to the previous year.

Investment portfolio of the Company mainly comprises of liquid mutual funds and money market mutual fund investments which facilitate DCM Group's down-selling activity. Other investments include Fixed Maturity Plans, Corporate Bond Funds, Income Funds, AIFs and Tax-free PSU bonds.

Overall investment portfolio of the Company yielded an annualized return of 4.52% during the year under review.

SBICAP had committed investments in two Alternate Investment Funds. During the year, partial drawdown has been made towards the AIF investments, namely:

- Stellaris Venture Partners India I (AIF category I) - Total commitment - Rs. 10.00 crores; Partial drawdown – Rs. 7.72 crores and;
- SBI MF Special Situations Fund (AIF Category II) - Total commitment - Rs. 10.00 crores; Partial drawdown – Rs. 6.50 crores.

The said investments are expected to facilitate our engagement and develop understanding of the start-up ecosystem.

(III) Asset Finance

Pursuant to Securities Exchange Board of India (SEBI) directives, the Company has stopped executing fresh Leasing and Hire purchase contract w.e.f. 1st July 1998.

(IV) Partnership with M/s. Investec Capital Services (India) Pvt. Ltd.

The Board of Directors at its meeting held on 20th June 2020 accorded approval to enter partnership with M/s. Investec Capital Services (India) Private Limited (Investec India/ JV) by acquiring minority equity stake in Investec India with a right to acquire majority stake in the next 3 years.

Initially, SBICAP will acquire minority equity stake in the JV Entity by infusing cash up to Rs.55 crores. The transaction also includes demerger of the Institutional Equities business undertaking (valued at Rs.94.50 crores) of SBICAP Securities Ltd. (SSL).

SBICAP and Investec India have signed a Service Agreement (SA) on 15th May 2020 to initiate co-operation between the two entities on ECM transactions. Accordingly, SBICAP and Investec India are jointly executing ECM transactions originated by SBICAP.

Investec India provides institutional equities sales & research services for SBICAP's ECM business apart from carrying out other businesses as per MoU dated 12th March 2020.

(V) Qualitative Performance:

(a) Human Resources:

SBICAP believes that "Human Resource" are its critical intellectual asset which is instrumental in achieving desired goals and nurturing values of the organization. Human Resource function is a business enabling function that partners with the product groups, understand its requirement and closely collaborate with the product groups to accomplish the overall objective of the Company.

Directors' Report For The Financial Year 2020-21

The Human Resource function is focussed on constant upscaling of its talent through various specialised learning and development programmes, encourages employee's participation in industry seminars, workshops and forums. It also plays an important role in development of current and future leaders through leadership development interventions. This caters to building strong leadership pipeline as well as robust succession plan for critical positions in the organization.

Human Resource functions focus in the area of Talent development, Career growth and progression, Benchmarking and implementation of Compensation and Benefits aligned to industry, various engagement interventions etc. have contributed towards attracting, motivating and retaining the best talent as well as creating a robust pipeline of future leaders for the Company. It also plays an important role in nurturing diverse and inclusive work atmosphere.

SBICAP growth pace is competitive even in a highly volatile and demanding market due to the current crisis of COVID-19 pandemic. In order to satisfy the growth and talent requirement of the organization, experienced professionals and budding talent from premier B schools were hired. The entire sourcing, hiring and onboarding process was managed virtually, thus promptly adapting to the current circumstances. This helped in shortening the talent acquisition process resulting in higher productivity of acquired talent in a short time frame. Human Resource function maintained focus on hiring and integrating diverse talent in the organization seamlessly. Human Resource function consistently tries to keep its HR policies/practices competitive and aligned to best industry practices.

(b) Information Technology (IT):

During the year under review, IT group had undertaken various initiatives as part of digital transformation and to improve the overall security posture by implementing various solutions viz. Refresh to Next Generation Firewall with Advanced Persistent Threat, Mobile Device Management, Azure Active Directory and Information protection and End Point security with Data Leakage Protection and Encryption solution. In view of the lockdown on account of COVID-19 pandemic, the Company was able to leverage its IT Assets to facilitate smooth functioning of all business groups from home.

AWARDS & RANKINGS

SBICAP continued to receive top domestic and international awards during the FY 2020-21, prominent among them are as follows:

Awards:

The Asset Triple A Country Awards 2020 for the following:

- Best Loan Adviser (India)
- Best Rights Issue (India) – Reliance Industries USD 7.1 Billion rights offering

The Asset Triple A Infrastructure Awards 2020 for the following:

- Project Finance House
- Petrochemical Deal of the Year – HPCL Rajasthan Refinery USD 4.04 Billion loan facilities

Rankings:

▪ Dealogic

- Ranked No. 2 - India Loans Volume by Mandated Lead Arranger - (Market share of 16.5%, Volume USD 6,552 million)
- Ranked No. 10 - APAC IB Revenue Rankings – Full-Year 2020 - India IB Revenue by Bank - (Market share of 3.3%, Volume USD 17 million)

▪ Bloomberg League Tables

- Ranked No. 1 - APAC Project Finance Loans - Mandated Lead Arranger - (Market share of 6.433%, Volume USD 4,292 million)
- Ranked No. 2 - India Borrower Foreign Currency Loans (Mandated Lead Arranger) - (Market share of 9.786%, Volume USD 1,557 million)

Directors' Report For The Financial Year 2020-21

- Ranked No. 3 - in Domestic Private Placement of Bonds
- Ranked No. 4 - India Announced Deals (Any Involvement)- (Market share of 6.8%, Volume USD 8,001 million)
- Ranked No. 5 - Asia ex-Japan Loans - Mandated Lead Arranger - (Market share of 2.965%, Volume USD 12,335 million)

▪ **Debtwire**

- Ranked No.1 - 2020 India Mandated Lead Arranger - All currencies - (Market share of 22.72%, Volume USD 9,871 million)
- Ranked No.1 - 2020 India Mandated Lead Arranger - Rs. - (Market share of 41.56%, Volume USD 8,245 million)
- Ranked No.2 - 2020 India Mandated Lead Arranger for APAC (ex-Japan) Loans League Table Report 2020 (Market share of 6.89%, Volume USD 1,626 million)
- Ranked No.2 - 2020 India Mandated Lead Arranger - International Currencies - (Market share of 6.89%, Volume USD 1,626 million)
- Ranked No.3 - 2020 South Asia Mandated Lead Arranger for APAC (ex-Japan) Loans League Table Report 2020 (Market share of 6.29%, Volume USD 1,626 million)

▪ **Refinitiv (formerly Thomson Reuters)**

Ranked No.4 - Any Indian Involvement Announced AD60 for Emerging Markets M&A Review Financial Advisors (Market share of 6.7%, Volume USD 5,541 million)

▪ **Prime Database**

Ranked No.2 - Equity issues including issue size and amount for FY 2021.

MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT.

The global economy has been impacted by COVID-19 and the Indian economy is also facing challenges that have arisen due to the same. However, the Company's various business continuity systems have ensured that operations of the Company did not get affected in any material manner.

There were no material changes and commitment affecting the financial position of the Company which have occurred between the end of the financial period to which the Financial Statements relate and the date of this Board Report.

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

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

During the year under review, there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the year under review, there was no instance of one-time settlement with any Bank or Financial Institution.

EXPLANATION OR COMMENTS ON THE QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN HIS REPORT.

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors appointed by the Comptroller & Auditor General of India (CAG) under applicable provisions of the Companies Act, 2013 in their Report on the Audit of the Standalone Financial Statements. The report of the Statutory Auditors forms part of the financial statements.

Directors' Report For The Financial Year 2020-21

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against SBICAP by its officers or employees, the details of which would need to be mentioned in this Board's report.

CONSOLIDATED FINANCIAL STATEMENT

During the FY 2020-21, the Board of Directors of the Company reviewed the business affairs of the subsidiaries. In terms of Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company, which forms part of this Annual Report. Further, a statement containing the salient features of the financial statements of our subsidiaries and associate Company in the prescribed format form AOC-1 is appended as **Annexure - I** to the Board's report. The statement also provides the details of performance and financial position of each of the subsidiaries and associates.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries, are available on our website, www.sbicaps.com. These documents will also be available for inspection during business hours at our registered office in Mumbai, India.

(I) FINANCIAL PERFORMANCE AND POSITION OF WHOLLY OWNED SUBSIDIARIES:

During the year under review, the Company had five Wholly Owned Subsidiaries (WOS), of which three are domestic and two foreign WOS. Details of financial performance and position of WOS are as under:

- 1) SBICAP Securities Ltd.;
- 2) SBICAP Trustee Company Ltd.;
- 3) SBICAP Ventures Ltd.;
- 4) *SBICAP (Singapore) Ltd.;
- 5) **SBICAP (UK) Ltd.

*Approval accorded to surrender the Capital Market Services License issued by Monetary Authority of Singapore and wind up the operations of the Company (Board Resolution dated 25th March 2021).

**Dissolved w.e.f. 29th September 2020.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The performance of the five subsidiaries during the year 2020-21 are as follows:

1. SBICAP Securities Limited (SSL)

SSL, a wholly owned subsidiary of SBICAP, besides offering equity broking services to clients in cash and Futures & Options segments, is also engaged in sales and distribution of other financial products such as Mutual Funds, Tax Free Bonds, Home Loan, Auto Loan, amongst others.

Summary of the audited financial highlights for the financial years 2020-21 and 2019-20 is as under:

(Amount Rs. in crores)

Particulars	2020-2021	2019-2020
Fee-based Income	653.78	481.97
Other Income	19.12	13.98
Gross Income	672.90	495.95
Expenses	395.73	378.72
Profit Before Tax	277.17	117.23
Profit After Tax (PAT)	207.12	84.53

Directors' Report For The Financial Year 2020-21

During the FY 2020-21, SSL has achieved gross income of Rs. 672.90 crores (previous FY Rs.495.95 crores) with YoY growth of 35.68%. SSL reported PAT of Rs.207.12 crores (previous FY Rs.84.53 crores), an increase of 143.84% as compared to the last year. Transfer of Institutional Sales business from SSL to Investec India has also partially helped in improving the profitability. Employees' cost of Institutional Sales team for the FY 2020-21 decreased to Rs.10.08 crores (previous FY Rs.25.42 crores) correspondingly, income from Institutional Sales business for FY 2020-21 decreased to Rs.11.88 crores (previous FY Rs.28.51 crores).

During the year under review, SSL has brought sharp focus on activation of inactive customer base and managed to activate more than 93,000 customers. The total client base in Retail Broking is more than 1.7 million. SSL also increased the Home Loan and Car Loan businesses to 22.21% and 57.15% respectively, across PAN India basis.

New Business Initiatives undertaken during the year.

- **Digital Account Opening:** SSL launched digital account opening in Q2 which helped in scaling up new account acquisition numbers and bringing down average Turn-around time of account opening.
- **Third party products:** SSL implemented culture of cross sell across all channels which helped in achieving cross sell revenue of Rs.27 crores (previous FY Rs.10 crores).
- **Introducing Open Market channel in Retail Broking 'Prime':** SSL has been able to acquire more than 15,000 customers under open market channel 'Prime' and generated revenue of Rs. 6.50 crores from this Channel.

2. SBICAP Trustee Company Limited (STCL)

STCL, a wholly owned subsidiary of SBICAP is registered with SEBI as Debenture Trustee.

STCL acts as a Security Trustee to the Lenders for Corporate and Project Finance Loans, Performs the role of Trustee for the Debentures/Bonds issued by the Corporates and other related services like Share Pledge Trustee, Escrow Trustee etc. It has PAN India presence and operates from Mumbai and six branches located in New Delhi, Ahmedabad, Hyderabad, Bengaluru, Chennai and Kolkata.

Summary of the audited financial highlights for the financial years 2020-21 and 2019-20 is as under:

(Amount Rs. in crores)

Particulars	2020-2021 Audited (As per Ind AS)	2019-2020 Audited
Fee based – Trustee Remuneration Fees	30.30	35.78
Other Income	7.20	7.46
Gross Income	37.50	43.24
Expenses	19.93	15.96
Profit before Tax	17.57	27.27
Profit after Tax (PAT)	12.98	20.52

Due to adoption of Ind AS Accounting Standards during the year 2020-21, previous year figures are not comparable to that extent.

During the FY 2020-21, STCL has achieved gross income of Rs. 37.50 crores (previous FY Rs. 43.24 crores) and reported PAT of Rs. 12.98 crores (previous FY Rs. 20.48 crores).

STCL handled 2,483 assignments and holds securities for loans worth Rs. 35,33,348 crores as on 31.03.2021 on behalf of Lenders and Debenture/Bond holders.

STCL has extended Trusteeship Services for AIFs and InvITs. Recently introduced new products viz. Document Management System (DMS), Virtual Data Room (VDR), Facility Agency Services, Securitization Trusteeship and Ancillary Services to mainly cater to the requirements of Banks, NBFCs and ARCs.

3. SBICAP Ventures Limited (SVL)

SVL, a wholly owned subsidiary of SBICAP acts as the Asset Management Company. SVL is presently managing four funds—(i) NEEV Fund, (ii) SWAMIH Investment Fund I, (iii) SVL-SME Fund and (iv) UK-India Development Co-operation Fund.

Directors' Report For The Financial Year 2020-21

Summary of the audited financial highlights for the financial years 2020-2021 and 2019-2020 is as under:

(Amount Rs. in crores)

Particulars	2020-2021	2019-2020
Fee-Based Income	66.68	25.45
Other Income	13.09	0.36
Gross Income	79.77	25.81
Expenses	29.00	11.18
Profit Before Tax	50.77	14.63
Profit After Tax (PAT)	37.04	11.01

During the year under review, SVL booked a gross income of Rs.79.77 crores (previous FY Rs.25.81 crores) with YoY growth of 204.76% and reported PAT of Rs.37.04 crores (previous FY Rs.11.01 crores) an increase by 236.42%.

4. SBICAP (Singapore) Limited (SSGL)

SSGL, a wholly owned subsidiary of SBICAP is involved in the activity of underwriting and placement of overseas/offshore bonds for Indian Corporates.

Summary of the audited financial highlights for the financial years 2020-21 and 2019-20 is as under:

(Amount Rs. in crores)

Particulars	2020-2021	2019-2020
Fee Income	1.54	3.03
Other Income	0.18	1.65
Gross Income	1.72	4.68
Expenses	5.88	4.22
Profit/(Loss) Before Tax	(4.16)	0.46
Profit/(Loss) After Tax	(4.16)	0.46

During the FY 2020-21, SSGL booked loss of Rs.4.16 crores (previous FY profit of Rs.0.46 crores).

The Board of Directors of SSGL vide circular resolution dated 25th March 2021 accorded approval (i) to surrender the Capital Markets Services License (CMSL) issued by Monetary Authority of Singapore (MAS) and (ii) to wind-up the operations of the Company. Accordingly, MAS has cancelled the CMSL license with effect from 23rd May 2021.

5. SBICAP (UK) Limited (SUL):

Pursuant to the application filed by SUL, the Company House, UK has struck off the name and dissolved SUL w.e.f. 21st September 2020 and 29th September 2020, respectively.

(II) FINANCIAL PERFORMANCE AND POSITION OF ASSOCIATE:

SBI Pension Funds Private Limited (SBIPFPL)

SBIPFPL, an associate Company of SBICAP (holding 20% equity shares of SBIPFPL) acts as the Pension Fund Manager (PFM) to manage the pension corpus under National Pension System (NPS) and Point of Presence (POP) which provides end-to-end digital platform for on-boarding of Corporate and Individual subscriber under NPS schemes.

Directors' Report For The Financial Year 2020-21

Summary of the audited financial highlights for the financial years 2020-21 and 2019-20 is as under:

(Amount Rs. in crores)

Particulars	2020-2021	2019-2020
Fee Income	19.69	14.50
Other Income	1.52	2.41
Gross Income	21.21	16.92
Expenses	16.57	13.84
Profit Before Tax	4.64	3.08
Profit After Tax (PAT)	3.44	2.28

During the year under review, SBIPFPL booked a gross income of Rs. 21.21 crores (previous FY Rs. 16.92 crores) with YoY growth of 25.32% and reported PAT of Rs. 3.44 crores (previous FY Rs. 2.28 crores) an increase by 50.91%. The total Assets Under Management (AUM) of SBIPFPL as on 31st March 2021 was Rs. 2,22,615.34 crores (YoY growth of 39.00%) against Rs. 1,60,491.55 crores as on 31st March 2020.

DIRECTORS

As on 31st March 2021, the Board of Directors of the Company comprised eight Directors of which six are SBI Nominee Directors, one Non-Executive Independent Director and one Non-Executive Director whose office is liable to retire by rotation. The composition of Board of the Directors is as under. Brief profile of the Directors is appended in the Corporate Governance Report which forms part of the Board report:

- 1) Shri. Dinesh Kumar Khara, Non-Executive Nominee Director, Chairman
- 2) Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director
- 3) Smt. Bharati Rao, Non-Executive Nominee Director
- 4) Shri. T. L. Palani Kumar, Non-Executive Director
- 5) Shri. Sharad Sharma, Non-Executive Nominee Director
- 6) Shri. Ananth Narayan Gopalakrishnan, Non-Executive Independent Director
- 7) Shri. Arun Mehta, Managing Director & Chief Executive Officer; and
- 8) Shri. Ramanathan Viswanathan, Whole-time Director.

Appointments / Resignations changes from the Board of Directors:

Following changes took place among the Board of Directors of the Company as on the date of this Board report:

A) Appointment of Directors

Sl. No.	Name of the Director	Appointment	Date
1.	Shri. Ramanathan Viswanathan, Whole-time Director	Appointment	27 th May 2020
2.	Shri. Nilesch Vikamsey, Non-Executive Independent Director	Appointment	7 th September 2020
3.	Shri. Ashwani Bhatia, Non-Executive Nominee Director	Appointment	11 th November 2020
4.	Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director	Appointment	24 th February 2021
5.	Shri. Dalip Kumar Kaul, Non-Executive Independent Director	Appointment	7 th June 2021
6.	Shri. BRS Satyanarayana, Whole-time Director	Appointment	29 th June 2021
7.	Shri. Rajeev Krishnan, Additional Non-Executive Director	Appointment	26 th July 2021

Directors' Report For The Financial Year 2020-21

B) Cessation of Directors

Sl. No.	Name of the Director	Cessation	Date
1.	Smt. Uma Shanmukhi Sistla, Whole-time Director	Cessation	22 nd May 2020
2.	Shri. Narayan K Seshadri, Non-Executive Independent Director	Cessation	30 th September 2020
3.	Shri. Rajnish Kumar, Non-Executive Nominee Director, Chairman	Cessation	6 th October 2020
4.	Shri. Nileshe Vikamsey, Non-Executive Independent Director	Cessation	5 th November 2020
5.	Shri. Ashwani Bhatia, Non-Executive Nominee Director	Cessation	24 th February 2021
6.	Shri. Ramanathan Viswanathan, Whole-time Director	Cessation	21 st June 2021

The Board welcomes Shri. Ashwini Kumar Tewari, Shri. Dalip Kumar Kaul and Shri. BRS Satyanarayana on Board and further places on record its deep appreciation to Shri. Rajnish Kumar, Shri. Ashwani Bhatia, Smt. Uma Shanmukhi Sistla, Shri. Ramanathan Viswanathan and Shri. Narayan K. Seshadri for valuable contributions during their tenures as Chairman, Non-Executive Nominee Director, Whole-time Directors and Independent Director of the Company respectively.

Directors retiring by rotation

In terms of Section 152 of the Companies Act, 2013, Shri. T. L. Palani Kumar, Non-Executive Director of the Company retires by rotation from the said position at the ensuing Annual General Meeting.

KEY MANAGERIAL PERSONNEL

Following changes took place among the Key Managerial Personnel (KMP) of the Company as on the date of Board report:

A) Appointment of Key Managerial Personnel

Sl. No.	Name of the KMP and Designation	Appointment	Date
1.	Shri. Ramanathan Viswanathan, Whole-time Director	Appointment	27 th May 2020
2.	Shri. Krishnan Kutty Raghavan, Sr. Vice President & Chief Financial Officer	Appointment	8 th June 2020
3.	Shri. BRS Satyanarayana, Whole-time Director	Appointment	26 th July 2021

B) Cessation of Key Managerial Personnel

Sl. No.	Name of the KMP and Designation	Cessation	Date
1.	Shri. Krishnan Kutty Raghavan, Sr. Vice President & Chief Financial Officer	Cessation	28 th April 2020
2.	Smt. Uma Shanmukhi Sistla, Whole-time Director	Cessation	22 nd May 2020
3.	Shri. Ramanathan Vishwanathan, Whole-time Director	Cessation	21 st June 2021

NUMBER OF MEETINGS OF THE BOARD

The Board met six times during the FY 2020-21. Detailed information on the Board meetings is included in the Report on Corporate Governance, which forms part of this Board Report.

In addition to the Board meetings, the Board Committee meetings were convened at regular intervals. Details of the Board Committee meetings convened are as under:

BOARD COMMITTEES

SBICAP has several Board committees which have been established as a part of the best corporate governance practices and follow the requirements of the relevant provisions of applicable laws and statutes.

Directors' Report For The Financial Year 2020-21

The Company has the following Committees of the Board:

- Committee of Directors
- Audit Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Information Technology Strategy Committee

The composition and Terms of Reference of the above Committees are provided in the Report on Corporate Governance which forms part of this Annual report.

Recommendation of Audit Committee

During the year under review, the various recommendations made by the Audit Committee from time to time were accepted by the Board of Directors.

CORPORATE GOVERNANCE

The Directors' Report on Corporate Governance for the FY 2020-21 is attached as **Annexure 'II'**.

DISCLOSURES OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS

In terms of Section 134 (3)(m) read with Rule 8(3) of the Companies (Accounts) Rule 2014, the following information is furnished:

Conservation of Energy and Technology Absorption

The business activities of SBICAP does not result in any material consumption of energy. However, the Company is committed to continue its efforts towards conservation of energy and technology absorption.

Foreign Exchange Earnings and Outgo

During the year under review, the Company had earned foreign exchange equivalent to Rs.7.25 crores (previous FY Rs.12.98 crores) towards advisory & syndication fees from overseas clients and reimbursement of expenses. The total foreign exchange expended amounts to Rs.0.42 crores (previous FY Rs.2.13 crores) on account of other expenses.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEE

The Company has not given any loans or guarantee except various performance guarantees (issued by State Bank of India) on behalf of the Company aggregating Rs.4.07 crores (previous FY Rs.2.39 crores) in favour of Clients.

The unsecured revolving line of credit (clean OD) for Rs.4,000 crores sanctioned to SBICAP for general corporate purposes by State Bank of India, Overseas Branch (vide Arrangement letter dated 7th July 2020) having validity of twelve months has not been renewed and the Branch has been advised accordingly.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the FY 2020-21 were in the ordinary course of business and at arm's length basis. The particulars of contracts/arrangements entered into by the Company with the related parties, as prescribed in Form no. AOC- 2, is annexed to this Board report as **Annexure 'III'**.

AUDITORS

(a) Statutory Auditors

M/s. Ummed Jain & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company for the FY 2020-21, by the Comptroller & Auditor General of India (CAG), under the provisions of Section 139(5) of the Companies Act, 2013. The Statutory Auditors will hold office till the ensuing 35th Annual General Meeting of the Company.

In terms of Section 139(5) of the Companies Act, 2013, the office of the CAG appoints the Statutory Auditor of the Company. Accordingly, a request has been submitted to the office of CAG for appointment of Statutory Auditors of the Company for FY 2021-22.

Directors' Report For The Financial Year 2020-21

(b) Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. VKMG & Associates LLP., Practicing Company Secretaries as Secretarial Auditors to conduct the Secretarial Audit of the Company for the FY 2020-21. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditors for the FY 2020-21 is annexed to this Board report as **Annexure 'IV'**.

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

Comments of the CAG under Section 143(6)(b) read with Section 129(4) of the Companies Act, 2013 on the Standalone Financial Statements and the Consolidated Financial Statements of the Company for the year ended 31st March 2021 are reproduced as under. Copy of the letter ref.no. GA/CA-I/SBI Capital Markets Ltd/2020-21/50 dated 16th July 2021 is enclosed for reference.

"The preparation of financial statements of SBI Capital Markets Ltd for the year ended 31st March 2021 in accordance with the financial reporting framework prescribed under the Companies Act 2013 (Act) 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 5th May 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of SBI Capital Markets Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act."

PARTICULARS OF EMPLOYEES

In terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the statement containing particulars of employees as required is annexed to this Board report as **Annexure 'V'**.

MAINTENANCE OF COST RECORDS AND COST AUDIT

The maintenance of Cost Records and requirement of Cost Audit have 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 Companies (Auditor's Report) Order, 2018 is not applicable to the Company.

ACCEPTANCE OF DEPOSITS IN TERMS OF CHAPTER V OF COMPANIES ACT, 2013

The Company has not accepted deposits and does not have any unclaimed deposits as on 31st March 2021. Therefore, the provisions of the clause 3(v) of the Companies (Auditor's Report) Order, 2018 are not applicable to the Company.

ANNUAL RETURN

Pursuant to the applicable provisions of the Companies Act, 2013 and in accordance with Rule 12 sub-rule (1) of the Companies (Management and Administration) Amendment Rules, 2020 effective from 28th August 2020, annual return as referred in Section 92(3) of the Companies Act, 2013 has been placed on the website of the Company and can be accessed at weblink provided below. Further, an extract of Annual Return for the FY ended 31st March 2021 in Form MGT-9 is annexed as **Annexure 'VI'**. https://www.sbicaps.com/wp-content/uploads/2021/08/Form_MGT-7_2020-2021.pdf

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee (NRC) has framed and recommended to the Board, the Nomination and Remuneration Policy which provides criteria for determining qualifications, positive attributes, Independence of a Director, including appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) and other related matters in accordance with the applicable provisions of the Companies Act, 2013.

The NRC Policy was last approved by the Board of Directors at its meeting held on 26th July 2021 which has been placed on the website of the Company, can be accessed at the weblink provided below and also forms part of this Annual Report (Annexed as **'Annexure VII'**). https://www.sbicaps.com/wp-content/uploads/2014/06/SBICAP_NRC_Policy.pdf

Directors' Report For The Financial Year 2020-21

The salient features of the Policy are given below:

1. The Policy was formulated in terms of applicable provisions of the Companies Act, 2013 covering the aspects relating to appointment, removal and remuneration of Directors, KMP and SMP of the Company, performance evaluation of the Board, Board Committees, the Chairman, Individual Directors and Independent Directors etc.
2. The Policy provides an overall framework for constitution of the NRC Committee, its meetings, quorum etc.
3. The Policy provides guidelines with respect to appointment of Executive Directors, Independent Directors, KMP, SMP and fixation of their remuneration.
4. The Policy provides the guidelines relating to performance-based remuneration to Managing Director/Whole-Time Director/KMP and SMP.

PERFORMANCE EVALUATION OF THE BOARD AND BOARD COMMITTEES

Pursuant to the provisions of the Companies Act, 2013 and SEBI Guidance Note on Report of the Board of Directors, the Board has carried out an annual evaluation of its own performance and that of its Committees, the Chairman, Individual Directors and Independent Directors.

The criteria for performance evaluation include the following aspects:

- (i) **Board of Directors** - Composition, shared vision and strategy, Effectiveness of Board processes, Information and functioning etc.
- (ii) **Board Committees** - Composition, Effectiveness of Committee meetings etc.
- (iii) **Individual Directors** - Acting Independently in the best interests of the Company, contribution to the Board and Board Committee meetings viz. devoting sufficient time, role and responsibilities and playing an active role in the activities of each committee on which he/she serves etc.

The performance of the Board, Board Committees and Individual Directors were evaluated by the Board after seeking inputs from all the Directors and respective Committee Members.

The summary of performance evaluation was noted by NRC and the Board of Directors at its respective meetings held on 5th May 2021.

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted CSR Committee. The CSR Policy of the Company was approved by the Board of Directors at its meeting held on 05th May 2021. The same has been placed on the website of the Company. It can be accessed at weblink provided below and also forms part of this Annual Report (As **Annexure - VIII**) https://www.sbicans.com/wp-content/files/SBICAP_Corporate_Social_Responsibility_CSR_Policy.pdf

In terms of CSR Amendments Rules, 2021 and Section 135 of the Companies Act, 2013 effective from 22nd January 2021, the prescribed CSR Annual Report forms part of Corporate Governance Report (**Annexure - II**) under the heading Corporate Social Responsibility Committee (point viii).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- in the preparation of the annual accounts, 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 FY i.e. 31st March 2021 and of the profit 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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors' Report For The Financial Year 2020-21

ACKNOWLEDGEMENT

The Board of Directors would like to express its thanks to SEBI - the Company's Regulator, the Comptroller & Auditor General of India and Reserve Bank of India, for the advices and guidance received. The Board is also grateful to State Bank of India group for providing significant business support, which has been mutually rewarding.

The Board of Directors places on record its appreciation for the valued support from clients for the company, which has been very crucial for its standing in the industry. The Board would also like to thank the investing community, intermediaries in the investment-banking field and the statutory authorities for the co-operation extended from time to time. The Board also places on record its deep appreciation for the dedication and commitment of its employees at all levels and looks forward to their continued contribution in the journey ahead.

For and on behalf of the Board of Directors of SBI Capital Markets Ltd.

Sd/-
(Arun Mehta)
Managing Director & CEO

Sd/-
(Ananth Narayan Gopalakrishnan)
Independent Director

Place: Mumbai,
Date: 26th July 2021

Annexure - I

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(31st March 2021)
(Rs. in Lacs)

Sl. No.	Name of the subsidiary	Date of acquisition of subsidiary	Reporting currency	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets (including Investments)	Total Liabilities (excluding Share Capital and Reserves & Surplus)	Investments included in Total Assets	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of share -holding
1.	SBICAP Securities Limited	19/08/2005	INR	NA	9,687.50	47,016.10	95,863.25	39,159.66	0.10	67,290.46	27,717.32	7,005.28	20,712.04	-	100
2.	SBICAP Trustee Company Limited	28/12/2005	INR	NA	100.00	10,546.86	15,799.55	5,152.70	150.10	3,750.09	1,756.91	458.72	1,298.18	-	100
3.	SBICAP Ventures Limited	10/11/2005	INR	NA	6,038.00	11,979.00	13,967.00	1,988.00	8,737.00	7,977.00	5,077.00	1,373.00	3,704.00	-	100
4.	SBICAP (Singapore) Limited	10/12/2010	SGD	54.3730	6,178.12	(234.49)	6,026.54	82.90	-	171.50	(416.26)	-	(416.26)	-	100

Part B – Associate and Joint Venture

Sl. No.	Name of Associates/ Joint Venture	Date of acquisition of Associate or Joint Venture	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the Company on the year end		Description of how there is significant influence		Reason why the Associate/ Joint Venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit for the year	
				No.	Amount of Investment in Associates/Joint Venture	Extent of Holding%	Extent of Holding%			Considered in Consolidation (Rs. in Lacs)	Not Considered in Consolidation
1	SBI Pension Funds Pvt. Ltd.	14/12/2007	31.03.2021	60,00,000	6,00,00,000.00	20%	20%	-	882.26 Lacs	68.88 Lacs	-

Corporate Governance Report

The principles of Corporate Governance are followed in letter and spirit reflecting our deep belief in such principles and the pedigree of our parent shareholder. For the Company, Corporate Governance is not just an objective in isolation but a means to an end - **"To be the Best India-based Investment Bank"**.

i) Composition of the Board

As on 31st March 2021, the Board of Directors comprised of Eight Directors of which six are SBI Nominee Directors, one Non-Executive Independent Director and one Non-Executive Director (whose office is liable to retire by rotation). Given hereunder is the composition of the Board of Directors along with the brief profiles of the Directors:

1. **Shri. Dinesh Kumar Khara, Non-Executive Director [SBI Nominee]:** Shri. Dinesh Kumar Khara is the Chairman of the country's largest Bank - State Bank of India. Having joined the bank as a Probationary Officer in 1984, he has rich experience in all facets of Banking. Before assuming office as Chairman, Shri. Khara has held several key positions in SBI such as MD (Global Banking & Subsidiaries), MD (Associates & Subsidiaries), MD & CEO (SBI Mutual Fund) 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 subsidiaries of the Bank viz., SBI Cards, SBIMF, 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.

Shri. Khara is a post-graduate in commerce from Delhi School of Economics and an MBA from FMS, New Delhi. He is also a Certified Associate of Indian Institute of Bankers (CAIB). Shri. Khara is passionate about reading and has travelled extensively across the world.

2. **Shri. Ashwini Kumar Tewari, Non-Executive Director [SBI Nominee]:** Shri. Ashwini Kumar Tewari started his career in SBI as a probationary officer in the year 1991. Presently, he is the Managing Director of State Bank of India handling the portfolio of International Banking, Information Technology and 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. 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 assignments for the bank, across various locations in India and abroad. As MD & CEO of SBI Cards, he oversaw key partnerships inked with GPay, Paytm, BPCL etc. and steered the Company through the immediate aftermath of the COVID period.

Earlier, he was the Country Head of the US Operations of State Bank of India from April 2017 to July 2021. This included its offices in New York, Chicago, Los Angeles, Washington DC and Sao Paulo (Brazil). Prior to that he was the Regional Head and General Manager, East Asia for SBI. Based in Hong Kong, he oversaw the business development and control of State Bank of India, in Hong Kong, China, Japan, Korea and the neighbouring region. Over the years, he held other leadership positions at State Bank of India, including, the Deputy General Manager, (Operations & Information Systems), International Banking Group, Mumbai, Head of SBI's Cash Management, Regional Manager, Branch Head, among others.

An electrical engineer by degree, he is a Certified Associate of Indian Institute of Bankers (CAIB), Certified Financial Planner (CFP) and has done a Certificate Course in Management from XLRI. He also served on the Board of International Institute of Bankers, New York, and the Board of University of Washington Global Bankers Program. Philosophy based on the principles of authenticity and bringing about meaningful change keeps him motivated in life. Shri. Tewari is a keen reader, with special interest in Indian history, science fiction and literature and an avid jogger and cricket enthusiast.

3. **Smt. Bharati Rao, Non-Executive Director [SBI Nominee]:** Smt. Bharati Rao has over 44 years of experience in the banking sector. She retired from State Bank of India in October 2008 as Dy. Managing Director & CDO with additional charge of Associate Banks and IBG. Prior to that she was DMD (CCO), SBI. During her tenure with the Bank, she had held various responsible positions. Her 36 years in the Bank have seen a range of assignments both in India and abroad in areas like Commercial Banking, Project Finance, and International Banking. She was Dy. Managing Director & Chief Credit Officer, SBI, Corporate Centre, Mumbai with an additional charge as Dy. Managing Director and Group Executive (Associate Banks) and Dy. Managing Director & CDO at the time of retiring from the Bank's service.
4. **Shri. Ananth Narayan Gopalakrishnan, Non-Executive Independent Director:** Shri. Ananth Narayan Gopalakrishnan is an Associate Professor, Finance at S. P. Jain Institute of Management and Research (SPJIMR) and carries rich experience of 22 years in financial markets trading and sales experience across India, South Asia and ASEAN, in foreign exchange, fixed income, debt capital markets, asset liability management and research. He holds post-graduate Diploma in Management from Indian Institute of Management Lucknow and is a Bachelor of Technology (Electrical Engineering) from Indian Institute of Technology Bombay. He was Regional

Head of Financial Markets, ASEAN & South Asia, Standard Chartered Bank, the Managing Director, Global Rates, South Asia, Deutsche Bank, the Director (Fixed Income & Currencies Trading, India) at Citi Bank. He was member of various committees and working group of RBI and SEBI dealing with Policy and Market Development.

5. **Shri. T. L. Palani Kumar, Non-Executive Director:** Shri. T. L. Palani Kumar has had an outstanding career spanning over 38 years in Marketing, Manufacturing, Operations and Enterprise Leadership of which the last 18 years were as Managing Director/CEO. Shri. T. L. Palani Kumar is a B. Tech (Chemical Engineer) from Indian Institute of Technology, Madras and holds P.G. Diploma, Business Administration from Indian Institute of Management, Ahmedabad. Currently, he has been serving as a Non-Executive, Independent Director on the Boards of reputed Indian Companies and working as a Senior Advisor and Management Consultant to top leadership in Companies, Private Equity Funds, Indian Business Schools and Consulting Organizations. His recent work covers Leadership & Organization Development, Coaching Directors, CEOs and CXOs, Independent Risk Assessment and Corporate Governance, Strategy Refinement & Execution and Operations Improvement.
6. **Shri. Sharad Sharma, Non-Executive Director [SBI Nominee]:** Shri. Sharad Sharma joined State Bank of India as a Probationary Officer in 1977 and has 41 years of wide ranging experience in various areas of banking sector. He holds a Bachelor's degree in Arts. During his long and illustrious career with the Bank spanning 41 years he handled many challenging assignments which include Managing Director, State Bank of Mysore, Chief General Manager, Chennai Circle SBI, Chief General Manager Risk Management, Corporate Centre, Mumbai, General Manager Global Market, Unit Kolkata, General Manager Network-II New Delhi, General Manager Network-II, Mumbai and General Manager Project Finance CAG-Mumbai.
7. **Shri. Arun Mehta, Managing Director & Chief Executive Officer:** Shri. Arun Mehta has over 36 years' experience in banking, having started his career with SBI in 1985. Shri. Mehta has handled various assignments both in India and overseas, across various functions, gaining wide experience in different areas of Banking. His assignments include Vice President (Syndication & Investment) at Hong Kong, Dy. General Manager (Merchant Banking) in International Banking Group handling ECBs, FCTLs and Loan Syndication, General Manager- Mid Corporate Group, Ahmedabad responsible for the State of Gujarat as also Diu and Daman and Chief General Manager, Financial Control in the CFO vertical. Shri. Mehta is a post-graduate in Economics and Certified Associate of the Indian Institute of Bankers.
8. **Shri. Ramanathan Viswanathan, Whole-time Director:** Shri. Ramanathan Viswanathan has over 34 years of banking experience, having started his career as a Probationary Officer with State Bank of India in 1987. He has held various positions both in India and overseas, across multiple functions, gaining wide exposure in Commercial and Investment Banking. Prior to assuming charge as President & Chief Operating Officer of SBICAP with effect from 27th May 2020, his roles included Chief General Manager, Commercial Clients Group - South, SBI, Corporate Centre, Mumbai (Sep'18 - May'20), CEO at SBI, New York (2013-18), and Regional Head, SBICAP, Bangalore (Oct'10-Mar'13).

During the period from 1987 to 2010, he had held assignments spanning various facets of Consumer Banking and Credit Management such as Regional Manager (of a Network of Branches), Head of Credit Processing Cell (Mid Corporate Group), Division Manager (Credit), Branch Head, apart from a stint in SBI Tokyo (1994-96). He is a post-graduate in Mathematics and a Certified Associate of the Indian Institute of Bankers; he has also attended Executive Development Programs in IIM Lucknow, ISB Hyderabad and Harvard Business School, Boston.

ii) Tenure

The Chairman, Non-Executive Nominee Directors, Managing Director & CEO and Whole-time Director have been appointed by State Bank of India (SBI) in terms of Article 87 (i) and 87 (ii) of the Articles of Association of the Company.

The Non-Executive Independent Directors were appointed in terms of Section 149 of the Companies Act, 2013. The Company has received declarations from all the Non-Executive Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149 (6) of the Companies Act, 2013. The Non-Executive Independent Directors are not liable to retire by rotation.

iii) Responsibilities

The Board of Directors focuses on reviewing the business operations and the development of business strategies, while the task of reviewing matters such as status of overdues, status of litigations etc., are delegated to Committee of Directors (COD) constituted for the purpose by the Board.

The Board has evolved a Calendar of Reviews, which has identified the various reports/reviews to be submitted on a periodical basis to the Board/COD/Audit Committee and that the said Calendar of Reviews is strictly followed.

iv) Role of the Independent Directors

The Independent Directors play a very crucial role in the Board meetings and their wide experience, expertise and knowledge of economics, finance, capital markets, taxation, accounting, auditing etc., have benefited the Company immensely.

v) Board Meetings

During the year under review, six Board Meetings were held on 27th April 2020, 20th June 2020, 18th July 2020, 7th September 2020, 16th October 2020 and 22nd January 2021.

The attendance record of each Director for the FY 2020-21 at the said Board Meetings is given hereunder:

Name of the Director	Number of Board Meetings held during the year	Number of Board Meetings attended
Shri. Rajnish Kumar, Chairman, Non-Executive Nominee Director (Resigned w.e.f. 06 th October 2020)	6	4
Shri. Dinesh Kumar Khara, Non-Executive Nominee Director (Designated as Chairman w.e.f. 07 th October 2020)	6	6
Smt. Bharati Rao, Non-Executive Nominee Director	6	6
Shri. Narayan K. Seshadri, Non-Executive Independent Director (Resigned w.e.f. 30 th September 2020)	6	4
Shri. Ananth Narayan Gopalakrishnan, Non-Executive Independent Director	6	6
Shri. T. L. Palani Kumar, Non-Executive Director	6	6
Shri. Sharad Sharma, Non-Executive Nominee Director	6	6
Shri. Arun Mehta, Managing Director & CEO	6	6
Smt. Uma Shanmukhi Sistla, Whole-time Director (Resigned w.e.f. 22 nd May 2020)	6	1
Shri. Ramanathan Viswanathan, Whole-time Director (Appointed w.e.f. 27 th May 2020)	6	5
Shri. Ashwani Bhatia, Non-Executive Nominee Director (For the period from 11 th November 2020 to 24 th February 2021)	6	1
Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director (Appointed w.e.f. 24 th February 2021)	NA	NA

vi) Audit Committee

During the year under review, six Audit Committee Meetings were held on 27th April 2020, 20th June 2020, 18th July 2020, 07th September 2020, 16th October 2020 and 22nd January 2021.

Annexure - II

The Terms of Reference of the Audit Committee as well as its role and functions are generally in conformity with the provisions of Companies Act, 2013 and recent Guidance notes issued by the Institute of Chartered Accounts of India.

The composition of the Audit Committee as on FY ended 31st March 2021 and the Terms of Reference is as under:

(a) Composition and Attendance:

Sr. No.	Name of the Director	Number of Audit Committee meetings held during the year	Number of Audit Committee meetings attended during the year
1.	Shri. Dinesh Kumar Khara, Non-Executive Nominee Director (up to 06 th October 2020)	6	4
2.	Shri. Narayan K. Seshadri, Non-Executive Independent Director (up to 30 th September 2020)	6	4
3.	Shri. T. L. Palani Kumar, Non-Executive Director (inducted w.e.f 13 th October 2020)	6	2
4.	Smt. Bharati Rao, Non-Executive Nominee Director	6	6
5.	Shri. Ananth Narayan Gopalakrishnan, Non-Executive Independent Director	6	6
6.	Shri. Ashwani Bhatia, Non-Executive Nominee Director (Period from 11 th November 2020 to 24 th February 2021)	6	1
7.	Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director (Appointed w.e.f. 24 th February 2021)	NA	NA

(b) Terms of Reference of the Audit Committee of Board of the Company

1. Recommend the appointment, remuneration and terms of appointment of the auditors of the Company,
2. Review and monitor the auditor's independence and performance and effectiveness of audit process,
3. Examine the financial statements and auditor's report thereon,
4. Approve transactions of the Company with related parties and any subsequent modifications therein,
5. Scrutinize inter-corporate loans and investments,
6. Verify valuation of undertakings or assets of the Company, wherever it is necessary,
7. Evaluate internal financial controls and risk management systems,
8. Monitor the end use of funds raised through public offers and related matters,
9. Call for the comments of the auditors about internal control systems,
10. Discuss with the auditors before the audit commences about the nature and scope of audit, including the post audit discussion on observations of the auditors to ascertain any area of concern,
11. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true, fair, sufficient and credible.

12. Review with the management, the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of sub- section (2) of section 164 of the Companies Act,2013;
 - b) Any changes in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on exercise of judgment by management;
 - d) Analysis of the effects of alternative GAAP methods on the financial statements;
 - e) Draft audit report and qualifications, if any, therein;
 - f) Significant adjustments made in the financial statements arising out of audit findings;
 - g) Compliance with legal requirements relating to financial statements;
 - h) Disclosure of any related party transaction;
 - i) Disclosure of contingent liabilities;
 - j) The effect of regulatory and accounting initiatives as well as off balance-sheet structures, on the financial statements;
 - k) Company's earnings as well as financial information and earnings guidance, if any, provided to analysts and rating agencies;
 - l) Scrutinize inter-corporate loans and investments.
 - m) Monitor the end use of funds raised through public offers and related matters,
 - n) Discussion with internal auditors of any significant findings and follow up thereon.
 - o) To recommend to the Board for appointment of Chief Financial Officer, consequent upon recommendation from Nomination & Remuneration Committee (i.e. the person heading the Accounts and Audit function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Discuss any issues related to the financial statements with the internal and statutory auditors and the management of the Company,
14. Review with the management, the quarterly financial statements before submission to the Board for approval.
15. Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
16. Review the adequacy of inspection and audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
17. Discuss with the internal auditors of any significant findings and follow-up thereon.
18. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
19. Look into the reasons for substantial defaults in the payment to the depositors, debentures holders, shareholders (in case of non-payments of declared dividends) and creditors.
20. Review the functioning of the Whistle Blower Mechanism and oversee the Vigil Mechanism.
21. Focus on Follow-up of Inter Branch/RO adjustment accounts, unreconciled long outstanding entries, arrears in balancing books at branches/ROs, frauds and all major areas of housekeeping.
22. Review the financial statements of the subsidiaries.

23. Approve any payment to Statutory Auditors for any other service rendered by the Statutory Auditors.

24. Insider Trading

To take adequate steps, approve and recommend to the Board the policies in relation to the implementation of the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices and to supervise implementation of the Code.

25. Fraud

Responsible for handling frauds involving such amounts as the Board may decide. It shall periodically review with the senior management the various anti-fraud measures and controls implemented. The Audit Committee shall also suitably follow-up/lay down report back procedures for frauds which have been brought to its attention. It shall also ensure that proper action is taken against perpetrators of fraud.

26. Reporting to the Board of Directors

The Audit Committee shall submit to the Board:

- Quarterly /Annual financial statement after reviewing the same with the management;
- Management discussion and analysis of financial condition and results of operations after its review;
- Findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or a failure of internal control system of a material nature after its review;
- To recommend the appointment, remuneration and terms of appointment of the statutory auditors and fixation of their fees.
- Appointment, removal and terms of remuneration of the Internal auditor after review.

The Annual Report of the Company shall disclose the composition of the Audit Committee, brief description of the scope of the Audit Committee Charter, names of members, Chairperson, meetings and attendance.

Mandatory review of the following information:

- Management discussion and analysis of financial condition and result of operations.
- Statement of significant related party transactions (as defined by the audit committee) submitted by management.
- Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- Internal Audit Reports relating to internal control weaknesses.

Compliance with regulatory requirements and Policies

Keeping a check on the compliance with regulatory requirements is another important responsibility of the Audit Committee. The Committee shall periodically actively participate and take charge of the following:

Sr. No.	Particulars	Yes / No
1.	Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.	
2.	Review the findings of any examinations by regulatory agencies, and any auditor observations.	
3.	Review the process of communicating the Code of Conduct to employees and the mechanism for its adherence	
4.	Review the report of the Monitoring Agency appointed by the Company, to monitor the utilization of proceeds of such public / rights issue and make appropriate recommendations to the Board.	
5.	Obtain regular updates from management and company legal counsel regarding compliance matters.	
6.	Review the valuation of undertakings or assets of the Company, wherever it is necessary.	

vii) Nomination and Remuneration Committee (NRC).

During the year under review, five NRC Meetings were held on 27th April 2020, 20th June 2020, 18th July 2020, 07th September 2020 and 22nd January, 2021.

The composition of the NRC as on FY ended 31st March 2021 and the Terms of Reference is as under:

a) Composition of the NRC, Attendance and Terms of Reference is as under:

Sr. No.	Name of the Director	Number of NRC meetings held during the year	Number of NRC meetings attended during the year
1.	Shri. Dinesh Kumar Khara, Non-Executive Nominee Director (up to 06 th October 2020)	5	4
2.	Shri. Narayan K. Seshadri, Non-Executive Independent Director (up to 30 th September 2020)	5	4
3.	Shri. T.L. Palani Kumar, Non-Executive Director (inducted w.e.f. 13 th October 2020)	5	1
4.	Smt. Bharati Rao, Non-Executive Nominee Director	5	5
5.	Shri. Ananth Narayan Gopalakrishnan, Non-Executive Independent Director	5	5
6.	Shri. Ashwani Bhatia, Non-Executive Nominee Director (Period from 11 th November 2020 to 24 th February 2021)	5	1
7.	Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director (Appointed w.e.f. 24 th February 2021)	NA	NA

b) Terms of Reference of NRC:

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
- Recommend to the Board their appointment and removal;
- To take note or approve the appointment of Directors, Senior Management Personnel (SMP) and Key Managerial Personnel (KMP) and such other officials as may be prescribed and recommend to the Board their appointment and removal;
- Carry out evaluation of every Director;
- Formulate the criteria for determining qualifications, positive attributes and Independence of a Director;
- Recommend to the Board, a Policy relating to the remuneration for the Directors, KMP and other employees as finalized by the management of SBICAP;
- While formulating the Policy, ensure that:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - Remuneration to Directors, KMP and SMP involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

8. To determine and review the pay, compensation structure, performance linked bonus scheme and to frame other policies related to pay & compensation for all the employees of the Company; the promotion policies; and put up the recommendations to the Board for its approval, etc.

viii) Corporate Social Responsibility Committee (CSR)

During the year under review, four CSR Meetings were held on 27th April 2020, 18th July 2020, 16th October 2020 and 22nd January 2021.

The Terms of Reference of the CSR as well as its role and functions are generally in conformity with the provisions of Companies Act, 2013.

The composition of the CSR (as on FY ended 31st March 2021) and Terms of Reference is as under:

a) Composition of CSR

Sr. No.	Name of the Director
1.	Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director (Appointed w.e.f. 24 th February 2021)
2.	Shri. T. L. Palani Kumar, Non-Executive Director (Appointed w.e.f. 13 th October 2020)
3.	Smt. Bharati Rao, Non-Executive Nominee Director
4.	Shri. Arun Mehta, Managing Director & CEO

b) Terms of Reference of CSR

- i) To formulate, review and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;
- ii) To review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- iii) To monitor the CSR Policy implementation of the Company from time to time;
- iv) To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
- v) Any other matter as the CSR may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

Annual CSR Report included in Board's Report as prescribed in Companies (CSR) Rules, 2014.

1. Brief outline on CSR Policy of the Company:

The CSR Policy of the Company (Policy) is continuing commitment to behave ethically and contribute to economic development while improving the quality of life of the local community and society at large. The Policy underscores the dictum of SBICAP being a 'responsible corporate citizen' guided by its Board and CSR Committee in its' solemn duty to reach out and support the less fortunate and underprivileged sections of the society. The Policy is meant to guide the Company and its employees to actively follow, understand and contribute to social causes, to remove indisputable social and developmental lacunae and to promote self and community development. While the Company undertakes its CSR activities as specified under Schedule VII of the Companies Act, covering eligible CSR activities, some of the major focus areas under its CSR include healthcare, poverty alleviation and relief efforts, education and livelihood initiatives especially for marginalized communities.

The Policy approved by SBICAP Board (recommended by CSR) forms part of Board Report as **Annexure 'VIII'**.

2. Composition of CSR and attendance:

Sl. 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.	Shri. Dinesh Kumar Khara (up to 06 th October 2020)	Non-Executive Nominee Director	4	2
2.	Shri. Narayan K. Seshadri (up to 30 th September 2020)	Non-Executive Independent Director	4	2
3.	Shri. Ashwani Bhatia, (Period from 11 th November 2020 to 24 th February 2021)	Non-Executive Nominee Director	4	1
4.	Shri. T. L. Palani Kumar (inducted w.e.f 13 th October 2020)	Non-Executive Director	4	2
5.	Smt. Bharati Rao	Non-Executive Nominee Director	4	4
6.	Shri. Arun Mehta	Managing Director & CEO	4	4
7.	Shri. Ashwini Kumar Tewari (Appointed w.e.f 24 th February 2021)	Non-Executive Nominee Director	NA	NA

3. Details of the web-link providing the composition of CSR committee, CSR Policy and CSR projects approved by the Board as disclosed on the website of the Company is as under:

<https://www.sbicans.com/index.php/corporate-social-responsibility/>

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): Not Applicable
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
6. Average net profit of the Company as per section 135(5): Rs. 27,961.95 lacs
7. (a) Two percent of average net profit of the Company as per section 135(5): Rs. 5,59,24,000/-
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year: Nil
8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	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
₹ 5,62,93,258/-	NIL	NA	NA	NA	NA

Annexure - II

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 Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1	Prarambik Bhasha Shikshan Karyakram	Promoting education, skills especially among children, women, elderly including special education and employment enhancing vocation and the differently abled and livelihood enhancement projects	No	Haryana	Ambala	3 years	2,85,00,000/-	1,00,00,000/-	Nil	No	SBI Foundation	CSR00001456

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 Rs.)	Mode of implementation Direct (Yes/No)	Mode of implementation- Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Provision of meals to the underprivileged affected by the COVID-19 pandemic & lockdown	Eradicating hunger, poverty and malnutrition	No	Nationwide	N/A	25,00,000/-	No	The Akshaya Patra Foundation	CSR000000286
2	Provision of meals to migrant workers, daily wagers and underprivileged	Eradicating hunger, poverty and malnutrition	Yes	Maharashtra	Mumbai	30,00,000/-	No	Ratna Nidhi Charitable Trust	CSR000000064
3	Provision of meals to migrant workers travelling out of Mumbai from outstation train terminals during the nationwide lockdown period.	Eradicating hunger, poverty and malnutrition	Yes	Maharashtra	Mumbai	25,00,000/-	No	Project Mumbai	N/A

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 Rs.)	Mode of implementation Direct (Yes/No)	Mode of implementation- Through Implementing Agency	
				State	District			Name	CSR Registration Number
4	Restoring infrastructure damaged due to cyclone 'Nisarg' in Zilla Parishad (ZP) schools.	<ul style="list-style-type: none"> Promoting education Disaster management, including relief, rehabilitation and reconstruction activities. Rural development projects 	No	Maharashtra	Raigad	3, 79, 955/-	No	Swades Foundation	CSR000000440
5	Setting up 'First Line Treatment Centers' (FLTCs) with a total of 125 beds across 4 hospitals.	Disaster management, including relief, rehabilitation and reconstruction activities	No	Maharashtra	Pune	34, 82, 000/-	No	Habitat for Humanity India Trust	CSR000000402
6	Changing lives through audiological, therapeutic sessions with good quality hearing aids and cochlear implants for profoundly deaf children.	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	26, 76, 240/-	No	Save The Children India	CSR000000158
7	Refurbishment of 5 Primary Health Centers (PHCs).	Promoting health care including preventive health care	No	Maharashtra	Raigad	93, 52, 200/-	No	Concern India Foundation	CSR000000898
8	Provision of requisite medical equipment in 4 government hospitals.	Promoting health care including preventive health care	No	Maharashtra	Mumbai, Pune & Jalna	86, 58, 718/-	No	Collective Good Foundation	CSR000001648
9	CSR grant for completion of an annex, multi-purpose building for blind students.	Promoting education, including special education and employment enhancing vocation skills especially among children and the differently abled	Yes	West Bengal	Kolkata	28, 12, 761/-	No	Ramakrishna Mission Blind Boys' Academy	CSR0000006101
10	Provision of 3 mobile vans along with required medical and other equipment to implement Urban Eye Health Programme (UEHP) for under-privileged.	Promoting health care including preventive health care	Yes	Maharashtra West Bengal Tamil Nadu	Pune Kolkata Chennai	86, 59, 554/-	No	Royal Commonwealth Society for the Blind (Sightsavers India)	CSR000001381
11	Provision of equipment for setting up of a geriatric care unit along with an ambulance vehicle for a 'Healthy Ageing' programme which focuses on building an age friendly ecosystem for the elderly population.	Setting up old age homes, daycare centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	No	Maharashtra	Pune	22, 71, 830/-	No	Society of Community Health Oriented Operational Links	CSR000001624

Annexure - II

- (d) Amount spent in Administrative Overheads: **NIL**
- (e) Amount spent on Impact Assessment, if applicable: **NIL**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 5,62,93,258/-**
- (g) Excess amount for set off, if any: **NIL**

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	5,59,24,000
(ii)	Total amount spent for the financial year	5,62,93,258
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,69, 258
(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)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**
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): **NIL**
- (a) Date of creation or acquisition of the capital asset(s): **NIL**
- (b) Amount of CSR spent for creation or acquisition of capital Asset: **NIL**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **NIL**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**
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): **Not Applicable**

For and on behalf of the Board of Directors of SBI Capital Markets Ltd.

Sd/-
Dalip Kumar Kaul
(Chairman - CSR committee)

Sd/-
Arun Mehta
(Managing Director & CEO)

Place: Mumbai,
Date: 26th July 2021

ix) Statement in Respect of Adequacy of Internal Financial Control

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

x) Strengthening of the compliance system

The Company has set in place an effective system to ensure compliance with all the applicable Laws/Statutes and the same is monitored by the Compliance & Risk Management Department. Further the Company has complied with the requirements of Secretarial Standards as prescribed under the Companies Act, 2013.

xi) Statement regarding Risk Policy in terms of Section 134(3n)

The Company has put in place a risk policy viz. Integrated Risk Management Policy (IRMP). The IRMP has been adopted for implementation with a view to achieve the following objectives, which are consistent with the Company's overall business goals and strategies.

- To develop a common understanding of risks and to create risk awareness across the multiple functions so as to be able to manage risks on an enterprise-wide basis.
- To establish clear accountability and ownership of risks.
- To clearly identify risks and document major threats.
- Facilitate regulatory compliances
- To decide upon risk mitigating measures
- To integrate into the culture of the organization.

xii) Disclosure of Vigil Mechanism

SBICAP has in conformity to the Company's Policy to pursue and establish good corporate governance practices formulated the 'Whistle Blower Policy' and the Policy on Fraud Risk Management. The Whistle Blower Policy provides a mechanism to the employees of the Company for reporting instances of unethical conduct, actual or suspected fraud or violation of the Policies, Manuals and Code of Conduct of the Company to the Managing Director & CEO or the Chairman of Audit Committee or any member of Audit Committee as the case may be. Protected Disclosures should preferably be reported in writing as soon as possible after the whistle blower becomes aware of relevant matter. The Fraud Risk Management Policy objective is to prevent, detect and monitor the fraud risks in the Company. The Policy lays down effective mechanisms to achieve the objective.

xiii) Compliance with SEBI 's Prohibition of Insider Trading Regulations

With a view to prevent insider trading, the Employees Securities Trading Code has been formulated in conformity with the SEBI (Prohibition of Insider Trading) Regulations, 2015, to regulate, monitor and report trading in securities by all the employees of the Company. Compliance with the Code is monitored by the Compliance Officer, VP (Compliance & Risk Management).

xiv) Directors are duly qualified to act as such

As per the declarations submitted to the Company, all the Directors are duly qualified to act as such and none of them is disqualified under section 164 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014. This aspect has also been verified by the Statutory Auditors of the Company and confirmed by the Secretarial Auditors of the Company.

xv) Policy on Sexual Harassment of Women at Workplace

The Company has constituted an Internal Committee (IC) to consider and resolve all sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has put in place a Policy as mandated under the said Act and we did not receive any complaint during the financial year 2020 - 2021, under the said Policy of the Company.

Annexure - II

xvi) Arm's Length Policy:

The Company has put in place Arm's Length Policy keeping in view the provisions of the Companies Act, 2013, Accounting Standard 18, the Income Tax Act and the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is available on the website of the Company.

DECLARATION

I confirm that all Board Members and Senior Management have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March 2021.

Sd/-
Arun Mehta
Managing Director & CEO

Place: Mumbai
Date : 26th July 2021

Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act 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 arms-length transactions under third proviso thereto.

1) Details of Contracts or Arrangements or Transactions not at Arm's Length Basis: Not Applicable

- (a) Name(s) of the Related Party and nature of relationship: NIL
- (b) Nature of Contracts/Arrangements/Transactions: NIL
- (c) Duration of the Contracts/Arrangements/Transactions: NIL
- (d) Salient terms of the Contracts or Arrangements or Transactions including the value, if any: NIL
- (e) Justification for entering into such Contracts or Arrangements or Transactions: NIL
- (f) Date(s) of approval by the Board: NIL
- (g) Amount paid as advances, if any: NIL
- (h) Date on which the Special Resolution was passed in General Meeting as required under first provision to Section 188 of the Companies Act, 2013: NIL

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

- (a) Name(s) of the related party and nature of relationship

The following is the list of parties related due to control criteria as per Ind AS-24, Related Party Disclosure:

Name of the Party	Relationship
State Bank of India	Holding Company
SBICAP Securities Limited	Subsidiary Company
SBICAP Ventures Limited	Subsidiary Company
SBICAP Trustee Company Limited	Subsidiary Company
SBICAP (Singapore) Limited	Subsidiary Company
SBICAP (UK) Limited (Dissolved w.e.f. 29 th September 2020)	Subsidiary Company
Other related parties where transactions have occurred during the year	
SBI DFHI Limited	Fellow Subsidiary
SBI Funds Management Private Limited	Fellow Subsidiary
SBI Life Insurance Company Limited	Fellow Subsidiary
SBI Cards & Payment Services Limited	Fellow Subsidiary
SBI General Insurance Co. Limited	Fellow Subsidiary
SBI Foundation	Fellow Subsidiary
State Bank of India Servicos Limitada, Brazil	Fellow Subsidiary
SBI Home Finance Limited	Fellow Subsidiary
SBI Pension Funds Private Limited	Associate Company
SBICAPS Employee's Provident Fund	Staff Welfare Fund
SLS Trust	Sponsor of Trust
Shri. Arun Mehta (from 21 st January 2020 onwards)	Managing Director & CEO

Annexure - III

Name of the Party	Relationship
Shri. Sanjiv Chadha (from 21 st February 2019 to 20 th January 2020)	Managing Director & CEO
Smt. Uma Shanmukhi Sistla (from 12 th July 2018 to 22 nd May 2020)	Whole-time Director
Shri. Ramanathan Viswanathan (from 27 th May 2020)	Whole-time Director
Shri. Narayan K. Seshadri (upto 30 th September 2020)	Non-Executive Independent Director
Shri. Ananth Narayan Gopalakrishnan	Non-Executive Independent Director
Smt. Bharati Rao	Non-Executive Director
Shri. T. L. Palani Kumar	Non-Executive Director
Shri. Sharad Sharma	Non-Executive Director
Shri. Krishnan Kutty Raghavan, SVP & CFO	Key Managerial Personnel
Shri. Amit Shah, Company Secretary	Key Managerial Personnel

- (b) Nature of Contracts/Arrangements/Transactions: Details as per appended table in point no. (g).
- (c) Duration of the Contracts/Arrangements/Transactions: Ongoing basis
- (d) Salient terms of the Contracts or Arrangements or Transactions including the value, if any: Not Applicable.
- (e) Date(s) of approval by the Board: Omnibus Approval accorded on 27th April 2020 and specific approvals stated wherever applicable.
- (f) Amount paid as advances, if any: NIL
- (g) **Details of Transactions with the above related parties are as under:**

(Amount Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associate		Name of the Directors	
(For the FY ended)	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Income during the year ended								
Issue Management Fees	2,333	-						
SBI Cards and Payment Services Limited	-	-	-	-	-	643	-	-
Arranger Fees	-	695	-	-	-	-	-	-
SBI Cards and Payment Services Limited	-	-	-	-	-	25	-	-
Advisory fees	7,958	7,172	-	-	-	-	-	-
SLS Trust	878	-	-	-	-	-	-	-
Interest Income	244	21	-	-	-	-	-	-
SBI Cards and Payment Services Limited	-	-	-	-	-	116	-	-
Net Profit on sale of securities								
SBI Cards and Payment Services Limited	-	-	-	-	-	65	-	-
Rent Income								
(Board approval 22nd January 2021)								
SBICAP Securities Limited	-	-	926	1,239	-	-	-	-
SBICAP Ventures Limited	-	-	122	-	-	-	-	-
Dividend received								
SBI DFHI Limited	-	-	-	-	268	60	-	-

Annexure - III

(Amount Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associate		Name of the Directors	
(For the FY ended)	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Miscellaneous Income								
SBICAP Securities Limited	-	-	-	2	-	-	-	-
Expenses during the year ended								
Deputation of Employees#	315	288	-	-	-	-	-	-
Ex-gratia paid								
Shri. Arun Mehta	-	-	-	-	-	-	4	4
Shri. Sanjiv Chadha	-	-	-	-	-	-	11	12
Smt. Uma Shanmukhi Sistla	-	-	-	-	-	-	15	9
Director's Sitting Fees								
Smt. Bharati Rao	-	-	-	-	-	-	11	6
Shri. T. L. Palani Kumar	-	-	-	-	-	-	8	4
Shri. Sharad Sharma	-	-	-	-	-	-	4	2
Shri. Narayan K. Seshadri	-	-	-	-	-	-	6	7
Shri. Ananth Narayan Gopalakrishnan	-	-	-	-	-	-	8	5
Interest Expenses	2,132	-	-	-	-	-	-	-
Other Borrowing cost	8	20	-	-	-	-	-	-
Fees & Commission								
SBICAP Securities Limited	-	-	31	753	-	-	-	-
Royalty Expense	431	336	-	-	-	-	-	-
Insurance Expense								
SBI Life Insurance Company Limited	-	-	-	-	24	18	-	-
SBI General Insurance Company Limited	-	-	-	-	93	87	-	-
Loss on disposal of subsidiary								
SBICAP (UK) Limited	-	-	-	232	-	-	-	-
Rent Expense	65	58	-	-	-	-	-	-
SBI Funds Management Pvt Limited	-	-	-	-	4	-	-	-
Brokerage Expenses								
SBICAP Securities Limited	-	-	64	13	-	-	-	-
Contribution towards CSR								
SBI Foundation	-	-	-	-	100	470	-	-
Bank & Other Charges	3	5	-	-	-	-	-	-
SBICAP Securities Limited	-	-	0*	0*	-	-	-	-
SBICAP Trustee Company Limited	-	-	0*	0*	-	-	-	-
SBI DFHI Limited	-	-	0*	-	-	-	-	-
Business Promotion Expenses	-	-	-	-	-	-	-	-
SBICAP (UK) Limited	-	-	-	10	-	-	-	-

Annexure - III

(Amount Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associate		Name of the Directors	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
(For the FY ended)								
SBICAP Singapore Limited	-	-	-	4	-	-	-	-
Bad Debts written off	171	103	-	-	-	-	-	-
Other expenses	1	1	-	-	-	-	-	-
SBICAP Securities Limited	-	-	3	-	-	-	-	-
SBICAP Trustee Company Limited	-	-	0*	0*	-	-	-	-
SBI Cards and Payment Services Limited	-	-	-	-	-	0*	-	-
Balance Sheet Items:								
Share Capital	5,803	5,803	-	-	-	-	-	-
Balance payable								
Payables	12	-	-	-	-	-	-	-
SBICAP Securities Limited	-	-	27	672	-	-	-	-
SBICAP Trustee Company Limited	-	-	0*	0*	-	-	-	-
SBI General Insurance Company Limited	-	-	-	-	0*	0*	-	-
SBI Funds Management Pvt. Limited	-	-	-	-	2	-	-	-
SBI Life Insurance Company Limited	-	-	-	-	2	-	-	-
Advance received from Customers	25	15	-	-	-	-	-	-
Balance receivable								
Bank Balance	1,333	1,427	-	-	-	-	-	-
Deposit with Banks	482	5,301	-	-	-	-	-	-
Receivables	373	643	-	-	-	-	-	-
SBICAP Securities Limited	-	-	-	26	-	-	-	-
SBICAP Trustee Company Limited	-	-	-	1	-	-	-	-
SBICAP Ventures Limited	-	-	5	3	-	-	-	-
SBI Cards and Payment Services Limited	-	-	-	-	-	759	-	-
Investments								
SBICAP Securities Limited	-	-	12,500	12,500	-	-	-	-
SBICAP Ventures Limited	-	-	6,038	6,038	-	-	-	-
SBICAP Trustee Company Limited	-	-	5	5	-	-	-	-
SBICAP UK Limited	-	-	-	-	-	-	-	-
SBICAP Singapore Limited	-	-	5,941	6,019	-	-	-	-
SBI Pension Funds Private Limited	-	-	-	-	600	600	-	-
SBI DFHI Limited	-	-	-	-	7,889	2,869	-	-
SBICAP Home Finance Limited®	-	-	-	-	-	-	-	-
SBI Foundation	-	-	-	-	1	0*	-	-
State Bank of India Servicos Limitada Brazil®	-	-	-	-	-	-	-	-
Accrued interest on Deposit with Banks	43	33	-	-	-	-	-	-

(Amount Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associate		Name of the Directors	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
(For the FY ended)								
Other transactions during the year ended	-	-	-	-	-	-	-	-
Investments in equity shares of subsidiary								
SBICAP Ventures Limited	-	-	-	1,040	-	-	-	-
SBICAP (UK) Limited	-	-	-	177	-	-	-	-
Dividends paid	11,607	-	-	-	-	-	-	-
Winding up of Company								
SBICAP (UK) Limited	-	-	-	349	-	-	-	-
Investment in Bonds								
SBI Cards and Payment Services Limited\$	-	-	-	-	-	82,500	-	-
Sale of securities	1,70,072	1,20,015	-	-	-	-	-	-
SBI General Insurance Company Limited	-	-	-	-	32,592	50,028	-	-
SBI DFHI Limited	-	-	-	-	36,515	75,202	-	-
SBI Life Insurance Company Limited	-	-	-	-	1,00,575	89,058	-	-
SBI Funds Management Private Limited	-	-	-	-	70,052	40,015	-	-
Guarantees	407	239	-	-	-	-	-	-
Borrowings availed	1,07,000	-	-	-	-	-	-	-
Borrowings repaid	1,07,000	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-
SBICAP Ventures Limited	-	-	3	-	-	-	-	-
Expenses shared	44	37	-	-	-	-	-	-
SBICAP Securities Limited	-	-	108	127	-	-	-	-
SBICAP Ventures Limited	-	-	63	19	-	-	-	-
SBICAP Trustee Company Limited	-	-	-	2	-	-	-	-

#Included in expenses relating to deputation of employees are amounts aggregating to Rs.99 Lacs (2020: Rs.117 Lacs) pertaining to salaries paid to Key Managerial Personnel. ■ *Represents amount below Rs. 0.50 lacs. ■ @Fully provided ■ \$Outstanding as on 31st March 2021 is Nil (2019-20 – Nil).

- (a) The Company has contributed Rs.914 Lacs (31st March 2020: Rs.722 Lacs) to SBICAPS Employee's Provident Fund during the year.
- (b) The Company has sold Nil securities (31st March 2020: Rs.151 Lacs) to SBICAPS Employee's Provident Fund during the year.

For and on behalf of the Board of Directors of SBI Capital Markets Ltd.

Sd/-
(Arun Mehta)
Managing Director & CEO

Sd/-
(Ananth Narayan Gopalakrishnan)
Independent Director

Place: Mumbai,
Date: 26th July 2021

Form No. MR-3

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

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SBI Capital Markets Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SBI CAPITAL MARKETS LIMITED (hereinafter called the "Company") having its Registered Office at 202, Maker Tower, 'E', 20th Floor, Cuffe Parade, Colaba, Mumbai - 400 005. 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, however due to COVID-19 and subsequent lockdown situation, we have conducted online verification and examination of documents and/or records, as facilitated by the Company, for the purpose of issuing this certificate.

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 the secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31st March 2021 complied with the statutory provisions listed hereunder and to the extent stated in this report and also that the Company has the proper Board-Processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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.

I. We have examined the books, papers, minute books, forms and returns filed, reports issued by various fellow professionals and other applicable records and registers and maintained by the Company for the financial year ended on **31st March 2021** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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 – as applicable in respect of the reporting towards their ODI Investments;
5. 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 (Merchant Bankers) Regulations, 1992.
 - b. SEBI (Prohibition of Insider Trading) Regulation 2015 to the extent applicable to market participant.
 - c. The Securities and Exchange Board of India (Research Analyst) Regulations, 2014.
 - d. The Securities and Exchange Board of India (KYC (Know Your Client) Registration Agency) Regulations, 2011.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent stated in this Report.

II. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company, by virtue of not being listed on any Stock Exchanges of the Company in the FY 2019-20 under report:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (c) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (e) 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;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - (g) The Securities and Exchange Board (Buyback of Securities) Regulations, 2018.
- III. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance to thereof on a test check basis, of the Company and that the Company has prima facie complied with the laws specifically applicable to the Company and also there are adequate systems and processes in place to ensure due compliance with these Laws.
- IV. We have examined the compliances of the applicable provisions of Secretarial Standards, I and II issued by the Institute of Company Secretaries, India and notified by the MCA u/s 118(10) as issued under the Companies Act, 2013.

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 year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where Meetings were convened at a shorter notice). In case agenda and detailed notes on agenda could not be sent at least seven days in advance wherein consents of the attendees (Board members / Committee members) to the hold the meeting at shorter notice were duly obtained, 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. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company which 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 year under report i.e., up to 31st March 2021, the Company has undertaken following event/ action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

The Board of Directors at its meeting held on 20th June 2020 had accorded approval to borrow in one or more tranches from State Bank of India and/or any other Scheduled Commercial Bank up to Rs.4,000 crores without any sub limit (previous approval accorded by the Board at its 196th meeting held on 20th July 2018 - with State Bank of India up to Rs.2,500 crores including a sub limit for intraday transactions up to Rs.500 crores and overnight limit of Rs.2,000 crores which is to be utilized towards meeting fund requirements arising out of development due to underwriting) for general corporate purposes including but not limited to underwriting of Equity/Debt issues of Corporates and Subsidiaries.

For VKMG Associates & LLP
Company Secretaries
FRN: L2019MH005300

Sd/-
Vijay B. Kondalkar
Partner
CP - 4597 (PRN:1279/2021)
Date - 24-06-2021
Place - Mumbai
UDIN - A015697C000510411

Note: Our Report is to be read along with the attached Note in Annexure I which form an integral part of this Report.

Annexure I – Notes on the Secretarial Audit Report of SBI Capital Markets Limited dated 24th June, 2021

Our report of even date is to be read along with the following Notes:

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 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. Further, the scope of our Audit does not include financial laws and allied acts.
4. Wherever 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 the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **VKMG Associates & LLP**
Company Secretaries
FRN: L2019MH005300

Sd/-
Vijay B. Kondalkar
Partner
CP - 4597 (PRN:1279/2021)
Date - 24-06-2021
Place - Mumbai
UDIN - A015697C000510411

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March 2021**

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	U99999MH1986PLC040298
ii) Registration Date	2 nd July 1986
iii) Name of the Company	SBI Capital Markets Ltd.
iv) Category/Sub-Category of the Company	Unlisted Public Ltd. Company
v) Address of the Registered office and contact details	202, Maker Tower 'E', Cuffe Parade, Mumbai - 400 005. Tel. No.: 22178300
vi) Whether listed company: Yes/No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent (if any)	Datamatics Business Solutions Ltd. Plot No. B-5, Part B Cross Lane, MIDC Andheri (East), Mumbai – 400 093. Tel. No.: 022-6671 2238.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Merchant Banking and Advisory Fees	-	85.56%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	State Bank of India	Corporation set up under SBI Act. 1955	Holding	100%	Section 2(46)
2	SBICAP Securities Ltd.	U65999MH2005PLC155485	Subsidiary	100%	Section 2(87)
3	SBICAP Ventures Ltd.	U67190MH2005PLC157240	Subsidiary	100%	Section 2(87)
4	SBICAP Trustee Company Ltd.	U65991MH2005PLC158386	Subsidiary	100%	Section 2(87)
5	SBICAP (Singapore) Ltd.	Foreign Subsidiary	Subsidiary	100%	Foreign Subsidiary
6	SBI Pension Funds Pvt. Ltd.	U66020MH2007GOI176787	Associate	20%	Section 2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. as on 1 st April 2020				No. of Shares held at the end of the year i.e. as on 31 st March 2021				% Change during the year 2020-2021
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) *Individuals / HUF	24	-	24	0.00	24	-	24	0.00	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	5,80,33,687	-	5,80,33,687	100	5,80,33,687	-	5,80,33,687	100	Nil
f) Any Other – Public Ltd. Co.									
Sub-total (A) (1):	5,80,33,711	-	5,80,33,711	100	5,80,33,711	-	5,80,33,711	100	Nil
*Held as nominees of SBI									
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other– Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+ (A)(2)	5,80,33,711	-	5,80,33,711	100	5,80,33,711	-	5,80,33,711	100	Nil

Category of Shareholders	No. of Shares held at the beginning of the year i.e. as on 1 st April 2020				No. of Shares held at the end of the year i.e. as on 31 st March 2021				% Change during the year 2020-201
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt. (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corporate									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	5,80,33,711	-	5,80,33,711	100	5,80,33,711	-	5,80,33,711	100	Nil

Annexure - VI

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year 2020-2021			Shareholding at the end of the year 2020-2021			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	State Bank of India (out of 5,80,33,711 shares, 24 shares are held in the name of the nominees of SBI)	5,80,33,711	100	Nil	5,80,33,711	100	Nil	Nil
	Total	5,80,33,711	100	Nil	5,80,33,711	100	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI No.	Particulars	Shareholding at the beginning of the year 2020-2021		Cumulative Shareholding during the year 2020-2021	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	No Change		No Change	
2.	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	No Change		No Change	
3.	At the end of the year	No Change		No Change	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 2020-2021		Cumulative Shareholding during the year 2020-2021	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	NIL	NIL	NIL	NIL
2.	Date wise Increase/ Decrease in Share-holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
3.	At the End of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 2020-2021		Cumulative Shareholding during the year 2020-2021	
		No. of shares (Equity)	% of total shares of the Company	No. of shares (Equity)	% of total shares of the Company
1	At the beginning of the year *Smt. Uma Shanmukhi Sistla, former WTD	1	0.00	1	0.00
2	Date-wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc) : Transfer of Equity Shares from *Smt. Uma Shanmukhi Sistla former WTD to *Shri. Ramanathan Viswanathan, WTD	1	0.00	1	0.00
3	At the End of the year 2020-2021 Shri. Ramanathan Viswanathan, WTD	1	0.00	1	0.00

*Shares held as SBI Nominee.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount Rs. in crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2020-21				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year 2020-21				
▪ Addition	NIL	1,070	NIL	NIL
▪ Reduction				
Net Change	NIL	1,070	NIL	NIL
Indebtedness at the end of the financial year 2020-21				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

Annexure - VI

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors & CEO, Whole-time Director and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (₹ in Lacs)
		Shri. Arun Mehta	Shri. R. Viswanathan**	Smt. Uma Shanmukhi Sistla***	
1.	Gross salary*	58.61	38.65	21.24	118.50
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5.	Others, please specify	-	-	-	-
	Total (A)	58.61	38.65	21.24	118.50
	Ceiling as per the Act	-	-	-	4,168.15

*PF, Gratuity & Superannuation, ex-gratia pay | ** appointed w.e.f. 27th May, 2020 | *** up to 22nd May, 2020

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount in ₹
1.	Independent Directors	Shri. Narayan K. Seshadri	Shri. Ananth Narayan Gopalakrishnan	-	-
	(a) Fee for attending Board committee meetings	6,30,000/-	7,50,000/-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	6,30,000/-	7,50,000/-		13,80,000/-
2.	Other Non-Executive Directors	Shri. T. L. Palani Kumar	Smt. Bharati Rao	Shri. Sharad Sharma	
	(a) Fee for attending board committee meetings	7,90,000/-	10,60,000/-	3,90,000/-	22,40,000/-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (2)				22,40,000/-
	Total B (1+2)				36,20,000/-
	Total Managerial Remuneration				36,20,000/-
	Overall Ceiling as per the Act (Sitting fees)				₹ 1,00,000/- per Director per meeting.

Annexure - VI

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri. Krishnan Kutty Raghavan, SVP & CFO	Shri. Amit Shah, Company Secretary	Total
1.	Gross Salary* (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	60.69	39.63	100.32
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	60.69	39.63	100.32

*PF, Gratuity & Superannuation

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officer in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Nomination and Remuneration Policy

(Pursuant to Section 178 of the Companies Act, 2013)

As required under the provisions of the Companies Act, 2013 (the Act), as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel ("KMP") and the Senior Managerial Personnel ("SMP") has been formulated by the Nomination and Remuneration Committee of Directors ("NRC" or "the Committee") and approved by the Board of Directors of the Company ("the Board").

1. Objective and purpose:

- a) To guide the Board by laying down criteria and terms and conditions in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board.
- c) To recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel and formulate criteria for remuneration payable to Senior Management Personnel and other employees.
- d) To provide Key Managerial Personnel and Senior Management Personnel performance based incentives / rewards relating to the Company's operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented Senior Management Personnel.

2. Definitions:

2.1 Key Managerial Personnel: Key Managerial Personnel means:

- a) Chief Executive Officer or the Managing Director or the Manager;
- b) Company Secretary,
- c) Whole -Time Director;
- d) Chief Financial Officer; and
- e) Such other officer as may be prescribed by the Act or rules made thereunder.

2.2 Senior Management Personnel ("SMP") means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, the "words and expressions" used in this Policy and not defined herein but defined in the Companies Act, 2013, as may be amended, from time to time, shall have the meaning respectively assigned to them therein.

3. Applicability:

The Policy is applicable to all Directors, KMP, SMP and other employees.

4. Constitution, Composition, Quorum of the Committee

4.1 Number of Members

- i. The Committee shall consist of a minimum 3 (Three) Non-Executive Directors.
- ii. The quorum for the Committee meetings shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher.
- iii. The Chairman of the Committee will be an any one Director from amongst the members of the Committee. In the absence of the Chairman, members of the Committee present at the meeting shall choose one of the members of the committee to act as Chairman.
- iv. The Chairman of the Company may be a member of the Committee but will not chair the Committee.
- v. The Chairman of the Committee or in his absence any other member of the Committee authorised by him in this behalf, shall attend the general meetings of the Company.
- vi. Membership of the Committee shall be disclosed in the Annual Report.

4.2 Meetings and Invitees to the meetings:

- i. The Committee will meet as and when required or as mandated by the Board or the Chairman of the Committee.
- ii. The Committee may invite such executives, as it considers appropriate to be present at any meeting of the Committee.
- iii. The Senior Vice President/Vice President (HR) shall be the convener of the Committee meetings.
- iv. The Company Secretary shall act as Secretary of the Committee and provide assistance to it.

5. Role and functions of the Committee related to Nomination

5.1 Appointment criteria and qualifications:

- i. To identify persons who are qualified to become Directors and who may be appointed as KMP or SMP, who possesses integrity, independence, adequate knowledge, skill, qualification, experience in the field of his/her specialisation commensurate with the proposed role and responsibility as Director, KMP or SMP and shall have the ability to manage the responsibility assigned to him/her.
- ii. The Company should ensure that it appoints or continues the employment of any person as Managing Director / Whole-time Director subject to the conditions laid down under Part I of Schedule V of the Companies Act, 2013.
- iii. To ensure that the Company shall appoint or continue the service of any person as an Independent Director subject to the provisions of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013.

5.2 Tenure of appointment:

(i) Executive Directors:

- a) The Company shall appoint or re-appoint any person as its Managing Director / Whole-time Director by whatever name called, for a term not exceeding five years at a time, subject to the right of the State Bank of India to appoint the Managing Director / Whole-time Director as contained in the Articles of Association of the Company.
- b) No re-appointment of the Managing Director / Whole-time Director shall be made earlier than one year before the expiry of his/her term.

(ii) Independent Director:

- a) To ensure that an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- b) To ensure that no Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

5.3 Evaluation:

The Committee shall carry out evaluation of performance of every Director on yearly basis on certain pre-determined parameters.

In addition to the above, the Committee may also undertake performance evaluation of the other committees of the Board and the Board as a Whole either by itself or through an independent external agency as deem fits from time to time.

5.4 Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or SMP, subject to the provisions and compliance of the said Act, rules and regulations.

5.5 Retirement:

- i. The Director shall retire as per the applicable provisions of the Companies Act, 2013, and KMP and SMP shall retire as per the prevailing Policy of the Company in this regard.
- ii. The Board will have the discretion to retain the Director, KMP, SMP in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

6. Role and functions of the Committee related to Remuneration

6.1 Remuneration for the Managing Director / Whole-time Director

The remuneration of the Managing Director / Whole-time Director will be determined by the Committee and recommended to the Board for approval, subject to the right of the State Bank of India to determine the remuneration and the terms and conditions of service of the Managing Director / Whole-time Director appointed by State Bank of India pursuant to its rights of their appointment, as contained in the Articles of Association of the Company. The remuneration of the Managing Director / Whole-time Director shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever applicable / required.

- 6.1.1 The remuneration payable to the Managing Director / Whole-time Director who are on deputation from State Bank of India shall be in accordance with the policy of State Bank of India in this regard and as per the provisions of the Companies Act, 2013, and the rules made there-under, which may be in force, from time to time.
- 6.1.2 Where any insurance is taken by the Company on behalf of its Directors, Managing Director, KMPs and SMPs for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

6.2 Remuneration to KMPs and SMPs:

6.2.1 Regular Pay:

The KMPs and SMPs including functional heads, shall be eligible for a monthly remuneration as per Company's Policy, which will consist of Fixed and incentive components including perquisites and statutory benefits to attract, retain and motivate KMPs and SMPs to attain the short and long term performance objectives of the Company.

The KMP or SMP who is on deputation from State Bank of India shall be eligible for remuneration as per the policy of State Bank of India, in this regard.

6.2.2 Profit related ex-gratia / performance based remuneration :

Managing Director / Whole-time Director:

Subject to approval of the Board, in addition to fixed remuneration, the Managing Director / Whole-time Director is entitled to receive remuneration within the limits prescribed under the Act by way of profit related ex-gratia / performance-based remuneration.

Other KMPs and SMPs:

Subject to approval of the Board, in addition to fixed remuneration, to motivate executives to pursue the long-term growth and success of the Company, KMPs and SMPs are entitled to receive profit related ex-gratia / performance-based remuneration.

6.2.3 Minimum remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its Managing Director / Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

6.3 Remuneration to Independent Director:

6.3.1 Sitting Fees:

The Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof as approved by the Board, subject to the maximum limit prescribed by the Central Government from time to time.

6.3.2 Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

7. Appointment and remuneration of other Employees of the Company

The terms of appointment and remuneration of employees of the Company (other than Managing Director, KMPs and SMPs) shall be governed by the Company Policy.

8. Dissemination of Policy on the Website of the Company:

In terms of provisions of the Companies Act, 2013, the Policy shall be placed on the website of the Company, if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

9. Delegation

The Committee or the Board of Directors may delegate one or more powers / responsibilities prescribed in this policy in favour of the Managing Director or any other Officer of the Company for implementation of the policy.



Corporate Social Responsibility (CSR) Policy

Policy owner: Corporate Communications Department

Version: 4.0

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1. Corporate Philosophy

Corporate Social Responsibility (CSR) is the continuing commitment by business to be ethical and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Businesses derive their primary benefits from operating in society and no business can function without caring for societal and community development. Since its inception, SBICAP has been involved with several initiatives, actively pursuing and endorsing community improvement efforts in varying capacities, across India. We understand that as a Corporate Citizen with resources at our command, it is our solemn duty to reach out and support the less fortunate and under privileged sections of our society. The Company also encourages its staff members to actively follow, understand and contribute to social causes, to remove indisputable social and development allacunae and to promote self and community development.

2. Definitions

- 2.1 "Administrative overheads" means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- 2.2 "Net profit" means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
 - (i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
 - (ii) any dividend received from other Companies in India, which are covered under and complying with the provisions of section 135 of the Act;
- 2.3 "Ongoing Project" means a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification;
- 2.4 "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005)
- 2.5 "International Organization" means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities). Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

3. Role of the Board

- 3.1 SBICAP, being governed by the rules of The Companies Act, 2013, our CSR policy & programme is aligned with Section 135 of the Act as amended from time to time (*The related definitions & clauses with respect to Sec 135 are appended in Annexure A*).
- 3.2 As such, the SBICAP Board shall constitute a CSR Committee consisting of two or more Directors, pursuant to the section 135(1) of the Companies Act, 2013.
- 3.3 The Board shall additionally oversee the below;
 - a) after taking into account the recommendations made by the Corporate Social Responsibility Committee (as constituted above), approve the Corporate Social Responsibility Policy for the Company and disclose the contents of such Policy in its report and also place it on the Company's website - www.sbicaps.com, in such manner as may be prescribed;
 - b) The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access as notified by the prescribed rules of the Act;
 - c) Ensure that the activities included in the CSR Policy are in compliance with the activities in **Schedule - VII** of the Act;
 - d) Ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company; and
 - e) Monitor the implementation of the project and make modifications, if any, for the smooth implementation of the project.

- f) If the Company fails to spend the said amount, disclose reasons for not spending such amount, in its report under clause(o) of sub-section(3) of Section 134, of The Companies Act, 2013 and also transfer such unspent amount to the applicable Fund, within the timelines as laid out under the provisions of Section 135(5) and 135(6) of the Companies Act, 2013.
- g) The Board shall ensure that the CSR Activities are undertaken by the Company itself or through –
 - (i) A Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company, or
 - (ii) A Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - (iii) Any entity established under an Act of Parliament or a State legislature; or
 - (iv) A Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- h) The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

4. Role of the CSR Committee

The Corporate Social Responsibility (CSR) Committee as constituted by the SBICAP Board shall formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) The broad CSR focus areas or activities that are to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) The manner of execution of such projects or programmes
- (c) The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) Determining the manner and classification of projects as ongoing projects and expenditure schedule thereon
- (e) Monitoring and reporting mechanism for the projects or programmes; and
- (f) Details of need and impact assessment, if any, for the projects undertaken by the Company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendations of its CSR Committee, based on the reasonable justifications to that effect.

5. Constitution of the CSR Working Group (CWG)

For planning, implementation, monitoring & reporting of the Company's CSR Policy and its objectives, a CSR Working Group (CWG) comprising the Managing Director & CEO, President & COO, SVP & CFO, SVP & GH – HRD, AVP – Corporate Communications and other members as may be nominated by MD & CEO will be formed. The CWG will run the Company's CSR policy in accordance with the set objectives & focus areas. The SVP & CFO will be the nodal officer for all activities.

6. Role of the CSR Working Group (CWG)

The CSR Working Group (CWG), as constituted above, will perform the below functions:

- a) Recommend an Annual Action Plan for the corresponding financial year that will identify the broad areas of work, the activities to be undertaken by the Company in the selected areas and the budget to be spent on them. The CSR Annual Action Plan will be updated every corresponding financial year to reflect the Company's focus areas and CSR budget for the year.
- b) The CWG will be responsible for designing, developing, executing and monitoring the projects in the short-listed focus areas as of the Company's CSR Policy and as approved by the CSR Committee.
- c) The CWG shall prepare an overview document for every project that it proposes to undertake including but not limited to activity definition, expected local impact areas, budgeted investments, expected benefits (Revalue wherever possible) and success parameters.
- d) The CWG will take decisions on day to day activities of the CSR activities.

Annexure - VIII

- e) The CWG will be responsible for periodic reporting of the activities to the CSR Committee in any format as desired by the CSR Committee.
- f) Accounting guidelines and Audit process (Internal/external) will be as per the guidelines laid down in the Companies Act, 2013 and in accordance with the approved business processes and policies.
- g) Create a mechanism, deemed appropriate to and in line with achieving the objectives of the individual CSR Projects undertaken by the Company. Any modifications to the Approved CSR Annual Action Plan or allocation shall be brought before the CSR Committee for necessary approvals of the Board.

7. CSR Expenditure and Budget

- 7.1 As stated under Section 135 (5) of The Companies Act, 2013 SBICAP shall ensure that it spends, in every financial year, at least two percent or more of the average net profits made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.
- 7.2 The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- 7.3 Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company or the Company may transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- 7.4 Where a Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
 - (i) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - (ii) The Board of the Company shall pass a resolution to that effect.
- 7.5 The CSR amount may be spent by a Company for creation or acquisition of a capital asset, which shall be held by - (a) a Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or (c) a public authority:
- 7.6 The CSR Budget for the corresponding financial year, will be updated, with due consideration, in the CSR Annual Action Plan & revised each financial year.
- 7.7 All CSR initiatives, screened & shortlisted by the CWG, will be put up for approvals to the competent authority. The Delegation of Powers, with respect to financial approvals pertaining to CSR Projects, will be as listed below:

Sr. No.	Designation	Sanction Amount	Reporting
1.	Managing Director & Chief Executive Officer	₹ 1,00,00,000/- (Rupees One Crore only)	The Board
2.	President & Chief Operating Officer	₹ 50,00,000/- (Rupees Fifty Lacs only)	MD & CEO
3.	Senior Vice President & Chief Financial Officer	₹ 25,00,000/- (Rupees Twenty Five Lacs only)	MD & CEO

8. Unspent Corporate Social Responsibility Account and Transfer to Fund

A. ONGOING PROJECTS:

The Board of Directors shall open an Unspent Corporate Social Responsibility Account to be held by the Company in a Scheduled Bank. The following transfers shall be permitted into the Account:

Amount permitted for transfer	Due date for Transfer
Unspent CSR amount assigned /related to any ongoing projects	Within 30 days of the closure of the Financial Year
Surplus arising out of any CSR activities	Within 6 months of the closure of the Financial Year

B. NON-ONGOING PROJECTS:

The following amounts shall be transferred to a Fund specified under Schedule VII to the Act or such Account as specified by the Government in this regard:

Amount to be transferred	Due date for transfer/spent
Unspent CSR amount not assigned /related to any ongoing projects	Within 6 months of the closure of the Financial Year
Any unspent amount remaining in the Unspent CSR Account	Shall be transferred by Company within 30 days of completion of 3 (three) years from the date on which the amount was transferred to the Unspent CSR Account

9. CSR Activities

9.1 The Company's CSR Policy would encompass all the activities listed under Schedule VII of the Companies Act, 2013 (Annexure A) including any amendment from time to time. However, the Company may shortlist any of the below listed focus areas to create a sustainable & meaningful impact & to align with the Communication and Business Strategy of the Company:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set-up by the Central Government for promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled, and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence

Annexure - VIII

Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs),

10. Rural development projects.
11. Slum Area Development (slum area shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force).
12. Disaster management including relief, rehabilitation and reconstruction activities.
13. Undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - a) Such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) Details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
14. Undertaking training of Indian Sports Personnel representing any State or Union Territory at National Level or India at international level
15. Such other matters as may be notified by the Ministry of Corporate Affairs from time to time.

The approximate budget allocation to each of the focus areas from the Company's CSR budget for the year will be demarcated for reference purpose, along with zone-wise/RO allocations (if any specified) in the CSR Annual Action Plan. The individual CSR activities undertaken should preferably be in the vicinity of the Company's offices across the country and not more than 25% of the available funds for the corresponding FY should be allocated for any one project so as to ensure equitable distribution and utilization of funds.

10. Shortlist Criteria

The Company will partner only with entities registered with the Central Government through CSR-1 norms with effect from the 1st day of April 2021. A CSR Association Form will have to be filled-in and submitted by any partner / vendor, to help the Company evaluate and screen CSR proposals for possible association, as appended in **Annexure - B** of the Policy.

11. Implementation Process

- 11.1 The following entities will oversee the CSR Policy, its implementations and execution of CSR projects, programs and activities:
 1. The Board
 2. The CSR Committee, as constituted by the Board &
 3. The CSR Working Group (CWG)
- 11.2 The Board shall ensure that the CSR activities are undertaken by the Company itself or through entities specified earlier in Section 3 of the Policy.
- 11.3 The CSR Committee will be responsible for overall monitoring and implementation.
- 11.4 The CWG will be responsible for the day to day implementation and other related activities.
- 11.5 The key implementation steps and processes have been summarized below:
 1. Develop a CSR Annual Action Plan – the CWG will draft a CSR Action Plan aligned with the overall objectives of the Company on social interactions and the focus areas listed in clause 7 of the policy. Specific initiatives, shortlisted projects & associations under each of the above focus areas, will be incorporated in the CSR Annual Action Plan, during the course of the year. Inputs, if any, from the applicable Indian subsidiaries of the Company may be incorporated in the document.

2. Allocation of geographical budgets, if any
 3. Operationalizing the institutional mechanism – CSR Committee, CSR Working Group (CWG), team identification & capacity building
 4. Shortlist Implementing Agencies and conducting due diligence, if required
 5. Project Development – Detailed Project Report (DPR)
 6. Clear identification of CSR Budget
 7. Project approval
 8. Project Implementation, including tenure of the project
 9. Documentation, Monitoring (at Board and CSR Committee level)
 10. Evaluation (Concurrent, Final & if possible, by an Independent Third Party)
 11. Project impact assessment
 12. Preparation of reporting format and placement in public domain
- 11.6 The Company may also collaborate with other companies for undertaking CSR projects or programs or activities, provided the CSR Committee is in a position to report separately on such projects or programs or activities in accordance with the CSR Rules. The Company will have the authority to disengage from any project at its own free will and at any point of time during the implementation of the project, subject to the approval of the CWG.
- 11.7 The finalized schedule for each of the CSR project or programs or activity containing details of project, modalities of execution, implementation schedule and monitoring mechanism shall be as per this CSR Policy.

12. Impact Assessment

- 12.1 In the event of the Company's average CSR obligation exceeding Rs. 10 Crores or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- 12.2 The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- 12.3 A Company undertaking impact assessment as per above criteria, may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

13. Employee Engagement

SBICAP actively encourages its employees to volunteer for/participate in social causes. Employees are free to offer suggestions and pass on recommendations as well as be a part of related activities in the short-listed focus areas, under the Company's CSR Policy. The Company, will make all efforts to engage its employees to participate in and promote the causes that it endorses, under its CSR outreach, across all its locations & business centers.

Annexure - VIII

14. Monitoring of CSR projects or programs or activities

The following steps may be undertaken for monitoring of the Company's CSR programme:

- The CSR Committee will review the progress on the CSR initiatives and discuss the budgetary utilization on a periodical basis. This meeting may include the relevant NGO/Partners, if required by the CSR Committee.
- The CSR Committee will present the progress periodically to the Board as part of the regular board meetings.
- In order to ensure that the amounts spent by the Company on CSR activities get properly utilized for the projects for which they are earmarked, the CWG may nominate two to three officials (from the Company or any of its subsidiaries) to monitor the actual implementation of those projects, depending on the scale of the project.
- The CSR Committee may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

15. Reporting Template

The format for the "Annual Report on CSR Activities" to be included in the Board's Report for financial year commencing on or after 1st day of April 2020 is detailed in **Annexure C**.

16. Policy Review Mechanism

The CSR policy will be under the ownership of the CSR Committee and will be reviewed as and when required. The changes will be documented in the change log and signed off at the end of every review cycle by all members of the CSR Committee.

Version	Approval Date	Approver	Comments
1.0	21.01.15	The Board	Policy was formulated and approved by the CSR Committee and BOD.
2.0	19.07.19	Management Committee	Expansion of CSR Focus areas given in Clause 7 of Policy and modification of Annexure B.
3.0	18.07.20	Management Committee	Modifications to points 7 & 8 as given in Clause 7 of Policy necessitated by clarifications vide circular on activities under Schedule VII issued by MCA.
4.0	05.05.21	The Board	Modifications as necessitated by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

Annexure 'A'

Guidelines under the Companies Act, 2013

Sec 135 under the Companies Act, 2013 mandates that the Board of every Company shall ensure that the Company spends, in every financial year, at least two percent of the average net profits made by the Company during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The details of eligibility, net profit calculation and use of funds will be as set out in the Companies Act, 2013 or Rules made thereunder and subsequent amendments/clarifications/circulars/notifications.

Definitions;

1. "Act" means the Companies Act, 2013 (18 of 2013);
2. "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - i) activities undertaken in pursuance of normal course of business of the Company:
 Provided that any Company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that
 - a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
 - ii) any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv) activities benefiting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vi) activities carried out for fulfillment of any other statutory obligations under any law in force in India;
3. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
4. "CSR Policy" means a statement containing the approach and direction given by the Board of a Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
5. "CSR Expenditure" shall include all expenditure including for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.
6. "Average Net Profit" shall be calculated in accordance with the provisions of Section 198 of the Act.

The broad CSR activities that can be considered for projects or programs are as listed in the Schedule VII to the Companies Act, 2013 and as may be notified by the Ministry of Corporate Affairs from time to time.

Corporate Social Responsibility (CSR) Association Form

A) Organization Details:

Contact Details		
1	Name of Organization	
2	Address for Correspondence	
3	Telephone Number(s)	
4	Website	
5	Founder of organization	
6	Head of the Organization	
	Mobile Number	
	e-Mail	
7	Contact person	
	Mobile Number	
	E-Mail	
Registration Details		
1	Whether registered under CSR 1 norms as mandated by section 135 of the Companies Act, 2013 and rule 4(1) and (2) of the Companies (CSR Policy) Rules, 2014).	
2	Registration Number	
3	Registration Date	
4	PAN	
5	12A Certificate	
6	80 G certificate	
7	FCRA Registration no.	
References		

Annexure - VIII

Bank details		
1	Account name	
2	Bank name	
3	Bank address	
4	Account No.	
5	MICR	
6	IFS Code	
7	Type of account	

B] Organization's Work Profile

Background Details (Work done so far)		
1	Vision of Organization	
2	Mission	
3	Geographical area	
4	Details of work	
5	Impact achieved	
6	Team size	
7	Whether the entity has an established track record of three years in undertaking similar activities as is being proposed	

Annexure - VIII

Details of completed grants		
1	No. of grants successfully completed	
2	Names of Donors	
3	Total grant amount	
Details of ongoing grants		
1	No. of ongoing grants	
2	Names of Donors	
3	Total grant amount	
Details of Government awarded grants & Individual donors		
1	Grant received from government	
2	State Government	
3	Central Government	
4	Grant received from Individual donors	
Accounting Practices, Audits		
1	Accounting practices and Audits in place (Yes/No)	
2	Audit reports for last 3 years (Available/Not Available)	
Awards/Achievements/Recognition		
1	Awards/Recognitions received so far	

C] Proposed Intervention

Detailed Proposal to SBI Capital Markets		
1	Program Title	
2	Program Period From:	
	To:	
3	Goal	
4	Targets	
5	Geographical area of work	
6	Program Context	
7	Uniqueness	
8	Need for Financial Support	
9	Value of the Financial Support	
10	Program Monitoring & Evaluation	
11	Whether the proposed Project/ Program will be conducted along with any other entities or companies. If yes, manner of determining the role of every entity.	

D] Proposed Budget

Financial details		
1	Budget	
2	Other Funders	

Annexure 'C'

CSR Activities to be Included in the Board's Report For Financial Year Commencing on or after 1st Day of April, 2020

1. Brief outline on CSR Policy of the Company:
2. Composition of CSR Committee:

Sl. 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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:
4. Provide the 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):
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:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set off for the financial year, if any (in Rs.)

6. Average net profit of the Company as per section 135(5):
7. (a) Two percent of average net profit of the Company as per section 135(5):
(b) Surplus arising out of the CSR projects or programs or activities of the previous financial year:
(c) Amount required to be set off for the financial year:
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	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

Annexure - VIII

(b) Details of CSR amount spent against 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		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)
				State	District			

9	10	11	
Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/ No).	Mode of implementation - Through Implementing Agency	
		Name	CSR Registration number

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

1	2	3	4	5	
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	
				State	District

6	7	8	
Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
		Name	CSR Registration Number

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

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

9. (a) Details of Unspent CSR amount for the preceding three financial years:

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

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6
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 Rs.).

7	8	9
Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing

Annexure - VIII

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):
- (a) Date of creation or acquisition of the capital asset(s):
 - (b) Amount of CSR spent for creation or acquisition of capital Asset:
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):
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):

Consolidated Financial Statements

Independent Auditors' Report on Consolidated Financial Statements



To the Members of SBI Capital Markets Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of SBI Capital Markets Limited (hereinafter referred to as the "Holding Company") its subsidiaries (Holding Company and its subsidiaries collectively referred to as "the Group"), and its associate, which comprise the consolidated Balance Sheet as at 31st March 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Statement" or "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind-AS) and other accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group and its associate as at March 31, 2021, their consolidated net profit (financial performance including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

3. (i) **With respect to SBICAP Trustee Limited**

- a) We draw attention to Note 46 to the consolidated financial statements of the Group (*Note 47 of standalone financial statements of SBICAP Trustee Limited*) which explain that the extents to which COVID-19 pandemic will impact the financial statements, is dependent on future developments, which are highly uncertain. Auditor's opinion is not modified in respect of this matter.
- b) We draw attention to Note 41(e) to the consolidated financial statements of the Group (*Note 31 of standalone financial statements of SBICAP Trustee Limited*) on adoption of Ind AS 115 'Revenue from Contracts with Customers' with effect from financial year 2020-21 onwards. In the current financial year, the management took an opinion for recognition of income and the cumulative impact on adoption of this standard is given in opening equity on the date of adoption. The previous year audited figures were based on management's estimation and judgement. Auditor's opinion is not modified in respect of this matter.

- (ii) **SBICAP (Singapore) Limited**

We draw attention to Note 45 of the consolidated financial statements of the Group (*Note 2.2 of standalone financial statements of SBICAP Singapore Limited*) which states that the Board of Directors of SBICAP (Singapore) Limited through a circular resolution dated 25 March 2021 resolved that the Company would (i) surrender the Capital Markets Services License ('CMSL') issued by Monetary Authority of Singapore ('MAS'), and (ii) initiate the process of cessation of business after the procedure of surrendering the CMSL is completed. As a result, the Company changed its basis of accounting from the going concern basis to a non-going concern basis during the financial year ended 31st March 2021. Auditor's opinion is not modified in respect of this matter.

Independent Auditors' Report on Consolidated Financial Statements

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
With respect to SBI Capital Markets Ltd. (Standalone)		
(i)	<p>Assessment of Valuation of investments measured at fair value for which no listed price in an active market is available and valued using market information and significant unobservable input:</p> <p>The Company has certain Investments of which listed price in an active market is not available and has been valued at fair value at Rs. 2852.48 crore (Rs. 1611.76 crore as at 31.03.2020) as required by Ind-AS. The corresponding fair value change is recognised in Other Comprehensive Income (OCI) and deferred tax in accordance with related Accounting Standard (Ind-AS 109). In measuring these Investments, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The Management has also used the services of an independent professional valuer. Key inputs used in the valuation of above investments are market multiples and growth rate, terminal rate, discount rate, NAV etc. The valuation of these assets is important to our audit as it is highly dependent on estimates (various assumptions and techniques used) which contain assumptions that are not observable in the market. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</p> <p><i>(Refer Note 2(vii)(b) and Note 6 (1) to the Consolidated Financial Statements)</i></p>	<p>Principal Audit Procedures</p> <p>We understood and tested the design and operating effectiveness of the Company's control over the assessment of valuation of investments.</p> <ul style="list-style-type: none"> ■ We evaluated the independence, competence, capabilities and objectivity of Management's expert (Independent professional valuer). ■ We evaluated together with the auditor's expert to assess the reasonableness of the valuation methodology and underlying assumptions relating to market multiples and growth rate, discount rate, NAV etc. used by the independent professional valuer to estimate the fair value of investments. ■ We validated the source data on sample basis and tested the arithmetical accuracy of the calculation of valuation of investments. ■ We assessed the adequacy of the disclosures in the standalone financial statements. <p>Based on our above audit procedures we consider that the management's assessment of the investment for which no listed price in an active market is available is reasonable.</p>
(ii)	<p>Allowance for credit losses:</p> <p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered the likelihood of increased credit risk and consequential default considering emerging situation due to COVID-19 and second phase of COVID-19.</p> <p>The Company closely monitors its receivables that are going through financial stress.</p> <p>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgement in calculating the expected credit losses.</p> <p><i>(Refer Note 46 to the Consolidated Financial Statements)</i></p>	<p>Principal Audit Procedures</p> <p>Our audit procedures related to the allowance for credit losses for trade receivables and other receivables included the following, among others:</p> <p>We tested the effectiveness of controls over the:</p> <ol style="list-style-type: none"> 1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions and 2) We tested the mathematical accuracy and computation of the allowances using the same input data used by the Company.

Independent Auditors' Report on Consolidated Financial Statements

(iii)	Evaluation of uncertain tax positions	Principal Audit Procedures
	<p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p><i>(Refer Note 8 to the Consolidated Financial Statements)</i></p>	<p>We evaluated the Company's processes and controls for monitoring the tax disputes.</p> <p>Obtained risk assessment of tax litigation from our internal tax expert to assess management's judgement and assumption on such matters to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. They also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Holding 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 its annexures containing details of its subsidiaries & associate and Corporate Governance Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including share of its associate, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and its associate are responsible for assessing the ability of the Group and of its associate 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 Group and of its associate or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and its associate.

Independent Auditors' Report on Consolidated Financial Statements

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary Companies and its associate, which are incorporated in India have 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 ability of the Group and its associate 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 consolidated 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 Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregated 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 facts 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 consolidated 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.

Independent Auditors' Report on Consolidated Financial Statements



Report on Other Matters

8. (i) With respect to SBI Capital Markets Ltd.

We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets of Rs. 1272.97 crores as at 31st March, 2021, total net assets of Rs. 852.64 crores, total revenue of Rs. 788.10 crores and net cash inflow of Rs. -103.62 crores for the year ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include Group's share in Net Profit using equity method of Rs. 0.69 crores for the year ended March, 2021, in respect of an Associate. These financial statements of subsidiaries and associate have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate end our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such auditors.

Our opinion on the consolidated financial statements, and our report on the other legal and regulatory requirements as mentioned below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Holding Company's management.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate as noted in the 'other matter' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated 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 on 31st March, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company, its subsidiary companies and associate incorporated in India and the operating effectiveness of such controls, refer to our separate report in "**Annexure - A**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, to the extent applicable, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary companies and associate, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and of its associate - Refer Note 31 to the consolidated financial statements.
 - ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate incorporated in India.

Independent Auditors' Report on Consolidated Financial Statements

10. As required by Section 143(5) of the Companies Act, 2013 we give in "**Annexure - B**" our comments on the directions issued by the Comptroller and Auditor General of India.

For **UMMED JAIN & CO.**
Chartered Accountants,
FRN: 119250W

Sd/-
[CA AKHIL JAIN]
Partner
M. No. 137970
UDIN: 21137970AAAADF9639

Date: 5th May, 2021
Place: Mumbai

Independent Auditors' Report - Annexure A

(Referred to in paragraph 8(f) under the heading '*Report on Other Legal & Regulatory Requirement*' of our report of even date to the consolidated financial statements of the SBI Capital Markets Limited for the year ended March 31, 2021 on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013).

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over Financial reporting of SBI Capital Markets Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and associate, which are incorporated in India are 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 the respective 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, both issued by the Institute of Chartered Accountants of India 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. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and associate, incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, 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 authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

Independent Auditors' Report - Annexure A

Opinion

In our opinion, the Holding Company, its subsidiary companies and associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 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 ICAI.

Other Matters

The Internal Financial Control over Financial Reporting of three subsidiaries incorporated in India and one associate incorporated in India have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Internal Financial Control over Financial Reporting of these Companies, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such auditors.

Our opinion on internal financial control over financial reporting, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors on the internal financial control over financial reporting.

For **UMMED JAIN & CO.**
Chartered Accountants,
FRN : 119250W

Sd/-
[CA AKHIL JAIN]
Partner
M. No. 137970
UDIN: 21137970AAAADF9639

Date: 5th May, 2021
Place: Mumbai

Independent Auditors' Report - Annexure B

(Referred to in paragraph 9 under the heading '*Report on Other Legal & Regulatory Requirement*' of our report of even date to the Consolidated financial statements of the SBI Capital Markets Limited for the year ended March 31, 2021 on directions issued by the Comptroller and Auditor General of India under section 143(5) of Companies Act, 2013 in respect of the holding Company and subsidiaries incorporated in India, wherever these provisions are applicable)

1. 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.
 - In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, the holding Company and its subsidiary Companies incorporated in India, has system in place to process all the accounting transactions through IT system.
2. 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 the Company's inability to repay the loan? if yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).
 - In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, in respect of the holding Company and its subsidiary Companies incorporated in India, there is no restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the holding Company or subsidiary Companies incorporated in India.
3. Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its terms and conditions? List the cases deviation.
 - In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, in respect of the holding Company and its subsidiary Companies incorporated in India, no funds have been received / receivable for specific schemes from central / state agencies.

For **UMMED JAIN & CO.**
Chartered Accountants,
 FRN: 119250W

Sd/-
[CA AKHIL JAIN]
Partner
 M. No. 137970
 UDIN: 21137970AAAADF9639

Date: 5th May, 2021
 Place: Mumbai

CAG Comments

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SBI CAPITAL MARKETS LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of consolidated financial statements of SBI Capital Markets Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 05 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the consolidated financial statements of SBI Capital Markets Limited for the year ended 31 March 2021 under section 143(6) (a) read with section 129(4) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(P V Hari Krishna)
Principal Director of Audit (Shipping), Mumbai

Place: Mumbai
Date: 16.07.2021

Consolidated Balance sheet as at 31st March, 2021

(Rs. in Lacs)

	Particulars	Notes	As at 31-Mar-21	As at 31-Mar-20
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	3	30,270	36,318
(b)	Bank balance other than above	3	40,393	30,359
(c)	Securities for trade	4	150,246	82,692
(d)	Receivables			
(I)	Trade Receivables	5	47,353	24,781
(II)	Other Receivables	5	66	41
(e)	Investments	6	318,567	194,407
(f)	Other Financial assets	7	2,593	4,603
	Total Financial Assets		589,488	373,201
(2)	Non-financial Assets			
(a)	Current tax asset (Net)	8	11,767	12,300
(b)	Property, Plant and Equipment	9	7,882	8,012
(c)	Right-of-use assets		4,783	579
(d)	Capital work in progress		275	6
(e)	Intangible assets under development		227	-
(f)	Intangible assets	10	1,196	472
(g)	Other non-financial assets	11	2,755	1,836
	Total Non - Financial Assets		28,885	23,205
	TOTAL ASSETS		618,373	396,406
	LIABILITIES AND EQUITY			
(1)	LIABILITIES			
(a)	Financial Liabilities			
	Payables	12		
(I)	Trade Payables			
	- total outstanding dues of MSME		-	-
	- total outstanding dues of creditors other than MSME		24,097	15,134
(II)	Other Payables			
	- total outstanding dues of MSME		-	-
	- total outstanding dues of creditors other than MSME		509	522
(b)	Borrowings	13	3,674	6,899
(c)	Lease Liabilities		4,747	598
(d)	Other Financial Liabilities	14	12,568	9,595
	Total Financial Liability		45,595	32,748
(2)	Non-Financial Liabilities			
(a)	Deferred tax Liabilities (Net)	15	62,997	33,049
(b)	Provisions	16	1,696	2,113
(c)	Other non-financial Liabilities	17	7,466	3,193
	Total non-financial Liability		72,159	38,355

Consolidated Balance sheet as at 31st March, 2021

(Rs. in Lacs)				
	Particulars	Notes	As at 31-Mar-21	As at 31-Mar-20
(3)	EQUITY			
(a)	Equity Share capital	18	5,803	5,803
(b)	Other Equity	19	494,816	319,500
	Total Equity		500,619	325,303
	TOTAL LIABILITIES AND EQUITY		618,373	396,406
	Significant accounting policies and notes to financial statements	1-48		
	The accompanying notes forms an integral part of these financial statements			

As per our report of even date

For **Ummed Jain & Co.**
Chartered Accountants
Firm Registration No.: 119250W

Sd/-
CA Akhil Jain
Partner
Membership No.: 137970
Place: Mumbai
Date: May 5, 2021

For and on behalf of Board of Directors

Sd/-
Ashwini Kumar Tewari
Director

Sd/-
Krishnan Kutty Raghavan
Chief Financial Officer

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

(Rs. in Lacs)

	Particulars	Notes	Year ended 31-Mar-21	Year ended 31-Mar-20
(I)	Revenue from operations			
i)	Interest Income	20	3,538	3,006
ii)	Dividend Income	21	2,640	4,105
iii)	Fees and Commission Income	22	124,680	85,484
iv)	Net gain on fair value changes	23	5,460	5,552
	Total Revenue from Operations		136,318	98,146
(II)	Other Income	24	513	1,069
(III)	Total Income		136,831	99,215
	Expenses			
i)	Finance Costs	25	2,768	252
ii)	Fees and Commission expenses	26	14,735	14,326
iii)	Employee Benefits Expenses	27	33,304	25,520
iv)	Depreciation and Amortization	28	2,364	1,761
v)	Others expenses	29	11,182	13,674
(IV)	Total Expenses		64,353	55,532
(V)	Profit before share of profit/ (loss) of associates		72,478	43,683
(VI)	Share of profit/(loss) of associates		69	46
(VII)	Profit before tax		72,547	43,729
(VIII)	Tax Expense:			
(1)	Current Tax	38	17,768	9,367
(2)	Tax expense/(credit) of earlier years	38	(86)	(920)
(3)	Deferred Tax	38	2,155	1,833
(IX)	Profit/(loss) after tax for the year		52,710	33,449
(X)	Other Comprehensive Income (OCI)			
A)	Items that will not be reclassified to profit or loss			
-	Remeasurement of defined employee benefit plans	33	4	(168)
-	Realised gain on Equity instruments through OCI		48,433	
-	Unrealised gain on Equity instruments through OCI		124,334	85,253
-	Income tax relating to items that will not be reclassified to Profit or Loss	38	(36,768)	(10,715)
	Subtotal (A)		136,003	74,370
B)	Items that will be reclassified to profit or loss			
-	Income tax relating to items that will be reclassified to Profit or Loss		-	-
	Subtotal (B)		-	-

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

(Rs. in Lacs)				
	Particulars	Notes	Year ended 31-Mar-21	Year ended 31-Mar-20
	Other comprehensive income		136,003	74,370
(XI)	Total Comprehensive Income for the year		188,713	107,819
(XII)	Earning Per Share (face value of ₹ 10 each)			
	Basic in ₹	30	90.83	57.64
	Diluted in ₹	30	90.83	57.64
	Significant accounting policies and notes to financial statements	1-48		
	The accompanying notes forms an integral part of these financial statements			

As per our report of even date

For **Ummed Jain & Co.**
Chartered Accountants
Firm Registration No.: 119250W

For and on behalf of Board of Directors

Sd/-
Ashwini Kumar Tewari
Director

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
CA Akhil Jain
Partner
Membership No.: 137970
Place: Mumbai
Date: May 5, 2021

Sd/-
Krishnan Kutty Raghavan
Chief Financial Officer

Sd/-
Amit Shah
Company Secretary

Consolidated Statement of changes in equity as at 31st March 2021

A. Equity Share Capital

Particulars	No. of Shares (Lacs)	Amount
Balance as at April 1, 2019	580	5,803
Changes in equity share capital	-	-
Balance as at March 31, 2020	580	5,803
Changes in equity share capital	-	-
Balance as at March 31, 2021	580	5,803

B. Other Equity

Particulars	Reserves & Surplus				Other Comprehensive Income			Total other equity attributable to equity holders of the Company
	General Reserve	Capital Redemption Reserve	Security premium reserve	Retained earnings	Foreign Currency Translation Reserve	Equity instruments through other comprehensive income	Other items of Other comprehensive income	
Balance as at April 1, 2019	45,385	94	6,347	155,374	256	4,028	(34)	211,449
Profit for the year	-	-	-	33,449	-	-	-	33,449
Remeasurement of defined employee benefit plans (net of taxes)	-	-	-	-	-	-	(154)	(154)
Unrealised gain on Equity instruments through OCI (net of taxes)	-	-	-	-	-	74,524	-	74,524
Total comprehensive income for the year	-	-	-	33,449	-	74,524	(154)	107,819
Inter-Reserve Transfer	45,385	94	6,347	188,823	256	78,551	(188)	319,268
Other Movements	205	-	-	(41)	(164)	-	-	-
Balance as at March 31, 2020	-	-	-	-	231	-	-	231
Balance as at March 31, 2021	45,590	94	6,347	188,782	323	78,551	(188)	319,500

(Rs. in Lacs)

Consolidated Statement of changes in equity as at 31st March 2021

(Rs. in Lacs)

Particulars	Reserves & Surplus			Other Comprehensive Income			Total other equity attributable to equity holders of the Company
	General Reserve	Capital Redemption Reserve	Security premium reserve	Retained earnings	Foreign Currency Translation Reserve	Equity instruments through other comprehensive income	
Profit/additions for the year	-	-	-	52,710	-	-	52,710
Remeasurement of defined employee benefit plans (net of taxes)	-	-	-	-	-	(1)	(1)
Realised gain on Equity instruments through OCI (net of taxes)	-	-	-	-	-	40,099	40,099
Unrealised gain on Equity instruments through OCI (net of taxes)	-	-	-	-	-	95,905	95,905
Total comprehensive income for the year	-	-	-	52,710	-	136,004	188,713
Dividends paid	-	-	-	(11,607)	-	-	(11,607)
Transition Impact of Ind AS 115	-	-	-	(1,951)	-	-	(1,951)
Inter-Reserve Transfer	130	-	-	(130)	-	-	-
Other Movements	-	-	-	40,042	161	(40,042)	161
Balance as at March 31, 2021	45,720	94	6,347	267,847	484	174,513	494,816
						(188)	

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date

For **Ummed Jain & Co.**
Chartered Accountants
Firm Registration No.: 119250W

Sd/-
Ashwini Kumar Tewari
Director

For and on behalf of Board of Directors
Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
CA Akhil Jain
Partner
Membership No.: 137970
Place: Mumbai
Date: May 5, 2021

Sd/-
Krishnan Kutty Raghavan
Chief Financial Officer

Sd/-
Amit Shah
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(Rs. in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Cash flow from operating activities:		
Net profit before taxation	72,478	43,683
Adjustments for -		
Fair valuation gain/loss on FVTPL Financial Instrument	(2,385)	(1,719)
Unwinding of Interest on fair valuation of security deposit	(21)	
Gain on disposal of subsidiaries	-	6
Provision for (written back)/doubtful debts	(2,300)	(3,001)
Provision for expected credit loss on cash and cash equivalents	4	-
Depreciation and amortisation expenses	1,791	1,542
Depreciation on Right of use assets	573	219
(Profit) / Loss on sale of Property, plant and equipment (net)	32	1
Interest income on investments	(714)	(692)
Interest income on fixed deposit with Banks	(2,311)	(1,710)
Interest on income Tax refund	(17)	(13)
Interest on delayed payment charges	(66)	-
Dividend income	(2,640)	(4,105)
Interest expenses	2,338	204
Interest expense on contract liabilities	180	-
Interest on lease liability	249	48
Increase in Foreign Currency Translation Reserve	161	231
(Decrease)/increase in provision for gratuity	254	(312)
(Decrease)/increase in Provision for compensated absences	159	251
Operating profit before working capital changes	67,766	34,633
Decrease /(increase) in trade receivables	(20,297)	20,017
Decrease /(increase) in other cash and bank balances	(17,736)	(3,561)
Decrease /(increase) financial asset	2,031	2,015
Decrease /(increase) other non-financial assets	(920)	(538)
Decrease /(increase) securities for trade	(67,554)	(20,033)
(Decrease)/increase payables	8,949	(6,633)
(Decrease)/increase other financial liabilities	2,973	2,392
(Decrease)/increase non-financial liabilities	553	2
Cash generated from operations	(24,236)	28,293
Income tax paid	(25,467)	(11,242)
I. Net cash from operating activities	(49,703)	17,051
Cash flow from investing activities:		
Purchase of fixed assets	(2,944)	(1,601)
Sale of fixed assets	33	10
Interest received	3,091	2,402
Dividend income	2,640	4,105

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(Rs. in Lacs)		
Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Purchase of investments	(142,800)	(6,145)
Sale of investments	193,819	4,443
II. Net cash from investing activities	53,838	3,213
Cash flow from financing activities:		
Repayment of bank borrowing	107,000	-
Bank borrowing availed	(110,225)	1,800
Repayment of lease liabilities	(716)	(241)
Interest expenses	(2,338)	(252)
Dividend Paid	(11,607)	-
III. Net cash used in financing activities	(17,886)	1,307
Net change in cash & cash equivalents (I+II+III)	(13,750)	21,571
Cash & cash equivalents at the beginning of the year	48,941	27,370
Cash & cash equivalents at the end of the year	35,191	48,941

Cash and cash equivalent included in cash flow statement comprise the following balance sheet amounts:

(Rs. in Lacs)		
Particulars	As at 31-Mar-21	As at 31-Mar-20
Cash on hand	-	1
Cheques on hand	-	648
Balances with scheduled banks (current & deposit accounts)	17,124	31,524
Deposit with maturity of less than 3 months	13,146	4,145
Fixed deposit with banks	4,921	12,623
Total Cash and Cash Equivalents	35,191	48,941
(Excludes lien marked as deposits with scheduled banks and current account balance in escrow account)	35,472	17,737

Note:

The above cash flow statement has been prepared under the "Indirect method" as set out on the Indian Accounting Standard (Ind AS-7) Statement of Cash flow

The Cash flow statement and notes to accounts form an integral part of the account.

As per our report of even date

For **Ummed Jain & Co.**
Chartered Accountants
Firm Registration No.: 119250W

Sd/-
CA Akhil Jain
Partner
Membership No.: 137970
Place: Mumbai
Date: May 5, 2021

For and on behalf of Board of Directors
Sd/-
Ashwini Kumar Tewari
Director

Sd/-
Krishnan Kutty Raghavan
Chief Financial Officer

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

1. Corporate Information

SBI Capital Markets Limited (hereinafter referred to as “the Company”) is an Unlisted Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at No.202, Maker Tower, ‘E’, 20th Floor Cuffe Parade, Colaba, Mumbai - 400 005, Maharashtra, India. The principal activity of group consists of Merchant Banking, corporate advisory services, Equity Broking & Research, Security Agency & Debenture Trusteeship and Private Equity Investment & Asset Management.

The Company is a wholly owned subsidiary and the Investment Banking arm of State Bank of India (SBI).

The consolidated financial statements of the Group include results of SBI Capital Markets Limited, its subsidiaries SBICAP Securities Limited, SBICAP Trustee Company Limited, SBICAP Ventures Limited and SBICAP (Singapore) Limited and associates SBI Pension Funds Private Limited.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements.

i. Basis of Preparation

The consolidated financial statements relate to SBI Capital Markets Limited (the Company) and its subsidiaries and associates (together ‘the Group’). The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as “Ind AS”) notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time).

Accounting policies have been consistently applied except where 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.

The Consolidated financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded off to nearest lacs, except when otherwise indicated.

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013.

The Consolidated financial statements for the year ended March 31, 2021 are being authorized for issue in accordance with a resolution of the Director’s on May 5, 2021.

ii. Basis of Consolidation

The consolidated financial statements comprises of SBI Capital Markets Limited and all its subsidiaries being the entity that it controls.

a. Subsidiaries

The subsidiaries are entities controlled by the Holding Company. The Holding Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the subsidiary Companies and entities (including structured entities) controlled by the Company used in the consolidation are drawn up to the same reporting date as of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any noncontrolling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed of.

b. Associates

Associates are all entities over which the Holding Company has significant influence but not control or joint control.

When the Holding Company share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

c. Principles of Consolidation:

- The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).
- The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures.

iii. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires that management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of financial statements and the income and expenses for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Group makes certain judgements and estimates for valuation of impairment of financial instruments, useful life of property, plant and equipment, deferred tax assets/liabilities and retirement benefit obligations. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

iv. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in the estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

If consideration is collected upfront before the services are provided, a contract liability is recognized when the payment is received or due (whichever is earlier). Contract liabilities are recognized as revenue when the performance obligation for relevant service is satisfied.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

a. Sale of Services Fee based Income

- **Issue Management and advisory fees** is recognised as per the terms of the agreement with the customer/client i.e. fee income is recognised only when the specific act/milestone defined in the agreement is executed/completed.
- Fees for private placement are recognised on completion of the assignment.
- **Brokerage Income:** Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid. Amounts receivable from and payable to clients/stock exchanges for broking transactions are disclosed separately as trades executed but not settled.
- **Selling & Distribution commission:** Commission relating to public issues is accounted for on finalization of allotment of the public issue/receipt of information from intermediary. Brokerage Income relating to public issues / mutual fund / other securities is accounted for based on mobilization and intimation received from clients / intermediaries.
- **Depository Income:** Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.
- **Base Management fees** is recognized as per the terms of contribution agreement with the contributors.
- **Revenue from trusteeship services** is recognized on a straight-line basis using time elapsed method over the contract term. In case of contracts where Group provides 'Will' services, revenue is recognized at a point in time when these services are performed, customer is invoiced and right to receive fees is established.

b. Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

c. Sale of Securities

Gains and losses on the sale of securities are recognised on trade date basis.

d. Dividend Income

Dividend income from investments is recognised when the right to receive dividend has been established.

v. Property, Plant and Equipment

Measurement at Recognition:

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount.

All items of property, plant and equipment are initially recorded at cost. Cost comprises acquisition cost and directly attributable cost of bringing the asset to its working condition for the intended use. The cost of an item of property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation:

Depreciation provided on Property, Plant and Equipment is calculated over the useful life by applying the written down value method as prescribed in Part C of Schedule II to the Companies Act, 2013, except in case of computers, servers and hand-held devices wherein the management estimates the useful life to be lower i.e. 3 years. Computers, servers and hand-held devices are depreciated over a period of three years on straight line basis.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Based on a technical evaluation, the management believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Estimated useful lives (in years)	Depreciation Method
Buildings	60	WDV
Office Equipment (other than mobile phones)	5	WDV
Furniture & Fixtures	10	WDV
Vehicles	8	WDV
Computers	3	SLM
Mobiles phones	3	SLM
Leasehold improvements	Over the period lease	SLM

Depreciation is provided from the date the asset is ready for its intended use. In respect of assets sale/disposal, depreciation is provided upto the date of sale/disposal.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and changes if any, are accounted for on a prospective basis.

Capital work-in-progress and capital advances:

Cost of the assets not ready for intended use, as on reporting date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in-progress until construction and installation is completed and assets are ready for its intended use.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is measured as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss when the item is derecognised.

vi. 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.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, future economic benefits are probable, and the Group intends to and has sufficient resources to complete the development and to use or sell the asset. Otherwise it is recognized in the statement of profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization.

Amortization:

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their useful life of three years and is included in the depreciation and amortization expenses in the statement of profit and loss.

vii. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group recognizes all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

For subsequent measurement, financial assets are categorized into:

a. **Amortised cost:**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows 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. The gains and losses resulting from fluctuations in fair value are not recognized for financial assets classified in amortised cost measurement category. A gain or loss on a financial asset which is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

b. **Fair value through other comprehensive income (FVOCI):**

The Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and The Group's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition. The dividend income on equity instruments are recognised in the statement of profit or loss.

c. **Fair value through Profit or Loss (FVTPL):**

The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), The Group irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of weighted average price.

Fair value is the price that would be received to sell 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 either:

- In the principal market for the asset or liability, or
- In the absence of principal market, in the most advantageous market for asset or liability.

The principal market or the most advantageous markets must be accessible by The Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- 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. In case of unquoted debt instruments, valuation would be done in accordance with the valuation guidelines issued by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).
- 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 Consolidated Financial Statements as at and for the year ended March 31, 2021

For assets and liabilities that are recognised in the financial statements on a recurring basis, The Group 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.

Based on The Group's business model for managing the investments, The Group has classified its investments and securities for trade as under:

Sr. No.	Particulars	Category
1	Investments-Debt Instruments	Amortised Cost
2	Investments-Equity Instruments other than subsidiary and associate	FVOCI
3	Investment in Mutual Funds and AIF Funds	FVTPL
4	Securities for trade portfolio	FVTPL

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables, the carrying amount approximates the fair value due to short maturity of these instruments.

Impairment of financial assets

In Accordance with Ind AS 109, the Group recognises impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, The Group measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. At each reporting date, The Group assesses whether the loans have been impaired.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, The Group applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from The Group balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Group 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 (a) The Group has transferred substantially all the risks and rewards of the asset, or (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, The Group continues to recognise the transferred asset to the extent of The Group's continuing involvement. In that case, The Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that The Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that The Group could be required to repay.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

Derecognition

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 when 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 or loss.

Offsetting of financial instruments

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

viii. Taxation

Income tax expense comprises current and deferred tax incurred by The Group.

Current Tax:

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group offsets, on a year to year basis, the current tax assets and liabilities, where it is has a legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amount as per tax laws is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

ix. Impairment of Non-Financial Assets

The Group assesses at the 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of cash generating unit's ("CGU") fair value less costs of disposal and its value in use. 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 taken into account, if available. If no such transactions

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. However, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

x. Leases

Group as a Lessee:

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.

The Group's lease asset classes primarily consist of leases for premises and leasehold improvements. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

At the date of commencement of lease, The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses incremental borrowing rate. For leases with reasonably similar characteristics, the group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the group recognizes any remaining amount of the re-measurement in statement of profit and loss.

In accordance with the standard, the Group has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. Lease payments for short term leases and leases for which the underlying asset is of low value are recognized as an expense on a straight-line basis over the lease term in the statement of profit or loss.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Group as a Lessor:

At the inception of the lease the group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

If an arrangement contains lease and non-lease components, the group applies Ind AS 115 Revenue to allocate the consideration in the contract.

xi. Borrowing Costs

Borrowing cost includes interest expense as per the effective interest rate (EIR) and other costs incurred by the group in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit and loss in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument using the EIR.

xii. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend Provision

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

xiii. Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

xiv. Contingent Liabilities and Assets

Contingent liabilities are disclosed when there is a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as contingent liability. The existence of contingent liabilities is disclosed in the notes to financial statements. Payments in respect of such liabilities, if any are shown as advances.

Contingent assets are neither recognized nor disclosed.

xv. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

xvi. Employee Benefits

Gratuity:

The Group pays gratuity, a defined benefit plan, to its employees who retire or resign after a minimum period of five years of continuous service and in the case of employees at overseas locations as per rules in force in the respective countries. The Group makes contributions to the SBICAP Employees Group Gratuity Scheme which is managed by Life Insurance Corporation of India for the settlement of gratuity liability.

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Group.

As required by the Ind AS 19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognized asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprise of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over-funded plans. The Group recognizes these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

Provident Fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

Compensated Absence:

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognized in the statement of profit and loss as and when they are incurred.

xvii. Segment Reporting

The Group identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

xviii. Foreign Exchange Transactions

The functional currency and the presentation currency of the Group is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the period in which they arise.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognized in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

xix. Earnings Per Share

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

Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xx. Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

▪ Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Further details about gratuity obligations are given in Note 33.

▪ Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

3. Cash and Bank Balances

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
(a) Cash and Cash equivalents		
Cash on hand	-	1
Balances with Scheduled banks		
- In current accounts	17,128	31,524
Cheques on hand	-	648
Deposit Accounts		
Deposit with maturity of less than 3 months	13,146	4,145
Impairment loss on cash and equivalents	(4)	-
Total	30,270	36,318
(b) Other bank balances		
Balances with Scheduled banks		
- In current accounts-Escrow Accounts	476	126
Deposit Accounts		
Deposit with original maturity Less than 12 months	39,917	27,740
Deposit with original maturity more than 12 months	-	2,493
Total	40,393	30,359

- 3.1 Fixed deposit amounting to Rs.34,997 lacs (2020: Rs.17,611 lacs) kept as collateral security deposit with Bank towards guarantees issued by Banks, Stock Exchanges and with regulatory authorities such as PFRDA and UIDAI.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

4. Securities for trade

(Rs. in Lacs)

Particulars	As at			
	31-Mar-2021		31-Mar-2020	
	Units	Amount	Units	Amount
A At fair value through profit or loss				
(i) Debt Securities - Bonds				
7.03% Hindustan Petroleum Corporation Ltd.	-	-	100	1,000
Subtotal		-		1,000
(ii) Preference shares (unquoted) fully paid up				
0.0001% preference shares of Pasupati Fabrics Ltd. of ₹ 10/- each	140,000	-*	140,000	-*
Subtotal		-		-
(iii) Equity Instruments (unquoted)- fully paid up				
Cremica Agro Foods Limited, face value ₹ 10/- each, fully paid up	46,200	9	46,200	9
Subtotal		9		9
(iv) Mutual Funds (unquoted)				
- Money market funds		63,284		25,267
- Liquid funds		86,953		50,523
- Arbitrage funds		-		5,893
Subtotal		150,237		81,683
Total (A) Gross		150,246		82,692
Less: Impairment Allowance		-		-
Total (B) - Net		150,246		82,692

* Fully provided for.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

5. Receivables

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
(a) Trade Receivables		
(i) Receivables - Secured	4,004	-
(ii) Receivables - Unsecured, Considered good	31,473	23,575
(iii) Receivable from related parties	17,797	9,427
Less: Allowance for expected credit loss	(5,921)	(8,220)
Total (a)	47,353	24,781
(b) Other Receivables		
(i) Receivables- Unsecured, Considered good	17	16
(ii) Receivable from related parties	50	27
Less: Allowance for expected credit loss	(1)	(2)
Total (b)	66	41
Total (a+b)	47,419	24,822

5.1 Movements in allowance for expected credit loss:

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Balance at the beginning of the year	8,222	11,215
Add/(Less): Allowance for the year	(2,300)	(2,993)
Total	5,922	8,222

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

6. Investments

(Rs. in Lacs)

	Particulars	As at			
		31-Mar-2021		31-Mar-2020	
		Units	Amount	Units	Amount
I	Investments carried at fair value through statement of other comprehensive income (FVOCI)				
	(a) Investment in Equity instruments - Quoted				
	Yes Bank Limited, face value of ₹ 2 each, fully paid up	9,401,256	1,467	-	-
	Subtotal		1,467		-
	(b) Investment in Equity instruments - Unquoted				
	National Stock Exchange of India Limited, face value of ₹ 1 each, fully paid up	21,450,000	277,005	21,450,000	158,001
	OTC Exchange of India Limited, face value of ₹ 10 each, fully paid up	1,100,000	*-	1,100,000	*-
	Investor Services India Limited, face value of ₹ 10 each, fully paid up (Company under voluntary liquidation)	535,768	-	535,768	-
	India SME Technology Services Limited, face value of ₹ 10 each, fully paid up (Company under voluntary liquidation)	22,000	32	22,000	42
	ONGC Mittal Energy Limited, face value USD 1 each, fully paid up	1,000,000	*-	1,000,000	*-
	Receivable Exchange of India Limited, face value ₹ 10 each, fully paid up	3,050,000	321	1,525,000	175
	Receivable Exchange of India Limited, face value of ₹ 10 each (partly paid up ₹ 7.5 per share (2020: Partly paid ₹ 7.5 per share))	-	-	1,525,000	88
	SBI Home Finance Limited, face value of ₹ 10 each, per share (Company under liquidation)	1,032,500	*-	1,032,500	*-
	Subtotal		277,358		158,307
	(c) Investment in Equity Instruments - Parent's Subsidiaries (unquoted)				
	SBI DFHI Limited, face value of ₹ 100 each, fully paid up	595,295	7,889	595,295	2,869
	State Bank of India Servicos Limitada Brazil*	1	-	1	-
	SBI Foundation, face value of ₹ 10 each, fully paid up	4,002	1	4,002	-
	Subtotal		7,890		2,869
	Total		286,715		161,176

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

(Rs. in Lacs)

	Particulars	As at			
		31-Mar-2021		31-Mar-2020	
		Units	Amount	Units	Amount
II	Investments carried at cost				
	(a) Investment in Equity Instruments - Associates (unquoted)				
	SBI Pension Funds Pvt. Ltd. of ₹ 10 each (Percentage holding in the Company is 20%)	6,000,000	882	6,000,000	813
	Total		882		813
III	Investments carried at fair value through Profit and Loss (FVTPL)				
	(a) Investments in AIF units - unquoted		10,217		7,691
	Subtotal		10,217		7,691
	(b) Investments in Mutual funds - Unquoted				
	- Fixed Maturity plans		3,077		2,861
	- Debt funds		8,706		11,666
	- Liquid funds		514		1,745
	Subtotal		12,297		16,272
	Total		22,514		23,963
IV	Investment carried at amortised cost				
	Investments in debentures or bonds-Quoted				
	8.20% bonds of National Highway Authority of India Ltd. of ₹ 1,000 each	54,876	549	54,876	549
	8.20% Power Finance Corporation Ltd. of ₹ 1,000 each	71,197	712	71,197	712
	8.10% bonds of India Railways Finance Corporation Ltd. of ₹ 1,000 each	304,510	3,045	304,510	3,045
	7.38% Rural Electrification Corporation Ltd. of ₹ 1,000 each	100,000	1,000	100,000	1,000
	7.34 % Indian Railways Finance Corporation Ltd. of ₹ 1,000 each	100,000	1,000	100,000	1,000
	8.63% Rural Electrification Corporation Ltd. of ₹ 1,000 each	100,000	1,000	100,000	1,000
	8.55% India Infrastructure Finance Company Ltd. of ₹ 1,000 each	100,000	1,000	100,000	1,000
	8.01% India Infrastructure Finance Company Ltd. of ₹ 1,000 each	15,000	150	15,000	150
	Total		8,456		8,456
	Total Investment		318,567		194,408

* Fully provided for.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

6.1 Investments in bonds pledged as security against overdraft facility: Rs. Nil (2020: Rs. 5,000 Lacs)

6.2 Category wise Investments

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Financial Assets		
- Amortised Cost	8,456	8,456
- Cost	882	813
- Fair value through other comprehensive income	286,715	161,176
- Fair value through profit or loss	22,514	23,963
Total	318,567	194,408
6.3 Break up of Investments		
Investments in India	318,567	194,408
Investments outside India	*_	*_
	318,567	194,408

7. Other financial assets

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Unsecured, Considered good		
Deposits		
- Security deposits for leased premises	624	577
- Deposits with stock exchanges/clearing house	575	2,949
- Other deposits	59	163
- Less: Provision for expected credit loss	(54)	(5)
Loans to employees	35	40
Accrued interest	1,177	863
Accrued income from services	175	14
Other Advances	2	2
Total	2,593	4,603

8. Income Tax Asset (Net)

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Advance tax and TDS	11,767	12,300
(Net of provision for tax of ₹ 1,90,223 Lacs (2020: ₹1,75,230 Lacs))		
Total	11,767	12,300

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

9. Property Plant and equipment		(Rs. in Lacs)								
	Particulars	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Vehicles	Computers	Lease hold Improvement	Total	Right to Use Assets
A.	Gross carrying amount									
	Opening balance as at April 1, 2019	9,517	4,020	986	1,159	14	6,396	100	22,192	-
	Additions	-	-	56	10	34	344	-	444	798
	Disposals	-	-	28	4	-	116	-	148	-
	Balance as at March 31, 2020	9,517	4,020	1,014	1,165	48	6,624	100	22,488	798
B.	Accumulated depreciation									
	Opening balance as at April 1, 2019	2,608	4,020	915	1,007	8	4,649	100	13,307	-
	Depreciation charge for the year	345	-	54	53	15	838	-	1,305	219
	Disposals	-	-	26	2	-	109	-	137	-
	Balance as at March 31, 2020	2,953	4,020	943	1,058	23	5,378	100	14,475	219
C.	Net carrying value									
	Net carrying amount as at March 31, 2021	6,236	-	80	43	14	1,508	-	7,882	4,783
	Net carrying amount as at March 31, 2020	6,564	-	72	106	24	1,247	-	8,013	579
	Balance as at March 31, 2021	3,281	4,020	892	987	34	6,055	39	15,308	613

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

10. Intangible assets

		(Rs. in Lacs)
	Particulars	Computer Software
A.	Gross carrying amount	
	Balance as at April 1, 2019	4,977
	Addition	353
	Disposals	-
	Balance as at March 31, 2020	5,330
	Addition	1,143
	Disposals	2,124
	Balance as at March 31, 2021	4,349
B.	Accumulated amortisation	
	Balance as at April 1, 2019	4,621
	Amortisation for the year	237
	Disposals	-
	Balance as at March 31, 2020	4,858
	Amortisation for the year	419
	Disposals	2,124
	Balance as at March 31, 2021	3,153
C.	Net carrying value	
	Net carrying amount as at March 31, 2021	1,196
	Net carrying amount as at March 31, 2020	472

11. Other non-financial assets

		(Rs. in Lacs)	
	Particulars	As at	
		31-Mar-21	31-Mar-20
	Service Tax refund receivable	-	4
	Advances for expenses	413	254
	Advances rentals for lease premises	-	485
	Capital Advances	359	15
	Prepaid expenses	457	338
	GST Credit	1,342	660
	Other advances	184	80
	Total	2,755	1,836

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

12. Payables

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
(I) Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	24,097	15,134
Total (I)	24,097	15,134
(II) Other Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	509	522
Total (II)	509	522
Total (I+II)	24,606	15,656

13. Borrowings

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Current		
Unsecured, Payable on demand		
Working capital loan from SBI	3,674	6,899
Total	3,674	6,899

13.1 Bank Overdraft carry interest rates of 7.15% per annum. (Previous Year 8.20% per annum) secured by Fixed deposit of the group.

14. Other financial liabilities

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Incentive payable	4,018	2,371
Payable for Capital Expenditure	1	1
Payable in respect of employees	4,047	2,431
Payable for expenses	3,906	4,575
Trust Settlement Fees	1	19
Retention money for Capital expenditure	15	9
Deposits		
- Lease deposits	35	35
- Other deposits	87	28
Other liabilities	458	126
Total	12,568	9,595

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

15. Deferred Tax Liability/ (Asset)

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Deferred Tax Liability (Refer note no. 38)	62,997	33,049
Total	62,997	33,049

16. Provisions

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Provision for compensated absences	1,365	1,524
Provision for gratuity	331	589
Total	1,696	2,113

17. Other non-financial liabilities

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Income received in advance	44	33
Statutory liabilities	2,907	2,364
Contract Liabilities	4,515	796
Total	7,466	3,193

18. Equity Share Capital

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
A. Authorised		
10,00,000 Preference Shares of ₹ 100 each	1,000	1,000
10,00,00,000 Equity Shares of ₹ 10 each	10,000	10,000
Total	11,000	11,000
B. Issued, subscribed and fully paid- up		
5,80,33,711 Equity Shares of ₹10 each, fully paid	5,803	5,803
Total issued, subscribed and Fully paid-up share capital	5,803	5,803

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

C. Reconciliation of shares at the beginning and at the end of the each reporting year

(Rs. in Lacs)

Equity Shares	March 31, 2021		March 31, 2020	
	No. of Shares	Amount	No of Shares	Amount
At the beginning of the year	58,033,711	5,803	58,033,711	5,803
At the end of the year	58,033,711	5,803	58,033,711	5,803

D. Terms/rights attached to equity shares

The Group has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled for one vote per share. The dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

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

E. Pattern of shareholding

Details of shares held by shareholders holding more than 5% of the aggregate shares in the group:

Shareholder	March 31, 2021		March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
State Bank of India & Its nominees	58,033,711	100%	58,033,711	100%
Total	58,033,711	100%	58,033,711	100%

F. Other details of equity shares for a period of five years immediately preceding March 31, 2020:

Particulars	2020	2019	2018	2017	2016
Aggregate no. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-	-	-	-
Aggregate no. of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate no. of shares bought back	-	-	-	-	-

G. Capital Management:

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through cash flows generated from operations.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

19. Other Equity

(Rs. in Lacs)

Reserves & Surplus	As at	
	31-Mar-21	31-Mar-20
A) General Reserve		
Balance as per the last financial statements	45,590	45,385
Add: addition during the year	130	205
Closing Balance	45,720	45,590
B) Securities Premium Account		
Balance as per the last financial statements	6,347	6,347
Add: addition during the year	-	-
Closing Balance	6,347	6,347
C) Capital Redemption Reserve		
Balance as per the last financial statements	94	94
Add: addition during the year	-	-
Closing Balance	94	94
D) Foreign Currency Translation Reserve		
Balance as per the last financial statements	323	256
Add: addition during the year	161	231
Less: Transferred to Retained Earnings	-	(164)
Closing Balance	484	323
E) Retained Earnings		
Balance as per the last financial statements	188,782	155,374
Profit for the year	52,710	33,449
Add: Transferred from Foreign Exchange fluctuation reserve	-	164
Add: Realised gain on Equity instruments through OCI transferred to Retained Earnings	40,042	
Add/Less: Appropriations/ Adjustments		
- Interim dividend	(11,607)	-
Dividend distribution tax	-	-
- Transfer to general reserve	(130)	(205)
- Transition Impact of Ind AS 115 (Refer note 41)	(1,951)	-
Closing Balance	267,847	188,782
F) Other Comprehensive Income (OCI)		
Balance as per the last financial statements	78,364	3,993
Add: addition during the year	136,003	74,370
Less: Transferred to Retained earnings	(40,043)	
Closing Balance	174,324	78,364
Total	494,816	319,500

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

20. Interest Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
A. Interest income on financial assets measured at amortised cost:		
- Investments	682	682
- Fixed deposit with banks	2,311	1,710
B. Interest income on financial assets measured at fair value through profit or loss:		
- AIF Funds	32	10
- Securities held for trade	513	604
C. Interest income on financial assets measured at fair value through OCI	-	-
Total	3,538	3,006

21. Dividend Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Dividend income on Financial Instruments measured at		
- Fair value through other comprehensive income	2,627	3,878
- Fair value through profit or loss	13	227
Total	2,640	4,105

22. Fees and Commission Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Issue management fees	3,718	1,508
Underwriting commission	4,650	-
Arranger's fees	4,802	1,317
Advisory fees	36,524	29,106
Brokerage	23,679	16,152
Selling and distribution commission	32,522	24,101
Trusteeship acceptance fees & service charges	2,999	3,556
Depository service income	3,165	2,209
Fund management fees	6,668	2,545
Legal & Documentation Charges	8	14
Other Operating Income	5,945	4,976
Total	124,680	85,484

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

23. Net gain on fair value changes

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Net gain/loss on financial instruments at fair value through profit or loss		
- Profit/loss on securities held for trade	3,075	3,832
- Profit/(loss) on sale of investments (net)	2,385	1,720
Total	5,460	5,552

23.1 Fair value changes

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
- Realised	3,716	3,665
- Unrealised	1,744	1,886
Total	5,460	5,552

24. Other Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Bad debts recovered	129	192
Interest on Income Tax refund	17	13
Interest income on delayed payment	66	-
Exchange differences (net)	-	240
Exchange differences on disposal of subsidiary	-	8
Unwinding of Interest on security deposit	21	-
Gain on disposal of Subsidiary		6
Others	46	213
Write back of Provisions		
- Leave Encashment	-	67
- S&D sub-commission payable written back	-	47
- Others	234	283
Total	513	1,069

25. Finance costs

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Interest expense	2,331	184
Interest on lease liability	249	48
Unwinding of Interest expense	180	-
Other borrowing cost	8	20
Total	2,768	252

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

26. Fees and commission expenses

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Fees and commission expenses	4,370	2,591
Other Operating Expenses	10,365	11,735
Total	14,735	14,326

27. Employee Benefits Expenses

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Salaries, wages and bonus	30,461	23,616
Contribution to provident and other funds	1,707	1,123
Contribution to superannuation	138	26
Contribution to gratuity (Refer note 33)	304	170
Leave encashment (Refer note 34)	187	-
Staff welfare expenses	507	585
Total	33,304	25,520

28. Depreciation, amortization and impairment

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Depreciation and amortisation expense	1,791	1,542
Depreciation on Right of use assets	573	219
Total	2,364	1,761

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

29. Other expenses

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Legal & Professional Fees	2,660	3,404
Conveyance & Travelling	578	1,147
Rental charges	770	888
Rates & Taxes	129	513
Royalty Expenses	917	541
Bad Debts Written off	3,125	4,646
Write back of Provision for Doubtful Debts	(2,300)	(2,993)
Postage, telephone and telex	919	912
Advertisement Expenses	23	22
Printing & Stationery	203	295
Electricity Expenses	176	218
Repairs & Maintenance Building	180	104
Repairs & Maintenance Others	623	681
Insurance	174	125
Auditor's Remuneration (Refer note 32)	59	61
Director's Sitting Fees	47	36
Tax on Perquisites	13	-
Office Maintenance	335	333
Training Charges	3	369
Membership & Subscription	850	815
Filing Fees & Other Charges	42	32
Corporate Social Responsibility expenses (Refer note 36)	829	777
Penalty paid to SEBI	-	17
Exchange differences (net)	68	-
Loss on disposal of subsidiary (Refer note 44)	-	-
Loss on sale of Property, Plant and Equipment	31	1
Miscellaneous expenses	728	730
Total	11,182	13,674

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

30. Earnings per equity share (EPS)

The computation of basic and diluted earnings per share is given below:

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
Profit after tax	52,710	33,449
Weighted average number of equity shares:		
- For Basic EPS (No.)	58,033,711	58,033,711
- For Diluted EPS (No.)	58,033,711	58,033,711
Nominal value per share (₹)	10	10
Earnings per share		
- Basic in ₹	90.83	57.64
- Diluted in ₹	90.83	57.64

31. Contingent Liabilities and Commitments

(Rs. in Lacs)

Particulars	As at	
	March-21	March-20
A) Contingent Liabilities		
Claims against the Group/disputed liabilities not acknowledged as debts		
(i) For income tax matters	5,913	4,999
(ii) For other matters	308	276
Guarantees		
- Performance Guarantees	27,032	19,014
- In respect of Associates	122	86
B) Commitments		
- Capital Commitments	1,165	1,283
- Uncalled liability on shares and investments partly paid	-	76
- Other commitments- Investments	666	1,580

32. Auditor's Remuneration

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
- Audit Fees	29	27
- Tax audit	6	4
- Limited Review	7	9
- Other services (certification)	16	20
- Out-of-pocket expenses	1	1
Total	59	61

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

33. Employee Benefits

A. Gratuity

The Company has a defined benefit 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 is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Reconciliation of Defined benefit obligation

Changes in defined benefit obligation

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Opening of defined benefit obligation	1,422	1,165
Current service cost	243	172
Interest on defined benefit obligation	87	78
Remeasurements due to:		
- Actuarial loss/(gain) arising from change in financial assumptions	32	63
- Actuarial loss/(gain) arising from change in demographic assumptions	-	45
- Actuarial loss/(gain) arising on account of experience changes	(20)	19
Benefits paid	(184)	(120)
Closing of defined benefit obligation	1,580	1,422

Movement in Plan Assets

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Opening fair value of plan assets	652	496
Employer contributions	741	234
Interest on plan assets	43	36
- Actual return on plan assets less interest on plan assets	(3)	6
Benefits paid	(184)	(120)
Closing fair value of plan assets	1,249	652

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Investments with insurer	100%	100%

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Balance sheet

Net asset/(liability) recognised in the balance sheet:

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Present value of the funded defined benefit obligation	1,580	1,422
Fair value of plan assets at the end of the year	1,249	652
Liability recognized in the balance sheet (i-ii)	331	770

Statement of profit & loss

Expenses recognised in the Statement of profit and loss:

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Current service cost	243	172
Expected return on plan assets	44	32
Total expense charged to profit and loss account	287	204

Statement of other Comprehensive Income (OCI)

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Opening amount recognized in OCI outside profit and loss account	163	42
Remeasurements during the year due to:		
Changes in financial assumptions	32	63
Changes in demographic assumptions	-	45
Experience adjustment	(19)	19
Actual return on plan assets less interest on plan assets	3	(6)
Closing amount recognized in OCI outside profit and loss account	179	163

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	Year ended	
	31 st March 2021	31 st March 2020
	%	%
Discount rate	5.20% - 7.03%	5.45% - 7.03%
Salary Escalation rate	8.00 - 10.00	8.00 - 10.00

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Sensitivity Analysis

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	Discount Rate	Salary Escalation Rate
Defined Benefit obligation on increase in 50 bps	1,538	1615
Impact of increase in 50 bps on DBO	-2.72%	2.15%
Defined Benefit obligation on decrease in 50 bps	1,625	1546
Impact of decrease in 50 bps on DBO	2.81%	-2.17%

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.

Investment details of plan assets

A. 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	Rs. in Lacs
Expected benefits for year 1	239
Expected benefits for year 2	207
Expected benefits for year 3	210
Expected benefits for year 4	180
Expected benefits for year 5	170
Expected benefits for year 6 years and above	1,434

The weighted average duration to the payment of these cash flows is 6.90 years

B. Compensated Absence

The liability towards compensated absences for the year ended March 31, 2021 is based on actuarial valuation carried out by using the projected unit credit method.

Particulars	Year ended	
	31 st March 2021	31 st March 2020
	%	%
Interest rate	5.20% - 7.03%	5.45% - 7.03%
Salary Escalation rate	8.00 - 10.00	8.00 - 10.00

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

34. SEGMENTAL REPORTING

- Primary Segment

The Group's operations falls under a single business segment of Financial services. The Company is engaged in providing Investment banking, Merchant banking and corporate advisory services. As per the views of the Company's chief operating decision maker, business activities primarily falls within a single operating segment, no additional disclosure is to be provided under IND AS 108 - Operating Segments, other than those already provided in the financial statements.

- Geographical Segment

The Group operates in one geographic segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

35. RELATED PARTY DISCLOSURES

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Company are as follows:

A) Related party where control exists irrespective whether transactions have occurred or not

Holding Company

State Bank of India

B) Other related parties where transactions have occurred during the year

a) Fellow Subsidiaries & Associates

SBI DFHI Limited
SBI Funds Management Private Limited
SBI Life Insurance Company Limited
SBI Cards and Payment Services Limited
SBI General Insurance Company Ltd.
SBI Foundation
State Bank of India Servicos Limitada Brazil
SBI Home Finance Limited
SBI Pension Funds Private Limited

b) Staff Welfare Fund

SBICAPS Employee's Provident Fund

c) Sponsor of the Trust

SLS Trust

d) Directors and Key Managerial Personnel of the Company

Managing Director & CEO

Shri. Arun Mehta
(from 21st January 2020 onwards)

Shri. Sanjiv Chadha
(from 21st February 2019 to 20th January 2020)

Whole-time Directors

Shrimati Uma Shanmukhi Sistla
(from 12th July 2018 to 22nd May 2020)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021



	Shri. R. Viswanathan (from 27 th May 2020 onwards)
Non-Executive Independent Directors	Shri. Narayan K. Seshadri (Upto 30 th September 2020)
	Shri. Ananth Narayan Gopalakrishnan
Non-Executive Directors	Smt. Bharati Rao Shri. T. L. Palani Kumar Shri. Sharad Sharma (from 6 th September 2019 onwards)

35.1 Managerial Remuneration

		(Rs. in Lacs)	
Particulars		Year ended	
		March-21	March-20
Shri. Sanjiv Chadha			
Short term employee benefits		10	27
Post employee benefits		-	4
Shri. Arun Mehta			
Short term employee benefits		56	7
Post employee benefits		5	1
Shri. R. Viswanathan			
Short term employee benefits		34	-
Post employee benefits		4	-
Shrimati Uma Shanmukhi Sistla			
Short term employee benefits		20	38
Post employee benefits		1	5
Total		130	83

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

35.2 The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lacs)

Particulars	Holding Company		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Income and Expense items:						
(For the year ended)						
Income during the year ended						
Issue Management Fees	2,333	-	-	-	-	-
SBI Cards and Payment Services Limited	-	-	-	643	-	-
Arranger Fees	-	695	-	-	-	-
SBI Cards and Payment Services Limited	-	-	-	25	-	-
Advisory fees	8,112	7,172	-	-	-	-
SLS Trust	-	-	-	-	878	-
Trusteeship Fees	19	68	-	-	-	-
Brokerage Income	37	61	-	-	-	-
SBI Life Insurance Company Limited	-	-	258	200	-	-
SBI General Insurance Company Limited	-	-	4	4	-	-
SBI Funds Management Private Limited	-	-	1	1	-	-
SBI Alternative Equity Fund	-	-	-	-	-	-
SBIISG Global Pvt Ltd	-	-	-	2	-	-
SBI Canada Limited	-	-	-	-	-	-
Interest Income	889	606	-	-	-	-
SBI Cards and Payment Services Limited	-	-	-	116	-	-
Net Profit on sale securities	-	-	-	65	-	-
SBI Cards and Payment Services Limited	-	-	-	-	-	-
Dividend received	-	-	268	60	-	-
SBI DFHI Limited	-	-	-	-	-	-
Selling and distribution commission	33,528	23,942	-	-	-	-
SBI Life Insurance Company Limited	-	-	2	6	-	-
SBI General Insurance Company Limited	-	-	433	11	-	-
Other Operating Income	-	64	-	-	-	-
Miscellaneous Income	-	100	-	-	-	-
Expenses during the year ended						
Deputation of Employees#	556	564	-	-	-	-

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

(Rs. in Lacs)

Particulars	Holding Company		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Ex-gratia paid						
Shri. Arun Mehta	-	-	-	-	4	4
Shri. Sanjiv Chadha	-	-	-	-	11	12
Shrimati Uma Shanmukhi Sistla	-	-	-	-	15	9
Director's Sitting Fees						
Smt. Bharati Rao	-	-	-	-	11	8
Shri. T. L. Palani Kumar	-	-	-	-	8	6
Shri. Sharad Sharma	-	-	-	-	4	2
Shri. Narayan K Seshadri	-	-	-	-	6	7
Shri. Ananth Narayan Gopalakrishnan	-	-	-	-	8	5
Finance Charges	2,331	184	-	-	-	-
Other Borrowing Cost	8	20	-	-	-	-
Royalty Expense	917	543				
Insurance Expense						
SBI Life Insurance Company Limited	-	-	29	87	-	-
SBI General Insurance Company Limited	-	-	137	30	-	-
Rent Expense	90	85	-	-	-	-
SBI Funds Management Private Limited	-	-	4	-	-	-
Contribution towards CSR						
SBI Foundation	-	-	141	584	-	-
Bank & Other Charges	6	109	-	-	-	-
SBI DFHI Limited	-	-	0*	-	-	-
Referral Fees	239	517	-	-	-	-
Bad Debts written off	171	103	-	-	-	-
Other expenses	1	-	-	-	-	-
SBI Cards and Payment Services Limited	-	-	1	1	-	-
Balance Sheet Items: (Outstanding As on)						
Share Capital	5,803	5,803	-	-	-	-

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

(Rs. in Lacs)

Particulars	Holding Company		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Balance payable as at						
Payables	17,832	158	-	-	-	-
SBI General Insurance Company Limited	-	-	0*	0*	-	-
SBI Funds Management Pvt. Limited	-	-	2	-	-	-
SBI Life Insurance Company Limited	-	-	2	-	-	-
Short term borrowings	3,674	6,899	-	-	-	-
Advance received from Customers	25	15	-	-	-	-
Balance receivable as at						
Bank Balance	15,329	25,706	-	-	-	-
Deposit with Banks	18,684	13,435	-	-	-	-
Receivables	18,417	767	-	-	-	-
SBI Cards and Payment Services Limited	-	-	-	759	-	-
SBI Life Insurance Company Limited	-	-	-	0*	-	-
SBI Fund Management Pvt. Ltd.	-	-	-	0*	-	-
SBI General Insurance Company Limited	-	-	16	-	-	-
Investments						
SBI Pension Funds Private Limited	-	-	601	601	-	-
SBI DFHI Limited	-	-	7,889	2,869	-	-
SBICAP Home Finance Limited@	-	-	0*	0*	-	-
SBI Foundation	-	-	1	1	-	-
State Bank of India Servicos Limitada Brazil@	-	-	0*	0*	-	-
Gratuity Fund						
SBI Life Insurance Company Limited	-	-	537	24	-	-
Accrued interest on Deposit with Banks	612	438	-	-	-	-
Others transactions during the year ended						
Investment in Bonds						
SBI Cards and Payment Services Limited\$	-	-	-	82,500	-	-
Sale of securities	170,072	120,015	-	-	-	-
SBI General Insurance Company Limited	-	-	32,592	50,028	-	-
SBI DFHI Limited	-	-	36,515	75,202	-	-
SBI Life Insurance Company Limited	-	-	100,575	89,058	-	-
SBI Funds Management Private Limited	-	-	70,052	40,015	-	-

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

(Rs. in Lacs)

Particulars	Holding Company		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Benefits paid from Gratuity fund						
SBI Life Insurance	-	-	100	41	-	-
Borrowings availed	107,000	-	-	-	-	-
Borrowings repaid	107,000	-	-	-	-	-
Guarantees	407	239	-	-	-	-
Expenses shared	44	37	-	-	-	-

#Included in expenses relating to deputation of employees are amounts aggregating to Rs. 117 (2020: Rs. 117) pertaining to salaries paid to Key Managerial Personnel.

* Insignificant amount

@ Fully provided

\$Outstanding as at 31st March 2021 is Nil.

The Company has contributed Rs.914 Lacs (March 31, 2020: 772 Lacs) to SBICAPS Employee's Provident Fund during the year.

The Company has sold securities of Rs.Nil (March 31, 2020: 151) to SBICAPS Employee's Provident Fund during the year.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

36. Statement of corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Particulars	(Rs. in Lacs)	
	Year ended	
	March-21	March-20
a) Gross amount required to be spent during the year	825	776
b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above - in cash	829	777
Out of the above, contribution made to related party is as below		
SBI Foundation	141	584

37. Micro and small enterprises

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2021. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 that has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at	
	March-21	March-20
The amounts remaining unpaid to any supplier at the end of the year:		
1. Principal amount	-	-
2. Interest amount	-	-
The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006.	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

38. Income tax

A. The major components of income tax expense for the year are as under:

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
Current Tax		
In respect of current year	17,768	9,367
In respect of earlier years	(86)	(920)
Total (A)	17,682	8,447
Deferred tax		
Origination of reversal of temporary differences	2,155	1,611
Impact of change in tax rate	-	223
Total (B)	2,155	1,833
Income Tax recognized in the statement of Profit and Loss (A+B)	19,837	10,280
Income tax expenses recognized in OCI		
Income tax relating to items that will not be classified to profit or loss	36,768	10,715
Total	36,768	10,715

B. Movement of tax expenses and the accounting profit for the year is as under:

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
Profit before tax	72,478	43,683
Enacted tax rates in India	25.168	25.168
Computed tax expense	18,241	10,994
Effect of income taxable on receipt basis	-	917
Tax on expenses not tax deductible	1,694	778
Tax on exempt income	(2,164)	(3,322)
Other adjustments	(3)	-
Total Tax expenses as per statement of profit and loss	17,768	9,367
The applicable Indian corporate statutory tax rate to the group for the year is 25.168%.		

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

C. Movement of Deferred tax assets and Liabilities

(Rs in Lacs)

	Movement during the year ended March 31, 2021	As at April 1, 2020	Credit/ (Charge) in the statement of profit and loss	Credit/(Charge) in other comprehensive income/Equity	As at March 31, 2021
	Difference between book and tax depreciation	95	15	-	110
	Allowances for doubtful debts and advances	2,067	(623)	-	1,444
	Fair value gain/(loss) on investments	(37,408)	(430)	(28,428)	(66,267)
	Provision for post retirement benefits	376	(74)	(1)	301
	Other temporary differences	1,821	(1,043)	636	1,415
	Net deferred tax assets/(Liabilities)	(33,049)	(2,155)	(27,793)	(62,997)

(Rs in Lacs)

	Movement during the year ended March 31, 2020	As at April 1, 2019	Credit/ (Charge) in the statement of profit and loss	Credit/(Charge) in other comprehensive income	As at March 31, 2020
	Difference between book and tax depreciation	393	(298)	-	95
	Allowances for doubtful debts and advances	3,869	(1,802)	-	2,067
	Fair value gain/(loss) on investments	(26,467)	(212)	(10,729)	(37,408)
	Provision for post retirement benefits	527	(150)	-	376
	Other temporary differences	1,178	629	14	1,821
	Net deferred tax assets/(Liabilities)	(20,500)	(1,833)	(10,715)	(33,049)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

39. Financial Instruments

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(Rs. in Lacs)

Particulars	Amortised Cost	Fair Value through P&L	Fair Value through OCI	Total Carrying Value	Total Fair Value
ASSETS:					
Cash and cash equivalents	30,270	-	-	30,270	30,270
Other balances with banks	40,393	-	-	40,393	40,393
Securities for trade	-	150,246	-	150,246	150,246
Trade Receivables	47,419	-	-	47,419	47,419
Investments excluding Associate	8,456	22,514	286,715	317,685	317,685
Other Financial Assets	2,593	-	-	2,593	2,593
Total	129,131	172,760	286,715	588,606	588,606
LIABILITIES:					
Trade Payables	24,606	-	-	24,606	24,606
Borrowings	3,674	-	-	3,674	3,674
Lease Liabilities	4,747	-	-	4,747	4,747
Other Financial Liabilities	12,568	-	-	12,568	12,568
Total	45,595	-	-	45,595	45,595

The carrying value of financial instruments by categories as of March 31, 2020 is as follows:

(Rs. in Lacs)

Particulars	Amortised Cost	Fair Value through P&L	Fair Value through OCI	Total Carrying Value	Total Fair Value
ASSETS:					
Cash and cash equivalents	36,318	-	-	36,318	36,318
Other balances with banks	30,359	-	-	30,359	30,359
Securities for trade	-	82,692	-	82,692	82,692
Trade Receivables	24,822	-	-	24,822	24,822
Investments excluding Subsidiary and Associate	8,456	23,963	161,176	193,594	193,594
Other Financial Assets	4,603	-	-	4,603	4,603
Total	104,558	106,655	161,176	372,388	372,388
LIABILITIES:					
Trade Payables	15,656	-	-	15,656	15,656
Borrowings	6,899	-	-	6,899	6,899
Lease Liabilities	598	-	-	598	598
Other Financial Liabilities	9,595	-	-	9,595	9,595
Total	32,748	-	-	32,748	32,748

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Fair Value Hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in Inputs use for measuring Level 3 fair value.

The following table summarises financial instruments measured at fair value on recurring basis:

(Rs. in Lacs)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Instruments				
Securities for trade				
- Debt Securities	-	-	-	-
- Equity Shares	-	-	9	9
- Mutual Funds	150,237	-	-	150,237
Subtotal	150,237	-	9	150,246
Investments				
- Equity Shares	1,467	-	285,248	286,715
- Mutual Funds	12,297	-	-	12,297
- AIF Funds	-	-	10,217	10,217
Subtotal	13,764	-	295,465	309,229
Total	164,001	-	295,474	459,475

(Rs in Lacs)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Instruments				
Securities for trade				
- Debt Securities	1,000	-	-	1,000
- Equity Shares	-	-	9	9
- Mutual Funds	81,683	-	-	81,683
Subtotal	82,683	-	9	82,692
Investments				
- Equity Shares	-	-	161,175	161,175
- Mutual Funds	16,272	-	-	16,272
- AIF Funds	-	-	7,691	7,691
Subtotal	16,272	-	168,866	185,138
Total	98,955	-	168,875	267,830

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Movements in Level 3 Financial instruments measured at fair value

The Following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	(Rs. in Lacs)	
	As at	
	March-21	March-20
Opening Balance	168,875	80,959
Add: Purchase	1,213	2,310
Less: Sales	-	-
Add: Fair Value Gain/(Loss)	125,386	85,606
Closing Balance	295,474	168,875

Financial assets subject to offsetting, netting arrangements

There are no instruments which are eligible for netting and not netted off.

Financial Risk Management

Risk Management Framework

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The Company has exposure to the following risks arising from financial instruments:

- a) Credit Risk
- b) Liquidity Risk
- c) Market Risk

The Company has formulated various policies with respect to such risks, mitigation strategies and internal controls to be implemented. The Board oversees the Company's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

a) Credit Risk

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to the financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits.

The maximum exposure to credit risk at the reporting date is primarily from Company's Trade receivable, Debt instruments in Securities for trade and investment portfolio.

The following table provides exposures to credit risk for trade receivables, securities for trade and investments:

Particulars	(Rs. in Lacs)	
	As at	
	March-21	March-20
Trade Receivables	47,419	24,822
Debt Instruments in Securities for trade and Investment portfolio	9,306	9,306
Total	56,725	34,128

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Trade Receivables

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables except trade receivables of Broking and Selling and Distribution business that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

The expected credit loss rates are based on the payment profiles over a period of 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

Following table provides information about rate Expected credit loss for trade receivables under simplified approach:

As at March 31, 2021:

(Rs. in Lacs)

Age of Trade Receivables	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
0-3 Months	7,251	411	6,840
3-6 Months	1,033	108	925
6-9 Months	382	77	305
9-12 Months	680	140	541
12-15 Months	390	151	239
15-18 Months	378	171	207
18-21 Months	142	87	56
21-24 Months	556	418	137
24 Months and above	2,825	2,825	-
Doubtful receivables	183	183	-
Total	13,820	4,570	9,250

As at March 31, 2020:

(Rs. in Lacs)

Age of Trade Receivables	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
0-3 Months	8,368	434	7,934
3-6 Months	1,111	146	965
6-9 Months	827	170	657
9-12 Months	1,126	310	816
12-15 Months	791	308	483
15-18 Months	230	121	109
18-21 Months	476	326	150
21-24 Months	457	387	70
24 Months and above	3,463	3,463	-
Doubtful receivables	917	917	-
Total	17,765	6,581	11,184

Trade Receivables in Respect of Broking and Selling and Distribution Activities:

In respect of Broking activities, Management considers that trade receivables are in default if the payment is 7 days overdue. ECL has been provided fully on unsecured dues (not backed by securities) outstanding for more than 7 days. Out of the total trade receivable pertaining to Broking activity of Rs. 20,446 lacs (2020: Rs. 6,795 lacs) Rs. 1,340 lacs (2020: Rs. 1,560) is unsecured over due for than 7 days. Probability of default has been considered at 100% and treated as credit impaired.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

In respect of Selling and distribution of Third Party Products, Management considers that trade receivables are in default if the trade receivables are in default if the payment is 60 days. ECL has been provided fully on dues outstanding for more than 60 days except for dues outstanding from group company. Out of the total trade receivable pertaining to Selling and distribution activity of Rs. 19,036 lacs (2020: Rs. 8,443 lacs) Rs. 11 lacs (2020: Rs. 79 lacs) is over due for 60 days. Probability of default has been considered at 100% and treated as credit impaired.

During the year company made write off of Rs. 3,125 lacs (2020: Rs. 4,645 lacs) it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Debt Instruments in Securities for trade and Investment Portfolio:

All of the entity's debt investments are considered to have low credit risk. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Other Financial Assets considered to have low risk:

Credit risk on cash and cash equivalents is limited to the current account and deposit account balance with banks with high credit ratings assigned by International and domestic credit rating agencies. Investments comprised of Equity Instruments, Mutual Funds and commercial papers which are market tradeable. Other financial assets include deposits for assets acquired on lease, deposit with electricity department and interest accrued on securities but not due.

b) Liquidity Risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at March 31, 2021.

(Rs. in Lacs)

Particulars	Less than 1 year	1-5 years	Greater than 5 years	Total
Cash and bank balance	70,663	-	-	70,663
Securities for trade	150,246	-	-	150,246
Receivables	47,419	-	-	47,419
Investments	6,765	20,753	291,049	318,567
Other Financial assets	1,214	1,379	-	2,593
Total	276,307	22,132	291,049	589,488
Liabilities				
Payables	24,606	-	-	24,606
Borrowings	3,674	-	-	3,674
Lease liabilities	767	1,923	2,056	4,747
Other financial liabilities	12,276	292	-	12,568
Total	41,323	2,215	2,056	45,595
Net Excess/(shortfall)	234,984	19,917	288,993	543,893

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at March 31, 2020.

(Rs. in Lacs)

Particulars	Less than 1 year	1-5 years	Greater than 5 years	Total
Assets				
Cash and bank balance	64,101	2,576	-	66,677
Securities for trade	82,692	-	-	82,692
Receivables	24,822	-	-	24,822
Investments	7,802	16,926	169,680	194,407
Other Financial assets	938	3,665	-	4,603
Total	180,355	23,167	169,680	373,201
Liabilities				
Payables	15,656	-	-	15,656
Borrowings	6,899	-	-	6,899
Lease liabilities	-	598	-	598
Other financial liabilities	8,298	1,297	-	9,595
Total	30,853	1,895	-	32,748
Net Excess/ (shortfall)	149,502	21,272	169,680	340,453

C. Market Risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices and interest rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

i) Interest Rate Risk

The Company's investments are primarily in fixed rate interest/ dividend bearing instruments. Accordingly there is no significant risk exposure to interest rate risk with respect to investment in debt securities.

The exposure of group's borrowings to interest rate changes at the end of the reporting period is given in the table below. At the end of reporting period, the group had the following variable rate borrowings outstanding:

(Rs. in Lacs)

Particulars	March 31, 2021		March 31, 2020	
	Weighted Average Interest Rate	Balance	Weighted Average Interest Rate	Balance
Bank overdrafts	7.15%	3,674	8.20%	6,899

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Sensitivity

The table below set out the effect on profit or loss due to parallel shift of 10% in interest rates

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
Effect on Profit and loss		
10% decrease in Interest rates	(26)	(57)
10% increase in Interest rates	26	57

ii) Price Risk

Price risk is the risk that value of the financial instrument will fluctuate as a result of change in market prices and related market variables including interest rate for investment in mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer and markets. The Company's exposure to price risk arises from investments in unquoted equity securities, debt securities units of mutual funds and alternative investment funds which are classified as financial assets either at fair value through other comprehensive income or at fair values through profit and loss.

(Rs. in Lacs)

Particulars	As at	
	March-21	March-20
Securities for trade	150,246	82,692
Investments	309,229	185,138
Total	459,475	267,830

Sensitivity Analysis

The table below set out the effect on profit or loss and equity due to reasonable possible weakening/strengthening in prices of 10%

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
Effect on Profit and loss		
10% increase in prices	12,980	8,036
10% decrease in prices	(12,980)	(8,036)
Effect on Equity		
10% increase in prices	22,120	12,430
10% decrease in prices	(22,120)	(12,430)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

40. Leases

40.1 As a Lessee

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.

40.2 The following is the movement in lease liability:

(Rs. in Lacs)

Particulars	As at	
	March-21	March-20
Opening Balance	598	-
Add: Lease liability created	4,718	791
Add: Interest on lease liability	249	48
Less: Lease modification	(103)	-
Less: Repayment of lease liability	(716)	(241)
Total	4,746	598

40.3 The details of the right-of-use assets held by the Company is as follows:

As at March 31, 2021:

(Rs. in Lacs)

Particulars	Additions for the year	Carrying Amount
Buildings	4,640	4,574
Furniture & Fixtures	240	208
Office Equipment	-	1
Total	4,880	4,783

As at March 31, 2020:

(Rs. in Lacs)

Particulars	Additions for the year	Carrying Amount
Buildings	687	515
Furniture & Fixtures	110	62
Office Equipment	1	1
Total	798	579

40.4 Depreciation on Right of use assets is as follows:

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
Buildings	512	172
Furniture & Fixtures	60	48
Office Equipment	1	-
Total	573	219

40.5 The Company has taken certain premises on short term leases and leases of low value and lease rent charged in respect of same have been charged under Rent expenses in Note. 30 to the statement of Profit and Loss. Lease rent amounting to Rs.770 lacs (2020: Rs. 887 lacs) has been debited to statement of profit and loss during the year ended March 31, 2021.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

40.6 As a Lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.

41. Revenue from contracts with customers

The Group is engaged in the business of investment banking and corporate advisory services, equity broking and research, Selling and distribution of third party products, Security agency, Debenture trusteeship and Private Equity Investment and Asset Management in accordance with Ind AS 115. Revenue from Contracts with Customers, the revenue is accounted in the following manner under each head.

A. Merchant Banking and Corporate Advisory Services

The Group provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, corporate advisory services etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Company may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognized until the outcome of those events or values are known. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

B. Equity Broking

The Group provides trade execution and settlement services to the customers in retail and institutional segment. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognized as revenue on trade date basis. Related receivables are generally recovered in a period of 2 days as per the settlement cycle.

C. Selling and Distribution Income

The Group distributes various financial products and other services to the customers on behalf of third party i.e. the group acts as an intermediary for distribution of financial products and services. The Company executes contracts with the Principal, viz AMC's, Mutual Funds, Bank, Insurance Companies etc. to procure customers for its products. As a consideration, the group earns commission income from the third parties for the distribution of their financial products. The commission is accounted net of claw back if any, due to non-fulfilment of contract by the customer with the principal. The customer obtains control of the service on the date when customer enters into a contract with principal and hence subscription or contract date is considered as the point in time when the performance obligation has been satisfied.

D. Depository service income

Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

E. Trusteeship Acceptance Fees & Service charges

Revenue from trusteeship services is recognised on a straight-line basis using time elapsed method over the contract term.

During the year, the Company has applied the Ind AS 115 Revenue from Contracts with Customers (Ind AS 115) on trusteeship acceptance fees and service charges. Changes in policy is described below:

The Group has applied the modified retrospective approach for trusteeship acceptance fees and service charges as per para C3(b) of Ind AS 115 to contracts that were not completed as on April 1, 2020 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. April 1, 2020 in accordance with para C7 of Ind AS 115 as an adjustment to the other equity. The transitional adjustment of Rs.1,951 lacs (net of taxes) has been stated as Transition Difference under other equity based on the requirements of the Ind AS 115.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Due to the application of Ind AS 115, revenue from trusteeship services is recognized on a straight-line basis using time elapsed method over the contract term. The previous standard permitted the upfront recognition of the fees on execution of the contract.

Accordingly, the information presented for financial year 2019-20 has not been restated, hence previous period figures are not comparable to that extent. Additionally, the disclosure requirements in Ind AS 115 have not been applied to comparative information for the previous period.

F Remaining performance obligation disclosure:

The Group recognises revenue from a customer in an amount that corresponds directly with the value to the customer provided on the basis of performance completed to date. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation-related disclosures for contracts. The Group has further not disclosed the amount of remaining performance obligations for the contracts with customers duration of less than one year applying practical expedient as given in Ind AS 115.

Unsatisfied performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, economic factors etc. The aggregate value of transaction price allocated to unsatisfied performance obligations in respect of trusteeship acceptance fees and service charges is Rs. 3,538 lacs out of which Rs.975 lacs (27.65%) is expected to be recognised as revenue in the next reporting period and the balance Rs.2,560 lacs (72.35%) thereafter.

- G. Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognized as revenue on completing the performance obligation.

Reconciliation of Contract liabilities is as given below:

Particulars	(Rs. in Lacs)	
	Year ended	
	March-21	March-20
Opening Balance	796	792
Add: Contract liabilities recognized during the year	7,501	796
Add: Interest expense recognized during the year	180	-
Less: Revenue recognized during the year	(3,793)	(792)
Less: Adjustment to contract liabilities	(169)	-
Closing Balance	4,515	796

- H. Reconciliation of amount of revenue recognized in the statement of profit and loss with the contracted price:

Particulars	(Rs. in Lacs)	
	Year ended	
	March-21	March-20
Revenue from the contracts (as per contract)	125,771	86,280
Add: Interest expenses recognized	180	-
Adjustment for Contract Liabilities	1,271	796
Revenue from the Contracts (as per Statement of Profit and Loss)	124,680	85,484

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

42. Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March-21	Within 12 months	After 12 months	As at March-20	Within 12 months	After 12 months
ASSETS						
Financial Assets						
Cash and cash equivalents	30,270	30,270	-	36,318	36,318	-
Bank balance other than above	40,393	40,393	-	30,359	27,783	2,576
Securities for trade	150,246	150,246	-	82,692	82,692	-
Receivables						
- Trade Receivables	47,353	47,353	-	24,781	24,781	-
- Other Receivables	66	66	-	41	41	-
Investments	318,567	6,765	311,802	194,407	7,802	186,606
Other Financial assets	2,593	1,214	1,379	4,603	938	3,665
Total Financial Assets	589,488	276,307	313,181	373,201	180,354	192,847
Non-financial Assets						
Current tax Asset (Net)	11,767	947	10,820	12,300	-	12,300
Property, Plant and Equipment	7,882	595	7,287	8,012	46	7,967
Right-of-use assets	4,783	441	4,342	579		579
Capital work in progress	275	97	178	6	-	6
Intangible assets under development	227	227	-			
Intangible assets	1,196	-	1,196	472	-	472
Other non-financial assets	2,755	642	2,114	1,836	1,802	33
Total Non-financial Assets	28,885	2,949	25,937	23,205	1,848	21,357
TOTAL ASSETS	618,373	279,256	339,117	396,406	182,202	214,204
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
Payables	24,606	24,136	470	15,656.49	15,186	470
Borrowings	3,674	3,674	-	6,899	6,899	-
Lease liabilities	4,747	767	3,980	598	-	598
Other financial liabilities	12,568	12,276	292	9,595	8,298	1,297
Total Financial Liability	45,595	40,853	4,742	32,748	30,383	2,365
Non-financial Liabilities						
Deferred tax Liabilities (Net)	62,997	289	62,709	33,049	-	33,049
Provisions	1,696	1,321	374	2,113	949	1,164
Other non-financial Liabilities	7,466	6,403	1,063	3,193	3,193	-
Total Non-financial Liability	72,159	8,013	64,146	38,355	4,142	34,213
Total Liabilities	117,754	48,866	68,888	71,103	34,526	36,578
Net	500,619	230,390	270,229	325,303	147,677	177,626

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

43. Enterprises Consolidated as Subsidiary in accordance with Ind AS-110 Consolidated Financial Statements and as Associates as per Ind AS-28 Investment in Associates and Joint Ventures.

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
SBICAP Securities Ltd.	India	100%
SBICAP Trustee Company Ltd.	India	100%
SBICAP Ventures Ltd.	India	100%
SBICAP (Singapore) Ltd.	Singapore	100%
SBI Pension Funds Private Limited	India	20%

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

44. Additional Information, as required under schedule III to the Companies Act, 2013, of Enterprise Consolidated as Subsidiary/Associates

(Rs. in Lacs)

Names of Establishments	Net Asset		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
SBI Capital Markets Limited	83%	415,074	50%	26,278	100%	135,956	86%	162,234
Subsidiaries								
Indian								
1. SBICAP Securities Limited	11%	56,694	41%	21,646	0%	58	12%	21,704
2. SBICAP Trustee Company Limited	2%	10,647	2%	1,298	-0%	(1)	1%	1,297
3. SBICAP Ventures Limited.	2%	11,980	7%	3,835	-0%	(10)	2%	3,825
Foreign								
1. SBICAP (Singapore) Limited	1%	5,943	-1%	(416)	0%	-	-0%	(416)
Associate								
1. SBI Pension Fund Private Limited	0%	281	0%	69	0%	0	0%	69
Total		500,619		52,710		136,003		188,713

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

45. Winding up of Subsidiary SBICAP (Singapore) Limited

SBICAP (Singapore) Limited the wholly owned subsidiary of the Company has been incurring losses consistently. The Board of Directors of the Company in their meeting held on January 22, 2021 have approved the winding up of SBICAP (Singapore) Limited.

The Board of Directors of SBICAP (Singapore) Limited through a circular resolution dated 25 March 2021 resolved that the Company would (i) surrender the Capital Markets Services License ('CMSL') issued by Monetary Authority of Singapore ('MAS'), and (ii) initiate the process of cessation of business after the procedure of surrendering the CMSL is completed.

As a result, SBICAP (Singapore) Limited changed its basis of accounting from the going concern basis to a non-going concern basis during the financial year ended March 31, 2021. There is no material effect on the financial statements of the group due to change in the basis of accounting from going concern to a non-going concern for SBICAP (Singapore) Limited.

Financial performance of SBICAP (Singapore) Limited is as given below:

A. Financial Performance

Particulars	(Rs. in Lacs)	
	Year ended	
	March-21	March-20
Revenue from operations	167	343
Other income	5	125
Total Income	172	468
Expenses		
Finance Costs	1	2
Employee Benefits Expenses	201	215
Depreciation and Amortization	43	40
Others expenses	343	165
Total Expenses	588	422
Profit/(loss) for the year	(416)	46

B. Cash flow statement

Particulars	(Rs. in Lacs)	
	Year ended	
	March-21	March-20
Net cash used in operating activities	(186)	(63)
Net cash from investing activities	21	32
Net cash used in financing activities	(38)	(37)

46. Impact of COVID-19 (Global Pandemic)

The group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption and recoverable values of its financial and non-financial assets.

The group has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Financial assets carried at fair value as at March 31, 2021 is Rs.459,475 lacs and financial instruments carried at amortised cost as at March 31, 2021 is Rs.129,131 lacs. The fair value of these assets is marked to a market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Group are mainly Investments in liquid debt securities and unquoted equities and accordingly, any material volatility is not expected.

Financial assets of Rs. 129,131 lacs as at March 31, 2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits where the Company has assessed the counterparty credit risk. Trade receivables of Rs. 47,419 lacs (net of provision) as at March 31, 2021 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The Company closely monitors its receivables who are going through financial stress. The assessment is done in respect of receivables of Rs.47,419 lacs as at March 31, 2021 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of Rs. 5,922 lacs as at March 31, 2021 is considered adequate.

47. Events occurring after the balance sheet date

There have been no events after the reporting date that require disclosure in these financial statements.

48. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

For **Ummed Jain & Co.**
Chartered Accountants
Firm Registration No.: 119250W

Sd/-
CA Akhil Jain
Partner
Membership No.: 137970
Place: Mumbai
Date: May 5, 2021

For and on behalf of Board of Directors
Sd/-
Ashwini Kumar Tewari
Director

Sd/-
Krishnan Kutty Raghavan
Chief Financial Officer

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Standalone Financial Statements

Independent Auditors' Report

To the Members of SBI Capital Markets Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of SBI Capital Markets Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and Notes to the Financial Statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 ("Ind-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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. No.	Key Audit Matter	Auditor's Response
i)	<p>Assessment of Valuation of investments measured at fair value for which no listed price in an active market is available and valued using market information and significant unobservable input:</p> <p>The Company has certain Investments of which listed price in an active market is not available and has valued at fair value at Rs. 2852.48 crore (Rs. 1611.76 crore as on 31.03.2020) as required by Ind-AS. The corresponding fair value change is recognized in Other Comprehensive Income (OCI) and deferred tax in accordance with related Accounting Standard (Ind-AS 109). In measuring these Investments, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The Management has also used the services of an independent professional valuer. Key inputs used in the valuation of above investments are market multiples and growth rate, terminal rate, discount rate, NAV etc.</p>	<p>Principal Audit Procedures</p> <p>We understood and tested the design and operating effectiveness of the Company's control over the assessment of valuation of investments.</p> <ul style="list-style-type: none"> ▪ We evaluated the independence, competence, capabilities and objectivity of Management's expert (Independent professional valuer). ▪ We evaluated together with the auditor's expert to assess the reasonableness of the valuation methodology and underlying assumptions relating to market multiples and growth rate, discount rate, NAV etc. used by the independent professional valuer to estimate the fair value of investments. ▪ We validated the source data on sample basis and tested the arithmetical accuracy of the calculation of valuation of investments.

Independent Auditors' Report

	<p>The valuation of these assets is important to our audit as it is highly dependent on estimates (various assumptions and techniques used) which contain assumptions that are not observable in the market. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the standalone financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</p> <p><i>(Refer Note 2 (vii)(b) and Note 6(1) to the Standalone Financial Statements)</i></p>	<ul style="list-style-type: none"> ▪ We assessed the adequacy of the disclosures in the standalone financial statements. <p>Based on our above audit procedures we consider that the management's assessment of the investment for which non-listed price in an active market is available, is reasonable.</p>
ii)	<p>Allowance for credit losses:</p> <p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered the likelihood of increased credit risk and consequential default considering emerging situation due to continuation of the COVID-19 pandemic. The Company closely monitors its trade receivables that are going through financial stress. The assessment is done in respect of trade receivables at Rs. 69.01 crore (Gross: 103.58 crore) as at 31st March 2021 after considering the allowance for credit loss of Rs. 34.57 crore.</p> <p>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgement in calculating the expected credit losses.</p> <p><i>(Refer Note 46 to the Standalone Financial Statements)</i></p>	<p>Principal Audit Procedures</p> <p>Our audit procedures related to the allowance for credit losses for trade receivables and other receivables included the following, among others:</p> <p>We tested the effectiveness of controls over the:</p> <ol style="list-style-type: none"> 1) Development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions and 2) We tested the mathematical accuracy and computation of the allowances using the same input data used by the Company
iii)	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p><i>(Refer Note 8 to the Standalone Financial Statements)</i></p>	<p>Principal Audit Procedures</p> <p>We evaluated the Company's processes and controls for monitoring the tax disputes.</p> <p>Obtained risk assessment of tax litigation from our internal tax expert to assess management's judgement and assumption on such matters to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. They also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

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

4. 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 its annexure containing details of its subsidiaries & associate and Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

Independent Auditors' Report

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

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

Independent Auditors' Report

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 standalone 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

7. 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and accounting to the information and explanations given to us, we give in the "Annexure - I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. 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, the 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 standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our 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 standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
9. As required by Section 143(5) of the Companies Act, 2013 we give in "Annexure - III" our comments on the directions issued by the Comptroller and Auditor General of India.

For **UMMED JAIN & CO.**
Chartered Accountants,
FRN : 119250W

Sd/-
[CA AKHIL JAIN]
Partner
M. No. 137970
UDIN: 21137970AAADE3559

Date: 5th May, 2021
Place: Mumbai

Independent Auditors' Report - Annexure I

(Referred to in paragraph 7 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the SBI Capital Markets Limited for the year ended March 31, 2021 on the matters required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013)

i. In respect of Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us all the fixed assets, except certain leased assets were physically verified by the management in the current year in accordance with a planned programme of verifying them which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed no material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, out of five immovable properties of the Company, the title deeds of four of the immovable property was provided for our verification and the same is in the name of the Company. **We are informed that the title deed of one immovable property has been deposited with the Registrar; and the same could not be verified by us and hence we are not able to comment on the same.**

ii. In respect of Inventories:

The securities held as stock in trade and in custody of the Company have been verified by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable. The Company is maintaining proper records of inventory and no material discrepancies were noticed on comparing the physical securities/ statement from custodian with book records.

- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly sub clauses (a), (b) and (c) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public. Hence this para of the Order is not applicable to the Company.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

vii. In respect of Statutory Dues:

- a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Goods & Service Tax, Cess and any other statutory dues applicable to it with the appropriate authorities. As explained to us the provisions of customs and excise are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.

Independent Auditors' Report - Annexure I

- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, goods & service tax, outstanding on account of any dispute except as under:

Name of the statute	Nature of dues	Demand disputed (₹ in crores)	Assessment Year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Issue relating to disallowance of expenses	57.03	1989-90, 1991-92, 2011-12, 2015-16, 2016-17, 2017-18	Commissioner Income Tax (Appeals)
Income Tax Act, 1961	Issue relating to disallowance of expenses	14.10	1996-97 to 1999-00, 2001-02, 2003-04, 2005-06	Income Tax Appellate Tribunal (ITAT)
Sales Tax (Central and State)	Issues relating to lease Tax	0.23	FY 1991-96	Commissioner Sales Tax

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to Bank. The Company has not taken any loans from any financial institution, Government and debenture holders. Therefore, the provisions of clause 3 (viii) of the Order are not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 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 section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given 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 under review. Accordingly, the provisions of clause 3 (xiv) of the Order are 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 any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For **UMMED JAIN & CO.**
Chartered Accountants,
FRN : 119250W

Sd/-
[CA AKHIL JAIN]
Partner
M. No. 137970
UDIN: 21137970AAAADE3559

Date: 5th May, 2021
Place: Mumbai

Independent Auditors' Report - Annexure II

(Referred to in paragraph 8(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the SBI Capital Markets Limited for the year ended March 31, 2021 on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013). We have audited the internal financial controls over financial reporting of SBI Capital Markets Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone 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.

Independent Auditors' Report - Annexure II

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls 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 **UMMED JAIN & CO.**
Chartered Accountants,
FRN : 119250W

Sd/-
[CA AKHIL JAIN]
Partner
M. No. 137970
UDIN: 21137970AAAADE3559

Date: 5th May, 2021
Place: Mumbai

Independent Auditors' Report - Annexure III

(Referred to in paragraph 9 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the SBI Capital Markets Limited for the year ended March 31, 2021 on Directions issued by the Comptroller and Auditor General of India under section 143(5) of Companies Act, 2013)

1. 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.
 - **According to the information and explanations given to us and based on our examination of the records of the Company, the Company has system in place to process all the accounting transactions through IT system, Oracle, which is an ERP system. There is no processing of accounting transactions outside the IT system.**
2. 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 the Company's inability to repay the loan? if yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).
 - **There is/are no case/cases of restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the Company at all.**
3. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.
 - **According to the information and explanations given to us and based on our examination of the records of the Company, no funds have been received / receivable for specific schemes from central / state agencies.**

For **UMMED JAIN & CO.**
Chartered Accountants,
 FRN : 119250W

Sd/-
[CA AKHIL JAIN]
Partner
 M. No. 137970
 UDIN: 21137970AAAADE3559

Date: 5th May, 2021
 Place: Mumbai

CAG Comments

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 CAPITAL MARKETS LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of financial statements of SBI Capital Markets Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 05 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of SBI Capital Markets Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(P V Hari Krishna)
Principal Director of Audit (Shipping), Mumbai

Place: Mumbai
Date: 16.07.2021

Balance sheet as at 31st March, 2021

(Rs. in Lacs)				
	Particulars	Note	As at 31-Mar-21	As at 31-Mar-20
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	3	1,347	2,075
(b)	Bank balance other than included in (a) above	3	517	5,301
(c)	Securities for trade	4	150,246	82,692
(d)	Receivables			
(I)	Trade Receivables	5	6,901	9,158
(II)	Other Receivables	5	71	71
(e)	Investments	6	333,883	210,358
(f)	Other Financial assets	7	876	810
	Total Financial Assets		493,841	310,465
(2)	Non-financial assets			
(a)	Current tax asset (Net)	8	10,713	10,044
(b)	Investment Property	9	5,922	6,233
(c)	Property, Plant and Equipment	10	547	555
(d)	Right-of-use assets	10	3,648	-
(e)	Intangible assets	11	17,626	7
(f)	Other non-financial assets	12	595	812
	Total Non-Financial Assets		21,443	17,651
	TOTAL ASSETS		515,284	328,116
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Payables	13		
(I)	Trade Payables			
	- total outstanding dues of MSME		-	-
	- total outstanding dues of creditors other than MSME		821	705
(II)	Other Payables			
	- total outstanding dues of MSME		-	-
	- total outstanding dues of creditors other than MSME		498	517
(b)	Lease Liabilities		3,573	-
(c)	Other Financial Liabilities	14	4,052	3,026
	Total Financial Liability		8,944	4,248
(2)	Non-financial Liabilities			
(a)	Deferred tax Liabilities (Net)	15	64,709	34,210
(b)	Provisions	16	1,065	875
(c)	Other Non-financial Liabilities	17	1,040	875
	Total Non-financial Liability		66,814	35,960

Balance sheet as at 31st March, 2021

(Rs. in Lacs)				
	Particulars	Note	As at 31-Mar-21	As at 31-Mar-20
(3)	EQUITY			
(a)	Equity Share capital	18	5,803	5,803
(b)	Other Equity	19	433,723	282,105
	Total Equity		439,526	287,908
	TOTAL LIABILITIES AND EQUITY		515,284	328,116

Significant Accounting policies and notes to financial statements 1-48

The accompanying notes forms an integral part of these financial statements

As per our report of even date

For **Ummed Jain & Co.**
Chartered Accountants
Firm Registration No.: 119250W

Sd/-
CA Akhil Jain
Partner
Membership No.: 137970
Place: Mumbai
Date: May 5, 2021

Sd/-
Ashwini Kumar Tewari
Director

Sd/-
Krishnan Kutty Raghavan
Chief Financial Officer

For and on behalf of Board of Directors

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2021

(Rs. in Lacs)

	Particulars	Notes	Year ended 31-Mar-21	Year ended 31-Mar-20
(I)	Revenue from operations			
(i)	Interest Income	20	1,457	1,305
(ii)	Dividend Income	21	2,640	4,100
(iii)	Fees and Commission Income	22	49,540	31,633
(iv)	Net gain on fair value changes	23	4,263	5,605
	Total Revenue from Operations		57,900	42,643
(II)	Other Income	24	1,174	1,665
(III)	Total Income		59,074	44,308
	Expenses			
(i)	Finance Costs	25	2,303	20
(ii)	Fees and Commission expenses	26	1,776	754
(iii)	Impairment of Financial instruments	27	78	159
(iv)	Employee Benefits expenses	28	11,817	9,088
(v)	Depreciation and Amortization	29	750	492
(vi)	Others expenses	30	4,025	6,239
(IV)	Total Expenses		20,749	16,752
(V)	Profit/(loss) before tax		38,325	27,556
(VI)	Tax Expense:			
	(1) Current Tax	39	8,930	5,177
	(2) Tax expense/(credit) of earlier years	39	-	(917)
	(3) Deferred Tax	39	2,070	1,753
(VII)	Profit/(loss) after tax for the year		27,325	21,543
(VIII)	Other Comprehensive Income (OCI)			
	A) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined employee benefit plans	34	(64)	(101)
	- Realised gain on Equity instruments through OCI		48,377	-
	- Unrealised gain on Equity instruments through OCI		124,334	85,253
	- Income tax relating to items that will not be reclassified to Profit or Loss	39	(36,747)	(10,729)
	Subtotal (A)		135,900	74,423
	B) Items that will be reclassified to profit or loss		-	-
	- Income tax relating to items that will be reclassified to Profit or Loss		-	-
	Subtotal (B)		-	-

Statement of Profit and Loss for the year ended 31st March, 2021

(Rs. in Lacs)				
	Particulars	Notes	Year ended 31-Mar-21	Year ended 31-Mar-20
	Other comprehensive income		135,900	74,423
(IX)	Total Comprehensive Income for the year		163,225	95,966
(X)	Earning Per Share (face value of ₹ 10 each)			
	Basic in ₹	31	47.09	37.12
	Diluted in ₹	31	47.09	37.12

Significant Accounting policies and notes to financial statements 1-48

The accompanying notes form an integral part of these financial statements

As per our report of even date

For **Ummed Jain & Co.**
Chartered Accountants
Firm Registration No.: 119250W

Sd/-
CA Akhil Jain
Partner
Membership No.: 137970
Place: Mumbai
Date: May 5, 2021

Sd/-
Ashwini Kumar Tewari
Director

Sd/-
Krishnan Kutty Raghavan
Chief Financial Officer

For and on behalf of Board of Directors

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Statement of changes in equity as at 31st March, 2021

A. Equity share capital

Particulars	(Rs. in Lacs)	
	No. of shares (Lacs)	Amount
Balance as at April 1, 2019	580	5,803
Changes in equity share capital	-	-
Balance as at March 31, 2020	580	5,803
Changes in equity share capital	-	-
Balance as at March 31, 2021	580	5,803

B. Other Equity

Particulars	Reserves and Surplus			Other Comprehensive Income		Total other equity attributable to equity holders of the Company
	Security premium reserve	Retained earnings	General Reserve	Equity instruments through Other comprehensive income	Other items of Other comprehensive income	
Balance as at April 1, 2019	6,347	131,325	44,439	4,012	16	186,139
Profit for the year	-	21,543	-	-	-	21,543
Remeasurement of defined employee benefit plans	-	-	-	-	(101)	(101)
Unrealised gain on Equity instruments through OCI (net of taxes)	-	-	-	74,524	-	74,524
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	21,543	-	74,524	(101)	95,966
Interim Dividends paid	6,347	152,868	44,439	78,535	(85)	282,105
Inter-Reserve Transfer	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-
Balance as at March 31, 2020	6,347	152,868	44,439	78,535	(85)	282,105
Profit/(Loss) for the year	-	27,325	-	-	-	27,325

Statement of changes in equity as at 31st March, 2021

Particulars	Reserves and Surplus			Other Comprehensive Income		Total other equity attributable to equity holders of the Company
	Security premium reserve	Retained earnings	General Reserve	Equity instruments through other comprehensive income	Other items of Other comprehensive income	
Remeasurement of defined employee benefit plans (net of taxes)	-	-	-	-	(48)	(48)
Realised gain on Equity instruments through OCI (net of taxes)	-	-	-	40,043		40,043
Unrealised gain on Equity instruments through OCI (net of taxes)	-	-	-	95,905		95,905
Other comprehensive income for the year	-	-	-	-		-
Total comprehensive income for the year	-	27,325	-	135,948	(48)	163,226
Interim Dividend paid	-	(11,607)	-	-		(11,607)
Inter-Reserve Transfer	-	40,043	-	(40,043)		-
Other Movements	-	-	-	-		-
Balance as at March 31, 2021	6,347	208,629	44,439	174,440	(132)	433,723

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date

For Ummed Jain & Co. Chartered Accountants Firm Registration No.: 119250W	For and on behalf of Board of Directors
Sd/- Ashwini Kumar Tewari Director	Sd/- Arun Mehta Managing Director & CEO
Sd/- CA Akhil Jain Partner	Sd/- Amit Shah Company Secretary
Membership No.: 137970	
Place: Mumbai	
Date: May 5, 2021	

Cash Flow Statement for the year ended 31st March, 2021

(Rs. in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Cash flow from operating activities :-		
Net profit before taxation	38,325	27,556
Adjustments for -		
Fair valuation gain/loss on FVTPL Financial Instrument	(1,188)	(1,773)
Interest on fair valuation of security deposit	(8)	(8)
Amortisation of prepaid rent expenses on security deposit	-	8
Impairment of Financial Instruments	78	159
Loss on disposal of subsidiaries	-	232
Bad Debts Written off	2,503	4,540
Provision for (written back)/doubtful debts	(2,487)	(3,330)
Depreciation and amortisation expenses	750	492
(Profit) / Loss on sale of Property, plant and equipment (net)	(4)	2
Interest income on investment	(700)	(680)
Interest income on fixed deposit with Banks	(244)	(21)
Dividend income	(2,640)	(4,100)
Interest on borrowings	2,140	20
Interest on lease liability	163	-
Provision for Gratuity	(44)	(194)
Provision for Leave encashment	171	(67)
Gain on sale of Investments		
Operating profit before working capital changes	36,815	22,836
Decrease /(increase) in trade receivables	2,240	466
Decrease /(increase) in other cash and bank balances	(216)	47
Decrease /(increase) financial asset	(174)	3,794
Decrease /(increase) other non-financial assets	217	(630)
Decrease /(increase) securities for trade	(67,554)	(20,033)
(Decrease)/increase payable	96	591
(Decrease)/increase other financial liability	1,026	981
(Decrease)/increase non-financial liability	165	(258)
		-
Cash generated from operations	(27,385)	7,794
Income tax paid	(17,917)	(5,770)
I. Net cash from operating activities	(45,302)	2,024
Cash flow from investing activities:		
Purchase of fixed assets	(175)	(156)
Sale of fixed assets	23	7
Interest income on investment	700	680
Interest income on fixed deposit with Banks	244	21
Dividend income	2,640	4,100
Purchase of investments	(142,248)	(1,661)

Cash Flow Statement for the year ended 31st March, 2021

(Rs. in Lacs)		
Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Proceeds on disposal of subsidiary	-	116
Sale of investments	192,544	-
II. Net cash from investing activities	53,728	3,107
Cash flow from financing activities:		
Borrowings availed	107,000	-
Borrowings repaid	(107,000)	-
Interest expenses	(2,140)	(20)
Repayment of lease liabilities	(407)	-
Dividend Paid	(11,607)	-
III. Net cash used in financing activities	(14,154)	(20)
Net change in cash & cash equivalents (I+II+III)	(5,728)	5,111
Cash & cash equivalents at the beginning of the year	7,075	1,964
Cash & cash equivalents at the end of the year	1,347	7,075

Cash and cash equivalent included in cash flow statement comprise the following balance sheet amounts:

(Rs. in Lacs)		
Particulars	As at 31-Mar-21	As at 31-Mar-20
Cash on hand	-	-
Cheques on hand	-	648
Balances with scheduled banks (current accounts)	1,347	1,427
Fixed deposit with banks	-	5,000
Total	1,347	7,075
(Excludes lien marked as deposits with scheduled banks and current account balance in escrow account)	517	336

Notes:

The above cash flow statement has been prepared under the "Indirect method" as set out on the Indian Accounting Standard (Ind AS-7) Statement of Cash flow

The Cash flow statement and notes to accounts form an integral part of the account.

As per our report of even date

For **Ummed Jain & Co.**
Chartered Accountants
Firm Registration No.: 119250W

Sd/-
CA Akhil Jain
Partner
Membership No.: 137970
Place: Mumbai
Date: May 5, 2021

For and on behalf of Board of Directors
Sd/-
Ashwini Kumar Tewari
Director

Sd/-
Krishnan Kutty Raghavan
Chief Financial Officer

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

1. Corporate Information

SBI Capital Markets Limited (hereinafter referred to as “the Company”) is an Unlisted Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at No.202, Maker Tower, ‘E’, 20th Floor Cuffe Parade, Colaba, Mumbai - 400 005, Maharashtra, India. The Company is engaged in business of Merchant Banking and Corporate Advisory services.

The Company is a wholly owned subsidiary and the Investment Banking arm of State Bank of India (SBI).

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements.

i. Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as “Ind AS”) notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time).

Accounting policies have been consistently applied except where 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.

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded off to nearest lacs, except when otherwise indicated.

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013.

The financial statements for the year ended March 31, 2021 are being authorized for issue in accordance with a resolution of the Directors on May 5, 2021.

ii. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires that management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of financial statements and the income and expenses for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Company makes certain judgements and estimates for valuation and impairment of financial instruments, useful life of property, plant and equipment, deferred tax assets/liabilities and retirement benefit obligations. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

iii. Revenue from contracts with customer

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, cash discount and amounts collected on behalf of third parties.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

a. Fee based Income

- **Issue Management and advisory fees** is recognised as per the terms of the agreement with the customer/client i.e. fee income is recognised only when the specific act/milestone defined in the agreement is executed/completed.
- Fees for private placement are recognised on completion of the assignment.

b. Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

c. Sale of Securities

Gains and losses on the sale of securities are recognised on trade date basis.

d. Dividend Income

Dividend income from investments is recognised when the right to receive dividend has been established.

iv. Property, Plant and Equipment

Measurement at Recognition:

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount.

All items of property, plant and equipment are initially recorded at cost. Cost comprises acquisition cost and directly attributable cost of bringing the asset to its working condition for the intended use. The cost of an item of property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation:

Depreciation provided on Property, Plant and Equipment is calculated over the useful life by applying the written down value method as prescribed in Part C of Schedule II to the Companies Act, 2013, except in case of computers, servers and hand-held devices wherein the management estimates the useful life to be lower i.e. 3 years. Computers, servers and hand-held devices are depreciated over a period of 3 years on straight line basis.

Based on a technical evaluation, the management believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Estimated useful lives (in years)	Depreciation Method
Buildings	60	WDV
Office Equipment (other than mobile phones)	5	WDV
Furniture & Fixtures	10	WDV
Vehicles	8	WDV
Computers	3	SLM
Mobiles phones	3	SLM
Leasehold improvements	Over the period lease	SLM

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Depreciation is provided from the date the asset is ready for its intended use. In respect of assets sale/disposal, depreciation is provided up to the date of sale/disposal.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and changes if any, are accounted for on a prospective basis.

Capital work-in-progress and capital advances:

Cost of the assets not ready for intended use, as on reporting date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in-progress until construction and installation are completed and assets are ready for their intended use.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is measured as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss when the item is derecognised.

v. Intangible Assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

Amortization:

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their useful life of three years and is included in the depreciation and amortization expenses in the statement of profit and loss.

vi. Investment property

Investment properties are properties that are held for long-term rental yields or for capital appreciation (including property under construction for such purposes) or both, and is not occupied by the Company.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the written down value method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management expert.

The carrying amount of an item of investment property is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is measured as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss when the item is derecognised.

vii. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company recognizes all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorized into:

a. Amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows 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. The gains and losses resulting from fluctuations in fair value are

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

not recognized for financial assets classified in amortized cost measurement category. A gain or loss on a financial asset which is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired.

b. Fair value through other comprehensive income (FVOCI):

The Company classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognized in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognized in the statement of profit or loss. On de-recognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognized through other comprehensive income. Further, cumulative gains or losses previously recognized in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition. The dividend income on equity instruments are recognized in the statement of profit or loss.

c. Fair value through Profit or Loss (FVTPL):

The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortized cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Company irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognized in profit or loss.

Profit or loss on sale of investments is determined on the basis of weighted average price.

Fair value is the price that would be received to sell 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 either:

- In the principal market for the asset or liability, or
- In the absence of principal market, in the most advantageous market for asset or liability.

The principal market or the most advantageous markets must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarized below:

- 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. In case of unquoted debt instruments, valuation would be done in accordance with the valuation guidelines issued by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Based on the Company's business model for managing the investments, the Company has classified its investments and securities for trade as under:

Sr. No	Particulars	Category
1	Investments-Debt Instruments	Amortized Cost
2	Investments-Equity Instruments other than subsidiary and associate	FVOCI
3	Investment in Mutual Funds and AIF Funds	FVTPL
4	Securities for trade portfolio	FVTPL

Investment in subsidiaries and associates is carried at deemed cost less impairment loss if any (previous GAAP carrying amount) as per Ind AS 27.

Financial liabilities are carried at amortized cost using the effective interest rate method. For trade and other payables, the carrying amount approximates the fair value due to short maturity of these instruments.

Impairment of financial assets

In Accordance with Ind AS 109, the group recognizes impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortized cost, debt instruments at FVOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. At each reporting date, the Company assesses whether the loans have been impaired.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognized, the excess is written back in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) 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 (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized through the effective interest rate amortization process.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortization is included as finance costs in the statement of profit and loss.

Derecognition

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 recognized in the statement of profit or loss.

Offsetting of financial instruments

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

viii. Taxation

Income tax expense comprise current and deferred tax incurred by the Company.

Current Tax:

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it is has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes:

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amount as per tax laws is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognized outside the profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

ix. Impairment of Non-Financial Assets

The Company assesses at the 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 assets recoverable amount. An asset's recoverable amount is the higher of cash generating unit's ("CGU") fair value less costs of disposal and its value in use. 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 taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognized in the statement of profit and loss.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. However, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

x. Leases

Company as a Lessee:

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.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at a cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

In accordance with the standard, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. Lease payments for short term leases and leases for which the underlying asset is of low value are recognized as an expense on a straight-line basis over the lease term in the statement of profit or loss.

Company as a Lessor:

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

xi. Borrowing Costs

Borrowing cost includes interest expense as per the effective interest rate (EIR) and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit and loss in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument using the EIR.

xii. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend Provision

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

xiii. Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

xiv. Contingent Liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. This is termed as contingent liability. The existence of contingent liabilities is disclosed in the notes to financial statements. Payments in respect of such liabilities, if any are shown as advances.

Contingent assets are neither recognized nor disclosed.

xv. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xvi. Employee Benefits

Gratuity:

The Company pays gratuity, a defined benefit plan, to its employees who retire or resign after a minimum period of five years of continuous service and in the case of employees at overseas locations as per rules in force in the respective countries. The Company makes contributions to the SBICAP Employees Group Gratuity Scheme which is managed by Life Insurance Corporation of India for the settlement of gratuity liability.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which needs to be provided for in the books of accounts of the Company.

As required by the Ind AS 19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognized asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprise of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Company recognizes these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

With respect to Oman Branch, the Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Provident Fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

Compensated absence:

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognized in the statement of profit and loss as and when they are incurred.

xvii. Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the chief operating decision maker.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

xviii. Foreign Exchange Transactions

The functional currency and the presentation currency of the Company is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the period in which they arise.

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognized in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

xix. Earnings Per Share

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

Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xx. Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures of contingent liabilities. The estimates and associates assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

▪ Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Further details about gratuity obligations are given in Note 34.

▪ Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

3. Cash and Bank Balances

(Rs. in Lacs)

	Particulars	As at	
		31-Mar-21	31-Mar-20
(a)	Cash and Cash equivalents		
	Cash on hand*	-	-
	Balances with Scheduled banks		
	- In current accounts	1,347	1,427
	Cheques on hand	-	648
	Total	1,347	2,075
	* Represents value less than ₹ 0.50 lacs.		
(b)	Bank Balance other than included in (a) above		
	Balances with Scheduled banks		
	- In current accounts-escrow accounts	35	-
	Deposit Accounts		
	Deposit with original maturity less than 12 months	482	5,301
	Total	517	5,301

- 3.1 Fixed deposit kept as collateral security deposit towards bank guarantees issued by banks amounted to Rs.482 lacs (2020: Rs. 301 lacs).

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

4. Securities for trade

(Rs. in Lacs)

	Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
		Units	Amount	Units	Amount
A	At fair value through profit or loss (FVTPL)				
	(i) Debt securities- Bonds				
	7.03% Hindustan Petroleum Corporation Ltd.	-	-	100	1,000
	Subtotal		-		1,000
	(ii) Preference Shares (unquoted) fully paid up				
	0.0001% preference shares of Pasupati Fabrics Ltd. of ₹10/- each	140,000	-*	140,000	-*
	Subtotal		-		-
	(iii) Equity instruments (unquoted)- fully paid up				
	Cremica Agro Foods Limited, face value ₹10/- each, fully paid up	46,200	9	46,200	9
	Subtotal		9		9
	(iv) Mutual Funds (unquoted)				
	- Money market funds		63,284		25,267
	- Liquid funds		86,953		50,523
	- Arbitrage funds		-		5,893
	Subtotal		150,237		81,683
	Total (A) Gross		150,246		82,692
	Less: Impairment Allowance		-		-
	Total (B) - Net		150,246		82,692

* Fully provided for.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

5. Receivables

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
(a) Trade Receivables		
(i) Receivables - Unsecured, Considered good	10,035	13,726
(ii) Receivable from related parties	323	1,375
Less: Allowance for expected credit loss	(3,457)	(5,943)
Total (a)	6,901	9,158
(b) Other Receivables		
(i) Receivables - Unsecured, Considered good	17	16
(ii) Receivable from related parties	55	57
Less: Allowance for expected credit loss	-	(2)
Total (b)	71	71
Total (a+b)	6,972	9,229

5.1 Movement in allowance for expected credit loss

Particulars	As at	
	31-Mar-21	31-Mar-20
Balance at the beginning of the year	5,945	9,275
Add/(Less): Allowance for the year	(2,487)	(3,330)
Total	3,458	5,945

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

6. Investments

(Rs. in Lacs)

	Particulars	As at		As at	
		31-Mar-2021		31-Mar-2020	
		Units	Amount	Units	Amount
I	Investments carried at fair value through statement of other comprehensive income (FVOCI)				
	(a) Investment in Equity instruments - Quoted				
	Yes Bank Limited, face value of ₹ 2 each, fully paid up	9,401,256	1,467	-	-
	Subtotal		1,467		-
	(b) Investment in Equity instruments - Unquoted				
	National Stock Exchange of India Limited, face value of ₹ 1 each, fully paid up	21,450,000	277,005	21,450,000	158,001
	OTC Exchange of India Limited, face value of ₹ 10 each, fully paid up	1,100,000	*-	1,100,000	*-
	Investor Services India Limited, face value of ₹ 10 each, fully paid up (Company under voluntary liquidation)	535,768	#-	535,768	#-
	India SME Technology Services Limited, face value of ₹ 10 each, fully paid up (Company under voluntary liquidation)	22,000	33	22,000	42
	ONGC Mittal Energy Limited, face value USD 1 each, fully paid up	1,000,000	*-	1,000,000	*-
	Receivable Exchange of India Limited face value ₹ 10 each, fully paid up	3,050,000	320	1,525,000	176
	Receivable Exchange of India Limited, face value of ₹ 10 each (partly paid up ₹ 7.5 per share (2020: Partly paid ₹ 7.5 per share))	-	-	1,525,000	88
	SBI Home Finance Limited, face value of ₹ 10 each, per share (Company under liquidation)	1,032,500	*-	1,032,500	*-
	Subtotal		277,358		158,307
	(c) Investment in Equity Instruments - Parent Subsidiaries (unquoted)				
	SBI DFHI Limited, face value of ₹ 100 each, fully paid up	595,295	7,889	595,295	2,869

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

(Rs. in Lacs)

	Particulars	As at		As at	
		31-Mar-2021		31-Mar-2020	
		Units	Amount	Units	Amount
	State Bank of India Servicos Limitada Brazil*	1	-*	1	-*
	SBI Foundation, face value of Rs 10 each, fully paid up	1,001	1	1,001	-
	Subtotal		7,890		2,869
	Total		286,715		161,176
II	Investments carried at cost				
	(a) Investment in Equity Instruments - Associates (unquoted)				
	SBI Pension Funds Private Limited face value ₹ 10 each, fully paid up	6,000,000	600	6,000,000	600
	Subtotal		600		600
	(b) Investment in Equity Instruments - wholly owned subsidiaries (unquoted)				
	SBICAP Securities Limited, face value ₹ 10 each, fully paid up	96,875,000	12,500	96,875,000	12,500
	SBICAP Trustee Company Limited, face value ₹ 10 each, fully paid up	1,000,000	5	1,000,000	5
	SBICAP Ventures Limited face value ₹ 10 each, fully paid up	603,779,170	6,038	603,779,170	6,038
	SBICAP Singapore Limited, face value SGD 1 each, fully paid up	13,000,000	6,178	13,000,000	6,178
	Subtotal		24,721		24,721
	Less: Impairment loss allowance		237		159
	Subtotal		24,484		24,562
	Total		25,084		25,162
III	Investments carried at fair value through Profit and Loss (FVTPL)				
	(a) Investments in Alternative Investment Fund (AIF) units - unquoted				
	Stellaris Ventures Partners India I Fund	672	1,351	512	935
	SBI Special Situation Fund I	10,000	644	2,500	253
	Subtotal		1,995		1,188

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

(Rs. in Lacs)

Particulars	As at		As at	
	31-Mar-2021		31-Mar-2020	
	Units	Amount	Units	Amount
(b) Investments in Mutual funds - Unquoted				
- Fixed Maturity plans		3,077		2,861
- Debt funds		8,706		11,666
Subtotal		11,783		14,527
Total		13,778		15,715
IV Investment carried at amortized cost				
Investments in debentures or bonds -Quoted				
8.20% bonds of National Highway Authority of India Ltd. of ₹ 1,000 each	54,876	549	54,876	549
8.20% Power Finance Corporation Ltd. of ₹ 1,000 each	71,197	712	71,197	712
8.10% bonds of Indian Railways Finance Corporation Ltd. of ₹ 1,000 each	304,510	3,045	304,510	3,045
7.38% Rural Electrification Corporation Ltd. of ₹ 1,000 each	100,000	1,000	100,000	1,000
7.34 % Indian Railways Finance Corporation Ltd. of ₹ 1,000 each	100,000	1,000	100,000	1,000
8.63% Rural Electrification Corporation Ltd. of ₹ 1000 each	100,000	1,000	100,000	1,000
8.55% India Infrastructure Finance Company Ltd. of ₹ 1000 each	100,000	1,000	100,000	1,000
Total		8,306		8,306
Total Investment		333,883		210,358

Represents value less than ₹ 0.50 lacs

* Fully provided for.

- 6.1 Investments in bonds pledged as security against overdraft facility for the Wholly owned subsidiary Company SBICAP Securities Limited: Rs. Nil (2020: Rs. 5,000 lacs)

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

6.2 Category-wise Investments

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Financial Assets		
- Amortized Cost	8,306	8,306
- Cost	25,084	25,162
- Fair value through other comprehensive income	286,715	161,176
- Fair value through profit or loss	13,778	15,715
Total	333,883	210,358

6.3 Break-up of Investments

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Investments in India	327,942	204,339
Investments outside India	5,941	6,019
Total	333,883	210,358

7. Other financial assets

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Unsecured, Considered good Deposits		
- Security deposits for leased premises	218	327
- Other deposits	154	139
Loans to employees	35	40
Accrued Interest	294	290
Accrued income from services	175	14
Total	876	810

8. Income Tax Asset (Net)

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Advance tax and TDS (Net of provision for tax of ₹ 177,890 Lacs (2020: ₹1,60,642 Lacs))	10,713	10,044
Total	10,713	10,044

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

9. Investment Property

		(Rs. in Lacs)
	Particulars	Investment Property
A.	Gross carrying amount	
	Opening balance as at April 1, 2019	7,917
	Additions	-
	Disposals	-
	Balance as at March 31, 2020	7,917
	Additions	-
	Disposals	-
	Balance as at March 31, 2021	7,917
B.	Accumulated depreciation	
	Opening balance as at April 1, 2019	1,355
	Depreciation charge for the year	328
	Disposals	-
	Balance as at March 31, 2020	1,683
	Depreciation charge for the year	312
	Disposals	-
	Balance as at March 31, 2021	1,995
C.	Net carrying value	
	Net carrying amount as at March 31, 2021	5,922
	Net carrying amount as at March 31, 2020	6,233

9.1 Fair value of investment property as at March 31, 2021 is Rs. 9,481 lacs (2020: 9,422 lacs)

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

10. Property Plant and Equipment		(Rs. in Lacs)								
	Particulars	Buildings	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Lease hold Improvement	Total	Right of Use Assets
A.	Gross carrying amount									
	Opening balance as at April 1, 2019	1,600	4,020	727	952	14	687	55	8,055	-
	Additions	-	-	16	1	34	101	-	152	-
	Disposals	-	-	24	3	-	99	-	126	-
	Balance as at March 31, 2020	1,600	4,020	719	950	48	689	55	8,081	-
	Additions	-	-	25	-	-	129	-	154	3,933
	Disposals	-	-	31	81	-	74	55	239	-
	Balance as at March 31, 2021	1,600	4,020	714	870	48	744	-	7,995	3,933
B.	Accumulated depreciation									
	Opening balance as at April 1, 2019	1,252	4,020	691	861	9	601	54	7,488	-
	Depreciation charge for the year	17	-	23	34	15	66	-	156	-
	Disposals	-	-	23	1	-	94	-	118	-
	Balance as at March 31, 2020	1,269	4,020	691	894	24	573	54	7,526	-
	Depreciation charge for the year	17	-	18	22	11	77	54	143	285
	Disposals	-	-	29	78	-	60	-	221	-
	Balance as at March 31, 2021	1,286	4,020	680	838	34	590	-	7,448	285
C.	Net carrying value									
	Net carrying amount as at March 31, 2021	314	-	34	31	14	154	-	547	3,648
	Net carrying amount as at March 31, 2020	331	-	28	56	24	116	-	555	-

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

11. Intangible assets

(Rs. in Lacs)

	Particulars	Computer Software
A. Gross carrying amount		
	Balance as at April 1, 2019	741
	Addition	3
	Disposals	-
	Balance as at March 31, 2020	744
	Addition	21
	Disposals	-
	Balance as at March 31, 2021	765
B. Accumulated amortization		
	Balance as at April 1, 2019	729
	Amortization for the year	8
	Disposals	-
	Balance as at March 31, 2020	737
	Amortization for the year	10
	Disposals	-
	Balance as at March 31, 2021	747
C. Net carrying value		
	Net carrying amount as at March 31, 2021	18
	Net carrying amount as at March 31, 2020	7

12. Other non-financial assets

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Service Tax refund receivable	-	3
Advances for expenses	250	160
Advances rentals for lease premises	-	475
Prepaid expenses	166	105
Other advances	179	69
Total	595	812

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

13. Payables

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
(I) Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	821	705
Total (I)	821	705
(II) Other Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	498	517
Total (II)	498	517
Total (I+II)	1,319	1,222

14. Other financial liabilities

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Incentive payable	3,485	2,300
Payable for expenses	445	663
Deposits		
- Lease deposits	35	35
- Other deposits	87	28
Total	4,052	3,026

15. Deferred Tax Liability/ (Asset)

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Deferred Tax Liability (Refer note no. 39)	64,709	34,210
Total	64,709	34,210

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

16. Provisions

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Provision for compensated absences	854	683
Provision for gratuity	211	192
Total	1,065	875

17. Other non-financial liabilities

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Income received in advance	41	31
Statutory liabilities	999	844
Total	1,040	875

18. Equity Share Capital

(Rs. in Lacs)

Particulars	As at	
	31-Mar-21	31-Mar-20
A. Authorised		
10,00,000 Preference Shares, face value ₹100 each	1,000	1,000
10,00,00,000 Equity Shares, face value ₹ 10 each	10,000	10,000
Total	11,000	11,000
B. Issued, subscribed and fully paid- up		
5,80,33,711 Equity Shares, face value ₹ 10 each of, fully paid up	5,803	5,803
Total issued, subscribed and Fully paid-up share capital	5,803	5,803

C. Reconciliation of shares at the beginning and at the end of the each reporting year

(Rs. in Lacs)

Equity Shares	March 31, 2021		March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	58,033,711	5,803	58,033,711	5,803
At the end of the period	58,033,711	5,803	58,033,711	5,803

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

D. Terms/rights attached to equity shares

The Company has issued only one class of equity shares having a face value of Rs.10 per share. Each holder of equity shares is entitled for one vote per share. The dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

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

E. Pattern of shareholding

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Shareholder	March 31, 2021		March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
State Bank of India & Its nominees	58,033,711	100%	58,033,711	100%
Total	58,033,711	100%	58,033,711	100%

F. Other details of equity shares for a period of five years immediately preceding March 31, 2021:

Particulars	2020	2019	2018	2017	2016
Aggregate no. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-	-	-	-
Aggregate no. of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate no. of shares bought back	-	-	-	-	-

G. Capital Management :

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through cash flows generated from operations.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

19. Other Equity

(Rs. in Lacs)

	Reservers & Surplus	As at	
		31-Mar-21	31-Mar-20
A	General Reserve		
	Balance as per the last financial statements	44,439	44,439
	Add: addition during the year	-	-
	Closing Balance	44,439	44,439
B	Securities Premium Account		
	Balance as per the last financial statements	6,347	6,347
	Add: addition during the year	-	-
	Closing Balance	6,347	6,347
C	Retained Earnings		
	Balance as per the last financial statements	152,868	131,325
	Profit for the year	27,325	21,543
	Add: Realised gain on equity instruments through OCI transferred to retained earnings	40,043	-
	Less: Appropriations		
	- Interim dividend	(11,607)	-
	Total appropriations	(11,607)	-
	Closing Balance	208,629	152,868
D	Other Comprehensive Income (OCI)		
	Balance as per the last financial statements	78,451	4,028
	Add: addition during the year	135,900	74,423
	Less: Realised gain on equity shares transferred to retained earnings	(40,043)	-
	Closing Balance	174,308	78,451
	Total	433,723	282,105

20. Interest Income

(Rs. in Lacs)

	Particulars	Year ended	
		31-Mar-21	31-Mar-20
A.	Interest income on financial assets measured at amortized cost:		
	- Investments	668	670
	- Fixed deposit with banks	244	21
B.	Interest income on financial assets measured at fair value through profit or loss:		
	- AIF Funds	32	10
	- Securities held for trade	513	604
C.	Interest income on financial assets measured at fair value through OCI	-	-
	Total	1,457	1,305

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

21. Dividend Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Dividend income on Financial Instruments measured at		
- Fair value through other comprehensive income	2,627	3,878
- Fair value through profit or loss	13	222
Total	2,640	4,100

22. Fees and Commission Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Issue management fees	3,718	1,508
Underwriting commission	4,650	-
Arranger's fees	4,802	1,317
Advisory fees	36,370	28,808
Total	49,540	31,633

23. Net gain on fair value changes

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Net gain/loss on financial instruments at fair value through profit or loss		
- Profit/loss on securities held for trade	3,075	3,832
- Profit/(loss) on sale of investments (net)	1,188	1,773
Total	4,263	5,605

23.1 Fair value changes

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
- Realised	3,660	3,597
- Unrealised	602	2,008
Total	4,263	5,605

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

24. Other Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Rental Income	1,049	1,239
Bad debts recovered	74	148
Exchange differences (net)	-	115
Exchange differences on disposal of subsidiary	-	8
Profit on sale of property, plant and equipment	4	-
Interest on security deposit	8	-
Others	39	23
Write back of Provisions		
- Leave Encashment	-	67
- Others	-	65
Total	1,174	1,665

25. Finance costs

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Interest expense	2,132	-
Interest on lease liability	163	-
Other borrowing cost	8	20
Total	2,303	20

26. Fees and commission expenses

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Fees and commission expenses	1,776	754
Total	1,776	754

27. Impairment on Financial Instruments

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Investments in subsidiary (Refer Note: 46)	78	159
Total	78	159

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

28. Employee Benefits Expenses

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Salaries, wages and bonus	10,844	8,492
Contribution to provident and other funds	472	368
Contribution to Superannuation	138	26
Contribution to gratuity (Refer note 34)	84	72
Leave Encashment (Refer note 34)	171	-
Staff welfare expenses	108	130
Total	11,817	9,088

29. Depreciation, amortization and impairment

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Depreciation and amortization expense	465	492
Depreciation on Right to use assets	285	-
Total	750	492

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

30. Other expenses

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
Legal & Professional Fees	758	700
Conveyance & Travelling	415	782
Rental charges	270	609
Rates & Taxes	98	164
Royalty Expenses	431	336
Bad Debts Written off	2,503	4,540
Provision/ (Write back) of Doubtful Debts	(2,487)	(3,330)
Postage, telephone and telex	73	66
Advertisement Expenses	8	10
Printing & Stationery	30	75
Electricity Expenses	48	66
Repairs & Maintenance Building	162	104
Repairs & Maintenance Others	128	118
Insurance	134	113
Auditor's Remuneration (Refer note 33)	29	30
Director's Sitting Fees	36	23
Tax on Perquisites	13	-
Office Maintenance	88	90
Training Charges	3	369
Membership & Subscription	262	203
Filing Fees & Other Charges	43	32
Corporate Social Responsibility expenses (Refer note 37)	563	595
Penalty paid to SEBI	-	17
Exchange differences (net)	49	-
Loss on disposal of subsidiary (Refer note 45)	-	232
Loss on sale of property, plant and equipment	-	2
Miscellaneous expenses	368	293
Total	4,025	6,239

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

31. Earnings per equity share (EPS)

The computation of basic and diluted earnings per share is given below:

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
Profit after tax	27,325	21,543
Weighted average number of equity shares:		
- For Basic EPS (No.)	58,033,711	58,033,711
- For Diluted EPS (No.)	58,033,711	58,033,711
Nominal value per share (₹)	10	10
Earnings per share		
- Basic in ₹	47.09	37.12
- Diluted in ₹	47.09	37.12

32. Contingent Liabilities and Commitments

(Rs. in Lacs)

Particulars	As at	
	March-21	March-20
A) Contingent Liabilities		
Claims against the Company/disputed liabilities not acknowledged as debts		
(i) For income tax matters	5,904	4,993
(ii) For other matters	181	181
- Performance Guarantees	407	239
B) Commitments		
- Capital Commitments	7	38
- Uncalled liability on shares and investments partly paid	-	76
- Other commitments- Investments	666	1,238

33. Auditor's Remuneration

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
- Audit Fees	16	14
- Tax audit	2	1
- Limited Review	5	4
- Other services (certification)	6	10
- Out-of-pocket expenses	1	1
Total	29	30

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

34. Employee Benefits

A. Gratuity

The Company has a defined benefit 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 is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Reconciliation of defined benefit obligation

Changes in defined benefit obligation

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Opening of defined benefit obligation	798	666
Current service cost	71	59
Past service cost	-	-
Interest on defined benefit obligation	56	47
Remeasurements due to :		
- Actuarial loss/(gain) arising from change in financial assumptions	26	29
- Actuarial loss/(gain) arising from change in demographic assumptions	-	43
- Actuarial loss/(gain) arising on account of experience changes	31	32
Benefits paid	(83)	(78)
Closing of defined benefit obligation	899	798

Movement in plan Assets

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Opening fair value of plan assets	607	445
Employer contributions	129	201
Interest on plan assets	43	34
Administration expenses		
Remeasurements due to :		
- Actual return on plan assets less interest on plan assets	(7)	4
Benefits paid	(83)	(78)
Closing fair value of plan assets	688	607

Investment details of plan assets:

The categories of plan assets as a percentage of the fair value of total plan assets are as follows :

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Investments with insurer	100%	100%

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Balance sheet

Net asset/(liability) recognised in the balance sheet:

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Present value of the funded defined benefit obligation	899	798
Fair value of plan assets at the end of the year	688	607
Liability recognized in the balance sheet (i-ii)	211	192

Statement of profit & loss

Expenses recognized in the statement of profit and loss:

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Current service cost	71	59
Expected return on plan assets	13	13
Total expense charged to profit and loss account	84	72

Statement of Other Comprehensive Income (OCI)

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2021	31 st March 2020
Opening amount recognized in OCI outside profit and loss account	79	(21)
Remeasurements during the year due to:		
Changes in financial assumptions	26	29
Changes in demographic assumptions	-	43
Experience adjustment	31	32
Actual return on plan assets less interest on plan assets	7	(4)
Adjustment to recognized the effect of asset ceiling		-
Closing amount recognized in OCI outside profit and loss account	143	79

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	Year ended	
	31 st March 2021 %	31 st March 2020 %
Discount rate	6.49	7.03
Salary Escalation rate	8.00	8.00

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Sensitivity Analysis

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

(Rs. in Lacs)		
Particulars	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	874	916
Impact of increase in 50 bps on Defined benefit obligation	-2.77%	1.84%
Defined benefit obligation on decrease in 50 bps	925	882
Impact of decrease in 50 bps on Defined benefit obligation	2.85%	-1.90%

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:

(Rs. in Lacs)	
Maturity Profile	
Expected benefits for year 1	112
Expected benefits for year 2	96
Expected benefits for year 3	110
Expected benefits for year 4	87
Expected benefits for year 5	94
Expected benefits for years 6-10	416
Expected benefits for years 11 and above	496

The weighted average duration to the payment of these cash flows is 7.00 years

B. Compensated Absence

The liability towards compensated absences for the year ended March 31, 2021 is based on actuarial valuation carried out by using the projected unit credit method.

The principal assumptions used in determining compensated absences are shown below:

Particulars	Year ended	
	31 st March 2021	31 st March 2020
	%	%
Interest rate	6.49	7.03
Salary Escalation rate	8.00	8.00

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021



35. SEGMENTAL REPORTING

- Primary Segment

The Company's operations fall under a single business segment of Financial services. The Company is engaged in providing Investment banking, Merchant banking and Corporate advisory services. As per the views of the Company's chief operating decision maker, business activities primarily fall within a single operating segment, no additional disclosure is to be provided under IND AS 108 - Operating Segments, other than those already provided in the financial statements.

- Geographical Segment

The Company operates in one geographic segment namely "within India" and hence no separate information for geographic segment-wise disclosure is required.

36. RELATED PARTY DISCLOSURES

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Company are as follows:

A) Related party where control exists irrespective whether transactions have occurred or not

a. Holding Company	State Bank of India
b. Subsidiary:	SBICAP Securities Limited SBICAP Ventures Limited SBICAP Trustee Company Limited SBICAP (UK) Limited - (Ceases to exist) SBICAP Singapore Limited

B) Other related parties where transactions have occurred during the year

a. Fellow Subsidiaries & Associates	SBI DFHI Limited SBI Funds Management Pvt. Limited SBI Life Insurance Company Limited SBI Cards and Payment Services Limited SBI General Insurance Co. Ltd. SBI Foundation State Bank of India Servicos Limitada Brazil SBI Home Finance Limited SBI Pension Funds Private Limited
b. Staff Welfare Fund	SBICAPS Employee's Provident Fund
c. Sponsor of the Trust	SLS Trust
d. Directors and Key Managerial Personnel of the Company	

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Managing Director & CEO	Shri. Arun Mehta (from 21 st January 2020 onwards)
	Shri. Sanjiv Chadha (from 21 st February 2019 to 20 th January 2020)
Whole-time Director	Shrimati Uma Shanmukhi Sistla (from 12 th July 2018 to 22 nd May 2020)
	Shri. R. Viswanathan (from 27 th May 2020 onwards)
Non-Executive Independent Director	Shri. Narayan K Seshadri (Up to 30 th September 2020) Shri. Ananth Narayan Gopalakrishnan
Non-Executive Director	Smt. Bharati Rao Shri. T. L. Palani Kumar Shri. Sharad Sharma (from 6 th September 2019 onwards)

36.1 Managerial Remuneration

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
Shri. Sanjiv Chadha		
Short term employee benefits	10	27
Post employee benefits	-	4
Shri. Arun Mehta		
Short term employee benefits	56	7
Post employee benefits	5	1
Shri. R. Viswanathan		
Short term employee benefits	34	-
Post employee benefits	4	-
Shrimati Uma Shanmukhi Sistla		
Short term employee benefits	20	38
Post employee benefits	1	5
Total	130	83

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

36.2 The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Income and Expense items: (For the year ended)								
Income during the year ended								
Issue Management Fees	2,333	-						
SBI Cards and Payment Services Limited	-	-	-	-	-	643	-	-
Arranger Fees	-	695	-	-	-	-	-	-
SBI Cards and Payment Services Limited	-	-	-	-	-	25	-	-
Advisory Fees	7,958	7,172	-	-	-	-	-	-
SLS Trust							878	-
Interest Income	244	21						
SBI Cards and Payment Services Limited	-	-	-	-	-	116	-	-
Net Profit on sale securities								
SBI Cards and Payment Services Limited	-	-	-	-	-	65	-	-
Rent Income								
SBICAP Securities Limited	-	-	926	1,239	-	-	-	-
SBICAP Ventures Limited			122	-				
Dividend received								
SBI DFHI Limited	-	-	-	-	268	60	-	-
Miscellaneous Income								
SBICAP Securities Limited	-	-	-	2	-	-	-	-
Expenses during the year ended								
Deputation of Employees#	315	288						
Ex-gratia paid								
Shri. Arun Mehta							4	4
Shri. Sanjiv Chadha							11	12
Shrimati Uma Shanmukhi Sistla							15	9
Director's Sitting Fees								
Smt. Bharati Rao							11	6
Shri. T.L. Palani Kumar							8	4

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

(Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Shri. Sharad Sharma							4	2
Shri. Narayan K Seshadri							6	7
Shri. Ananth Narayan Gopalakrishnan							8	5
Interest Expenses	2,132	-						
Other Borrowing cost	8	20						
Fees & Commission SBICAP Securities Limited			31	753				
Royalty Expense	431	336						
Insurance Expense SBI Life Insurance Company Limited					24	18		
SBI General Insurance Company Limited					93	87		
Loss on disposal of subsidiary SBICAP (UK) Limited			-	232				
Rent Expense SBI Funds Management Pvt. Limited	65	58			4	-		
Brokerage Expenses SBICAP Securities Limited			64	13				
Contribution towards CSR SBI Foundation					100	470		
Bank & Other Charges SBICAP Securities Limited	3	5	0*	0*				
SBICAP Trustee Company Limited			0*	0*				
SBI DFHI Limited			0*					
Business Promotion Expenses SBICAP (UK) Limited			-	10				
SBICAP Singapore Limited			-	4				
Bad Debts written off	171	103						
Other expenses SBICAP Securities Limited	1	1	3	-				
SBICAP Trustee Company Limited			0*	0*				
SBI Cards and Payment Services Limited					-	0*		

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

(Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Balance Sheet Items: (Outstanding As on)								
Share Capital	5,803	5,803						
Balance payable as at								
Payables	12	-						
SBICAP Securities Limited			27	672				
SBICAP Trustee Company Limited			0*	0*				
SBI General Insurance Company Limited					0*	0*		
SBI Funds Management Pvt. Limited					2	-		
SBI Life Insurance Company Limited					2	-		
Advance received from Customers	25	15						
Balance receivable as at								
Bank Balance	1,333	1,427						
Deposit with Banks	482	5,301						
Receivables	373	643						
SBICAP Securities Limited			-	26				
SBICAP Trustee Company Limited			-	1				
SBICAP Ventures Limited			5	3				
SBI Cards and Payment Services Limited			-	-	-	759		
Investments								
SBICAP Securities Limited			12,500	12,500				
SBICAP Ventures Limited			6,038	6,038				
SBICAP Trustee Company Limited			5	5				
SBICAP UK Limited			-	-				
SBICAP Singapore Limited			5,941	6,019				
SBI Pension Funds Private Limited					600	600		
SBI DFHI Limited					7,889	2,869		
SBICAP Home Finance Limited@					-	-		
SBI Foundation					1	0*		
State Bank of India Servicos Limitada Brazil@					-	-		
Accrued interest on Deposit with Banks	43	33						

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

(Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Others transactions during the year ended								
Investments in equity shares of subsidiary								
SBICAP Ventures Limited	-	-	-	1,040	-	-	-	-
SBICAP (UK) Limited	-	-	-	177	-	-	-	-
Dividends paid	11,607	-	-	-	-	-	-	-
Winding up of Company								
SBICAP (UK) Limited	-	-	-	349	-	-	-	-
Investment in Bonds								
SBI Cards and Payment Services Limited\$	-	-	-	-	-	82,500	-	-
Sale of securities	170,072	120,015	-	-	-	-	-	-
SBI General Insurance Company Limited	-	-	-	-	32,592	50,028	-	-
SBI DFHI Limited	-	-	-	-	36,515	75,202	-	-
SBI Life Insurance Company Limited	-	-	-	-	100,575	89,058	-	-
SBI Funds Management Private Limited	-	-	-	-	70,052	40,015	-	-
Guarantees	407	239	-	-	-	-	-	-
Borrowings availed	107,000	-	-	-	-	-	-	-
Borrowings repaid	107,000	-	-	-	-	-	-	-
Sale of Assets								
SBICAP Ventures Limited	-	-	3	-	-	-	-	-
Expenses shared	44	37	-	-	-	-	-	-
SBICAP Securities Limited	-	-	108	127	-	-	-	-
SBICAP Ventures Limited	-	-	63	19	-	-	-	-
SBICAP Trustee Company Limited	-	-	-	2	-	-	-	-

#. Included in expenses relating to deputation of employees are amounts aggregating to ₹ 99 (2020: ₹ 117) pertaining to salaries paid to Key Managerial Personnel. ■ * Insignificant amount. ■ * Represents amount below ₹ 0.50 lacs. ■ @Fully provided ■ \$Outstanding as at 31st March 2021 is Nil.

The Company has contributed Rs. 914 Lacs (March 31, 2020: 722 Lacs) to SBICAPS Employee's Provident Fund during the year.

The Company has sold securities of Rs. Nil Lacs (March 31, 2020: 151 Lacs) to SBICAPS Employee's Provident Fund during the year.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

37. Statement of corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
a) Gross amount required to be spent during the year	559	594
b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above - in cash	563	595
Out of the above, contribution made to related party is as below:		
SBI Foundation	100	470

38. Micro and small enterprises

There are no micro, small and medium enterprises, to which Company owes dues, as at March 31, 2021. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 that has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at	
	March-21	March-20
The amounts remaining unpaid to any supplier at the end of the year:		
1. Principal amount	-	-
2. Interest amount	-	-
The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

39. Income tax

A. The major components of income tax expense for the year are as under:

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
Current Tax		
In respect of current year	8,930	5,177
In respect of earlier year	-	(917)
Total (A)	8,930	4,260
Deferred tax		
Origination of reversal of temporary differences	2,070	1,531
Impact of change in tax rate	-	223
Total (B)	2,070	1,753
Income Tax recognized in the statement of Profit and Loss (A+B)	11,000	6,013
Income tax expenses recognized in OCI		
Income tax relating to items that will not be classified to profit or loss	36,747	10,729
Total	36,747	10,729

B. Movement of tax expenses and the accounting profit for the year is as under:

(Rs. in Lacs)

Particulars	Year ended	
	March-21	March-20
Profit before tax	38,325	27,556
Enacted tax rates in India	25.168	25.168
Income tax expenses	9,646	6,935
Income taxable on receipt basis	-	917
Tax on expenses not tax deductible	844	374
Tax on income from exempt income	(1,560)	(3,049)
Total Tax expenses as per statement of profit and loss	8,930	5,177

The applicable Indian corporate statutory tax rate is 25.168%.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

C. Movement of Deferred tax assets and Liabilities

i) As at March 31, 2021

(Rs. in Lacs)

Movement during the year ended March 31, 2021	As at April 1, 2020	Credit/(Charge) in the statement of profit and loss	Credit/(Charge) in other comprehensive income	As at March 31, 2021
Difference between book and tax depreciation	54	(8)	-	46
Allowances for doubtful debts and advances	1,496	(626)	-	870
Fair value gain/(loss) on investments	(37,410)	(142)	(28,429)	(65,981)
Provision for post retirement benefits	220	48	-	268
Other temporary differences	1,430	(1,342)	-	88
Net deferred tax assets/(Liabilities)	(34,210)	(2,070)	(28,429)	(64,709)

ii) As at March 31, 2020

(Rs. in Lacs)

Movement during the year ended March 31, 2020	As at April 1, 2019	Credit/(Charge) in the statement of profit and loss	Credit/(Charge) in other comprehensive income	As at March 31, 2020
Difference between book and tax depreciation	360	(306)	-	54
Allowances for doubtful debts and advances	3,211	(1,715)	-	1,496
Fair value gain/(loss) on investments	(26,386)	(295)	(10,729)	(37,410)
Provision for post retirement benefits	359	(139)	-	220
Other temporary differences	728	702	-	1,430
Net deferred tax assets/(Liabilities)	(21,728)	(1,753)	(10,729)	(34,210)

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

40. Financial Instruments

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(Rs. in Lacs)

Particulars	Amortized Cost	Fair Value through P&L	Fair Value through OCI	Total Carrying Value	Total Fair Value
ASSETS:					
Cash and cash equivalents	1,347	-	-	1,347	1,347
Other balances with banks	517	-	-	517	517
Securities for trade	-	150,246	-	150,246	150,246
Receivables	6,972	-	-	6,972	6,972
Investments excluding Subsidiary and Associate	8,306	13,778	2,86,715	308,799	308,799
Other Financial Assets	876	-	-	876	876
Total	18,019	164,024	2,86,715	468,757	468,757
LIABILITIES:					
Trade payables	1,319	-	-	1,319	1,319
Lease liabilities	3,573	-	-	3,573	3,573
Other financial liabilities	4,052	-	-	4,052	4,052
Total	8,944	-	-	8,944	8,944

The carrying value of financial instruments by categories as of March 31, 2020 is as follows:

(Rs. in Lacs)

Particulars	Amortized Cost	Fair Value through P&L	Fair Value through OCI	Total Carrying Value	Total Fair Value
ASSETS:					
Cash and cash equivalents	2,075	-	-	2,075	2,075
Other balances with banks	5,301	-	-	5,301	5,301
Securities for trade	-	82,692	-	82,692	82,692
Trade Receivables	9,228	-	-	9,228	9,228
Investments excluding Subsidiary and Associate	8,306	15,715	1,61,176	185,196	185,196
Other Financial Assets	810	-	-	810	810
Total	25,720	98,407	1,61,176	285,303	285,303
LIABILITIES:					
Trade payables	1,222	-	-	1,222	1,222
Other financial liabilities	3,026	-	-	3,026	3,026
Total	4,248	-	-	4,248	4,248

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Fair Value Hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement between Level 1, Level 2 and Level 3. There is no change in Inputs use for measuring Level 3 fair value.

The following table summarizes financial instruments measured at fair value on recurring basis:

(Rs. in Lacs)				
As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Instruments				
Securities for trade				
- Equity Shares	-	-	9	9
- Mutual Funds	150,237	-	-	150,237
Subtotal	150,237	-	9	150,246
Investments				
- Equity Shares	1,467	-	285,248	286,715
- Mutual Funds	11,783	-	-	11,783
- AIF Funds	-	-	1,995	1,995
Subtotal	13,250	-	287,243	300,492
Total	163,487	-	287,252	450,738

(Rs. in Lacs)				
As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Instruments				
Securities for trade				
- Debt Securities	1,000	-	-	1,000
- Equity Shares	-	-	9	9
- Mutual Funds	81,683	-	-	81,683
Subtotal	82,683	-	9	82,692
Investments				
- Equity Shares	-	-	161,175	161,175
- Mutual Funds	14,527	-	-	14,527
- AIF Funds	-	-	1,188	1,188
Subtotal	14,527	-	162,363	176,890
Total	97,210	-	162,372	259,582

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Movements in Level 3 Financial instruments measured at fair value

The Following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	As at	
	March-21	March-20
Opening Balance	162,372	76,190
Add: Purchase	649	445
Add: Fair Value Gain/(Loss)	124,231	85,737
Closing Balance	287,252	162,372

(Rs. in Lacs)

Financial assets subject to offsetting, netting arrangements

There are no instruments which are eligible for netting and not netted off.

Financial Risk Management

Risk Management Framework

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The Company has exposure to the following risks arising from financial instruments:

- a) Credit Risk
- b) Liquidity Risk
- c) Market Risk

The Company has formulated various policies with respect to such risks, mitigation strategies and internal controls to be implemented. The Board oversees the Company's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

- a) Credit Risk

It is risk of financial loss that the Company will incur, a loss because its customer or counterparty to the financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits.

The maximum exposure to credit risk at the reporting date is primarily from Company's Trade receivable, Debt instruments in Securites for trade and investment portfolio.

The following table provides exposures to credit risk for trade receivables, securities for trade and investments:

Particulars	As at	
	March-21	March-20
Trade receivables	6,901	9,158
Other receivables	71	71
Debt Instruments in securites for trade and investment portfolio	8,306	9,306
Total	15,278	18,535

(Rs. in Lacs)

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Trade Receivables

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

The expected credit loss rates are based on the payment profiles over a period of 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

The following table provides information about the rate expected credit loss for trade receivables under simplified approach:

As at March 31, 2021:

(Rs. in Lacs)

Age of Trade receivables	Expected Credit Loss Rate	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
0-3 Months	5%	6,285	314	5,971
3-6 Months	10%	479	48	431
6-9 Months	20%	298	60	238
9-12 Months	30%	19	6	13
12-15 Months	40%	227	91	137
15-18 Months	55%	133	73	60
18-21 Months	70%	78	54	23
21-24 Months	90%	283	255	28
24 Months and above	100%	2,556	2,556	-
Total		10,358	3,457	6,901

As at March 31, 2020:

(Rs. in Lacs)

Age of Trade receivables	Expected Credit Loss Rate	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
0-3 Months	5%	7,332	357	6,975
3-6 Months	10%	617	62	555
6-9 Months	20%	691	138	553
9-12 Months	30%	592	177	414
12-15 Months	40%	676	271	406
15-18 Months	55%	192	106	86
18-21 Months	70%	438	307	131
21-24 Months	90%	376	338	38
24 Months and above	100%	3,270	3,270	-
Doubtful receivables	100%	917	917	-
Total		15,101	5,943	9,158

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

The gross carrying amount of trade receivables is Rs. 10,358 (2020: Rs. 15,101)

During the year Company made write off of Rs. 2,503 lacs (2020: Rs. 4,540 lacs) as it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Debt Instruments in Securites for trade and Investment Portfolio:

All of the entity's debt investments are considered to have low credit risk. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Other Financial Assets considered to have low risk:

Credit risk on cash and cash equivalents is limited to the current account and deposit account balance with banks with high credit ratings assigned by International and domestic credit rating agencies. Investments comprised of Equity Instruments, Mutual Funds and commercial papers which are market tradeable. Other financial assets include deposits for assets acquired on lease, deposit with electricity department and interest accrued on securities but not due.

b) Liquidity Risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2021:

(Rs. in Lacs)				
Particulars	Less than 1 year	1-5 years	Greater than 5 years	Total
Assets				
Cash and bank balance	1,864	-	-	1,864
Securities for trade	150,246	-	-	150,246
Receivables	6,972	-	-	6,972
Investments	12,430	6,029	315,424	333,883
Other Financial assets	504	372	-	876
Total	172,016	6,401	315,424	493,841
Liabilities				
Payables	1,319	-	-	1,319
Lease liabilities	172	1,345	2,056	3,573
Other financial liabilities	4,052	-	-	4,052
Total	5,542	1,345	2,056	8,944
Net Excess/(shortfall)	166,474	5,056	313,367	484,898

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2020:

(Rs. in Lacs)

Particulars	Less than 1 year	1-5 years	Greater than 5 years	Total
Assets				
Cash and bank balance	7,293	83	-	7,376
Securities for trade	82,692	-	-	82,692
Receivables	9,229	-	-	9,229
Investments	7,802	7,985	194,571	210,358
Other Financial assets	341	469	-	810
Total	107,357	8,537	194,571	310,465
Liabilities				
Payables	1,222	-	-	1,222
Other financial liabilities	3,026	-	-	3,026
Total	4,248	-	-	4,248
Net Excess/(shortfall)	103,109	8,537	194,571	306,217

C Market Risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices and interest rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

i) Interest rate risk

The Company's investments are primarily in fixed rate interest/ dividend bearing instruments. Accordingly there is no significant risk exposure to interest rate risk.

ii) Price Risk

Price risk is the risk that value of the financial instrument will fluctuate as a result of change in market prices and related market variables including interest rate for investment in mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer and markets. The Company's exposure to price risk arises from investments in unquoted equity securities, debt securities units of mutual funds and alternative investment funds which are classified as financial assets either at fair value through other comprehensive income or at fair values through profit and loss.

(Rs. in Lacs)

Particulars	As at	
	March-21	March-20
Securities for trade	150,246	82,692
Investments	300,492	176,890
Total	450,739	259,582

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Sensitivity Analysis

The table below set out the effect on profit or loss and equity due to reasonable possible weakening/strengthening in prices of 10%

Particulars	(Rs. in Lacs)	
	Year ended	
	March-21	March-20
Effect on Profit and loss		
10% increase in prices	12,306	7,400
10% decrease in prices	(12,306)	(7,400)
Effect on Equity		
10% increase in prices	21,998	12,430
10% decrease in prices	(21,998)	(12,430)

41. Leases

41.1 As a Lessee

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.

41.2 The following is the movement in lease liability for the year ended March 31, 2021

Particulars	(Rs. in Lacs)	
	Amount	
Opening Balance		-
Add: Lease liability created during the year		3,817
Add: Interest on lease liability for the year		163
Less: Repayment of lease liability during the year		(407)
Total		3,573

41.3 The details of right to use assets held by the Company are as under:

Particulars	(Rs. in Lacs)	
	Additions for the year	Carrying Amount
Buildings	3,693	3,440
Furniture & Fixtures	240	208
Total	3,933	3,648

41.4 Depreciation on Right of use assets is as follows:

Particulars	Year ended	
	March-21	
Buildings		253
Furniture & Fixtures		32
Total		285

41.5 The Company has taken certain premises on short term leases and leases of low value and lease rent charged in respect of the same has been charged under Rent expenses in Note. 30 to the statement of Profit and Loss. Lease rent amounting to Rs. 270 lacs (2020: 609 lacs) has been debited to statement of profit and loss during the year ended March 31, 2021.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021



41.6 As a Lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.

42. Revenue from contracts with customers

The Company is engaged in the business of investment banking and corporate advisory services in accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner.

The Company provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, corporate advisory services etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Company may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events and is not recognized until the outcome of those events or values are known. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

Remaining performance obligation disclosure:

The entity recognises revenue from a customer in an amount that corresponds directly with the value to the customer provided on the basis of performance completed to date. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation-related disclosures for contracts.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

43. Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March-21	Within 12 months	After 12 months	As at March-20	Within 12 months	After 12 months
ASSETS						
Financial Assets						
Cash and cash equivalents	1,347	1,347	-	2,075	2,075	-
Bank balance other than above	517	517	-	5,301	5,218	83
Securities for trade	150,246	150,246	-	82,692	82,692	-
Receivables						
Trade Receivables	6,901	6,901	-	9,158	9,158	-
Other Receivables	71	71	-	71	71	-
Investments	333,883	12,430	321,453	210,358	7,802	202,556
Other Financial assets	876	504	372	810	341	469
Total Financial Assets	493,841	172,016	321,825	310,465	107,357	203,108
Non-financial Assets						
Current tax asset (Net)	10,713	-	10,713	10,044	-	10,044
Investment Property	5,922	592	5,330	6,233	-	6,233
Property, Plant and Equipment	547	-	547	555	-	555
Right-of-use assets	3,648	429	3,219			
Capital work in progress	-	-	-	-	-	-
Intangible assets	18	-	18	7	-	7
Other non-financial assets	595	595	-	812	812	-
Total Non-Financial Assets	21,443	1,616	19,827	17,651	812	16,839
TOTAL ASSETS	515,284	173,632	341,652	328,116	108,169	219,947
LIABILITIES						
Financial liabilities						
Payables	1,319	850	469	1,222	753	469
Borrowings	-	-	-	-	-	-
Lease liabilities	3,573	172	3,401	-	-	-
Other financial liabilities	4,052	4,052	-	3,026	3,026	-
Total Financial Liability	8,944	5,073	3,870	4,248	3,779	469
Non-Financial liabilities						
Deferred tax liabilities (Net)	64,709	-	64,709	34,210	-	34,210
Provisions	1,065	703	362	875	392	483
Other non-financial liabilities	1,040	1,040	-	875	875	-
Total Non-Financial Liability	66,814	1,743	65,071	35,960	1,267	34,693
Total Liabilities	75,758	6,816	68,942	40,208	5,046	35,162
Net	439,526	166,816	272,710	287,908	103,123	184,785

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

44. Significant Investment in Subsidiaries and Associates

Name of the Company Principal place of business	Subsidiary/ Associate	% of shares held
SBICAP Securities Limited 191, Maker Tower Cuffe Parade, Mumbai - 400 005.	Wholly-Owned Subsidiary	100.00%
SBICAP Trustee Company Limited 202, Maker Tower Cuffe Parade Mumbai - 400 005.	Wholly-Owned Subsidiary	100.00%
SBICAP Ventures Limited 202, Maker Tower Cuffe Parade Mumbai - 400 005.	Wholly-Owned Subsidiary	100.00%
SBICAP (Singapore) Limited 63, Markets Street, 10 01 A, Bank of Singapore Centre, Singapore	Wholly-Owned Subsidiary	100.00%
SBI Pension Funds Private Limited 32, 3 rd Floor, Maker Chambers III, Nariman Point, Mumbai - 400 021.	Associate	20.00%

45. Winding up of Subsidiary SBICAP (Singapore) Limited

SBICAP (Singapore) Limited the wholly owned subsidiary of the Company has been incurring losses consistently. The Board of Directors of the Company in their meeting held on January 22, 2021 has approved the winding up of SBICAP (Singapore) Limited.

Accordingly, The Company has estimated recoverable value of investment in SBICAP (Singapore) Ltd. at Rs. 5,941 lacs (2020: Rs. 6,019 lacs) as per net asset value method under the cost approach. Impairment loss has been calculated as difference in carrying value of investment and recoverable value of investment amounting to Rs. 78 lacs (2020: Rs. 159 lacs) is charged in the statement of profit and loss for the year ended March 31, 2021.

46. Impact of COVID-19 (Global Pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption and recoverable values of its financial and non-financial assets.

The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

Financial instruments carried at fair value as at March 31, 2021 is Rs. 450,739 lacs and financial instruments carried at amortized cost as at March 31, 2021 is Rs. 18,019 lacs. The fair value of these assets is marked to a market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly Investments in liquid debt securities and unquoted equities and accordingly, any material volatility is not expected.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Financial assets of Rs. 18,019 lacs as at March 31, 2021 carried at amortized cost is in the form of cash and cash equivalents, bank deposits where the Company has assessed the counterparty credit risk. Trade receivables of Rs. 6,973 lacs (net of provision) as at March 31, 2021 form a significant part of the financial assets carried at amortized cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The Company closely monitors its receivables who are going through financial stress. The assessment is done in respect of receivables of Rs. 6,972 lacs as at March 31, 2021 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of Rs. 3,457 lacs as at March 31, 2021 is considered adequate.

47. Events occurring after the balance sheet date

There have been no events after the reporting date that require disclosure in these financial statements.

48. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

As per our report of even date

For **Ummed Jain & Co.**
Chartered Accountants
Firm Registration No.: 119250W

Sd/-
CA Akhil Jain
Partner
Membership No.: 137970
Place: Mumbai
Date: May 5, 2021.

For and on behalf of Board of Directors

Sd/-
Ashwini Kumar Tewari
Director

Sd/-
Krishnan Kutty Raghavan
Chief Financial Officer

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Contact us

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