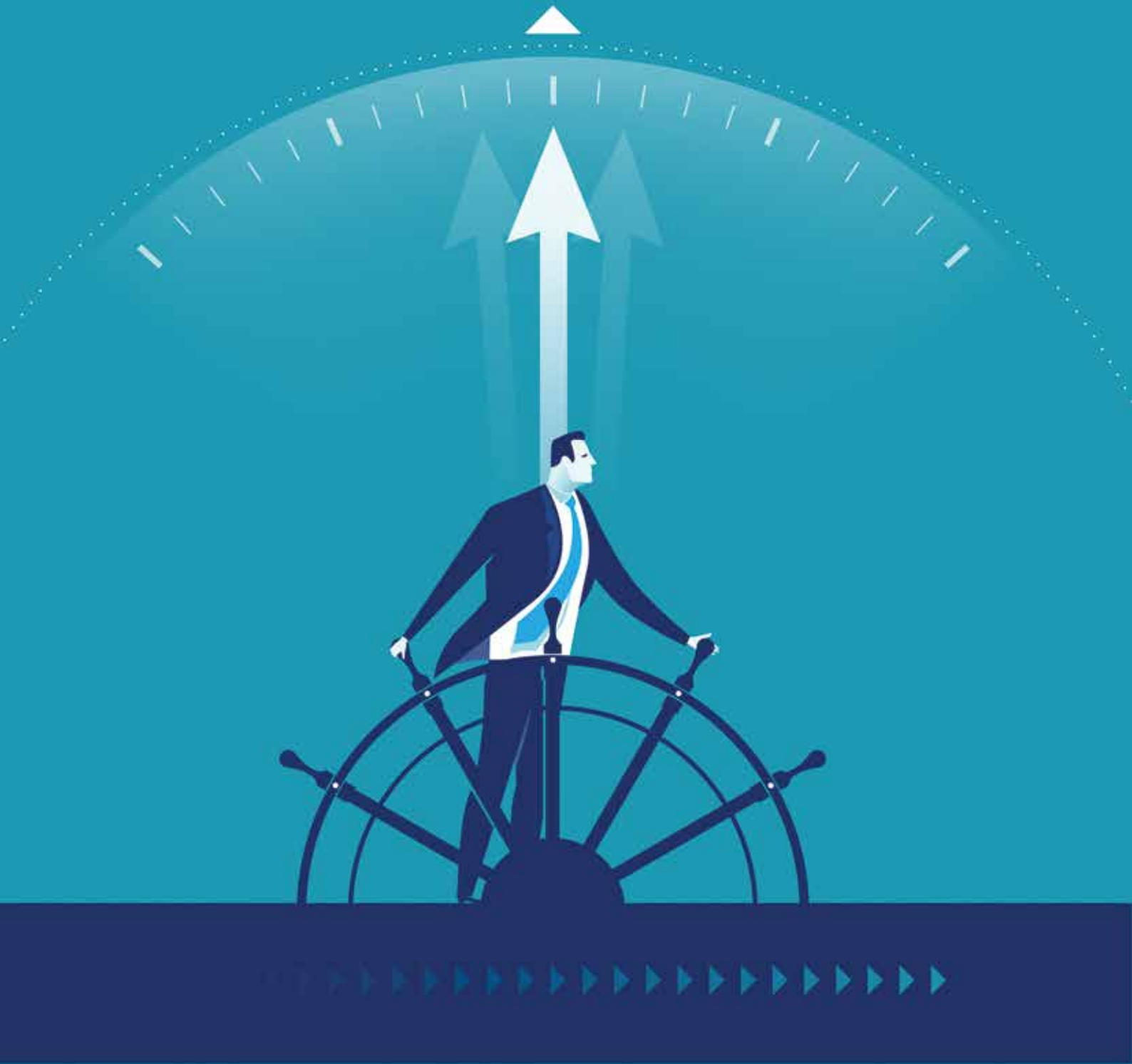


Breakthrough Growth





Effective leadership begins with a
strong intention - to get things done

It all starts with Breakthrough Leadership

Being part of the solution, not part of the problem, characterizes solution-driven leadership. For success, solution-driven leaders focus on the goals, not obstacles. They resist problem-oriented thinking. These leaders look to their team for answers. They have little time for excuses. Passion, innovation and determination guide their temperament while in the quest for desired results. They believe in a collaborative approach to find the way forward, which means teamwork, brainstorming, collective strategizing and thinking 'why not' to overcome the odds. In doing so, they achieve breakthrough growth.

At SBICAP, our proven track record of delivering value to our clients with innovative ideas backed by unparalleled execution even during challenging times - is the result of our solution-driven leadership that inspires creativity and a 'never give up' attitude. That we are recognized for our astute professionalism while offering diversified financial advisory and investment banking services reaffirms our leadership position that breeds an open-minded approach to divergent thinking, new possibilities and new solutions. Our financial performance for FY 2019-20 is a reflection of this solution-driven leadership that has helped us to sustain our competitive edge, remain resilient and be responsive to change, thereby, delivering breakthrough growth.

VISION

To be the best India based
Investment Bank.

MISSION

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



| Leaders put clarity into the **big picture**
to unleash the drive of people

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Breakthrough leaders lead people
with involvement and engagement



Shri Rajnish Kumar
Non-Executive Chairman

OUR BOARD OF DIRECTORS



Shri Dinesh Kumar Khara
Non-Executive
Nominee Director



Smt. Bharati Rao
Non-Executive
Nominee Director



Shri Narayan K. Seshadri
Non-Executive
Independent Director



Shri T. L. Palani Kumar
Non-Executive
Director



Shri Ananth Narayan G.
Non-Executive
Independent Director



Shri Sharad Sharma
Non-Executive
Nominee Director



Shri Arun Mehta
Managing Director
& CEO



Smt. Uma Shanmukhi Sistla
Whole-time
Director

Breakthrough leaders raise
standards to win accolades



AWARDS & RANKINGS

★★★ The Asset Triple A Asia Infrastructure Awards 2019 ★★★



Project Finance House
of the Year, India



★★★ International Finance Awards 2019 ★★★



Best Deal of the Year
Oil and Gas (India) 2019 for
HPCL Rajasthan Refinery Ltd.



Best Project Advisory
India 2019



★★★ The Asset Triple A Asia Infrastructure Country Deals Awards (South Asia) ★★★



Petrochemical Deal of the Year
Hindustan Urvarak & Rasayan
urea projects INR 158.295 billion
financing



Utility Deal of the Year
Adani Transmission acquisition of
Reliance Infrastructure Limited
Mumbai generation, transmission
and distribution business



★★★ The Asset Triple A Country Awards 2019 ★★★



Best loan adviser



Best FIG bond: State Bank of India
US\$ 1.25 billion dual-tranche
senior notes - Bookrunner and
lead manager



★★★ Awarded the Skoch Governance Awards 2019 ★★★



Gold category award for
providing e-auction portal
to Government of Gujarat



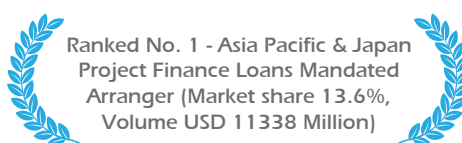
★★★ Dealogic ★★★



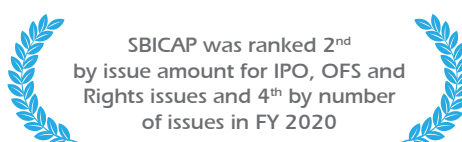
★★★ Bloomberg League Tables ★★★




★★★ Refinitiv ★★★



★★★ Prime Database ★★★





Breakthrough leadership
inspires people to align with
the **corporate vision**

ABOUT US

SBI 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, Structured Debt Placement, 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 them advice, innovative ideas, and unparalleled execution across all stages in their business cycle ranging from venture capital advisory, project advisory, buy and sell-side advisory, accessing financial markets to raise capital and even restructuring advisory in their turnaround phases. SBICAP is a leader in the area of Project Advisory and has lent crucial support to the Indian infrastructure sector.

The team of executives consists of qualified and dedicated professionals with vast experience in the fields of Project Advisory, M&A Advisory, Corporate Strategy or Business Restructuring Advisory, arranging of Private Equity / Structured Finance, 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 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 at these and nearby centres.

SBICAP also offers services in the areas of Equity Broking & Research, Security Agency & Debenture Trusteeship and Private Equity Investment & Asset Management through its wholly-owned subsidiaries SBICAP Securities Limited, SBICAP Trustee Co. Ltd. and SBICAP Ventures Limited, respectively.



'Obstacles are unrevealed opportunity'
is an attitude cultivated by inspiring leadership

**Breakthrough leadership
encourages the team to
embrace every challenge**

Project Advisory & Structured Finance Group (PA&SF)

SBICAP is the market leader in providing financial advisory services to a large client base in various sectors with focus on Infrastructure sector and core industries. SBICAP's Project Advisory & Structured Finance (PA&SF) Group provides the best-in-class services and excellence in execution of complex transactions across the advisory space in order to help the 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 the corporates as well as the government bodies for availing advisory services in infrastructure and core industries. 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, Stressed asset Resolution advisory, etc. The PA&SF Group has also established itself firmly in the structured finance space by successfully structuring and executing some of the very complex transactions.

The Group has a team of highly qualified professionals from diverse backgrounds with relevant experience and expertise in respective infrastructure and core subsectors of industries 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 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 Customised 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-capitalisation 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 2019-20



World Bank
Structuring Options Study for
PPP in Electricity Distribution
in Jharkhand
Business Advisory
FY 2020



**Powergrid Corporation of
India Ltd.**
Valuation of Jaypee
Powergrid Ltd.
Advisor FY 2020



Chennai Port Trust
Transaction Advisory Services
(Buy-Side) for acquisition of
entire GOI stake in Kamarajar
Port Limited (KPL)
INR 2,383 Cr. M&A Advisor
FY 2020



IndianOil Adani Gas Pvt. Ltd.
Financial Appraisal & Debt
Syndication for 10 New GAs
awarded in 9th & 10th Round
INR 4,422 Cr.
Sole Financial Advisor & Debt
Arranger FY 2020



**Dewan Housing Finance
Corporation Limited**
Sell-side advisory for sale of
select Retail Housing Loans
and Loan Against Property
Portfolio M&A Advisor
FY 2020



Yes Bank Limited
Sell-side Advisory for
raising capital through
issuance of fresh shares
INR 10,000 Cr.
M&A Advisor
FY 2020



Jet Airways India Ltd.
Financial Advisory & Bid
process management for
stress resolution of Jet
Airways (India) Ltd.
Financial Advisor
FY 2020



**Indian Oil
Corporation Limited**
Financial Advisory & Equity
Valuation for equity stake
in LPG Import Terminal at
Mundra Buy-Side Advisor
M&A Advisor FY 2019



HPCL Rajasthan Refinery Ltd.
Financial Advisory & Debt
Syndication for 9 MMTA
Greenfield Refinery cum
Petrochemical Complex
INR 28,753 Cr. Sole Financial
Advisor & Debt Arranger FY
2019



BPRL International BV
Debt Syndication for Overseas
Oil & Gas Assets
USD 1,225 Mn
Financial Advisor & Debt
Arranger FY 2020



MSRDC Sea Link Ltd.
Financial Appraisal for SBI for
securitisation of cashflows of
Bandra Worli Sea Link
Financial Appraisal
FY 2020



**Monnet Ispat & Energy
Limited**
Resolution Process of the
Company under Insolvency &
Bankruptcy Code, 2016
Debt Resolution - CoC
Advisory FY 2019



**Adani Electricity
Mumbai Ltd.**
Debt Syndication for
acquisition of integrated
Mumbai Power Business of
Rinfra INR 9,794 Cr. Debt
Arranger FY 2019



**Lenders of Prayagraj Power
Generation Co. Ltd.**
Stake Sale and Change in
Management of Prayagraj
Power Generation Co. Ltd.
INR 6,000 Cr. M & A Advisor
FY 2020



NTPC Ltd.
Transaction Advisory
Services (Buy-side) for
acquisition of GoI stake in
THDC India Limited
INR 7,500 Cr. M & A Advisor
FY 2020



Talcher Fertilizers Limited
Financial Appraisal of 3,850
MTPD Coal Gasification based
Fertilizer Plant
Financial Advisor
FY 2020



The function of leadership is to produce **more leaders**, not more followers

Investment Banking Division (IBD)

SBICAP is India's leading domestic Investment Bank offering the entire gamut of Investment Banking services. Our Investment Banking Division ("IBD") specialises in advising clients on equity raising solutions such as IPO, FPO, Rights Issues, QIP, OFS and advisory transactions including Mergers & Acquisition, Private Equity etc. We are known in the market to have successfully closed many complex transactions across various products and sectors. With over 34 years of experience, we have established our position as a merchant banker of choice by providing customised client solutions. We have experts with in-depth knowledge and experience in equity capital markets, mergers and acquisitions and private equity. IBD assists its clients (Corporates, Banks, Financial institutions, Government Undertakings, Private Equity firms etc.) in fund-raising by way of equity from both Domestic and Foreign Investors. Our investor relationships span across domestic and global investors including Mutual Funds, Insurance Companies, FPI's, high net-worth individuals and retail investors – these are long-standing relationships and give us an edge in our product and solution offerings. Further, SBI Group has several market leading businesses in Life Insurance, General Insurance, Mutual Funds, Trusteeship, Pension Management etc. and a growing number of Equity Funds - IBD is also actively involved in generating growth ideas and executing capital market strategies for each of these businesses.

PRODUCTS AND SOLUTIONS OFFERED BY IBD INCLUDE:

- 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 Delistings
- Offer for Sale on the stock exchange platform
- IPOs for 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
- Private Equity, Mergers and Acquisitions
- Capital restructuring advisory
- Valuation advisory

Equity Capital Markets exhibited signs of recovery in Fiscal Year 2020 but continued to remain volatile amidst fear of global economic recession and rising trade tensions between major world economies, which subdued the overall ECM market activities, significantly down from Fiscal Year 2018 but slightly more favourable in comparison to Fiscal Year 2019. At SBICAP, we countered the macro decline in market by significantly stepping up intensity of coverage and quality of business activity particularly with the private sector corporates.

During the year, SBICAP has successfully completed 10 equity capital market issuances (versus 3 last year) and raised a total amount of Rs. 58,135 Crores through 3 IPOs, 2 Rights Issues, 2 QIPs and 3 OFS with a market share by issue amount of 40.1%. Several of these were first-of-its-kind transactions bolstering IBD's vision of bringing unique issues to the market.

Marquee transactions completed during the year include:

- SBI Cards & Payment Services Ltd. - Rs. 10,341 Crs. IPO – this was India's maiden issuance in the credit card industry setting benchmarks for the payment solutions space,
- Indian Railway Catering & Tourism Corp. Ltd. - Rs. 638 Crs. IPO – this was the most successful IPO ever for a PSU in the history of Indian capital markets
- Sterling & Wilson Solar Ltd. - Rs. 2,850 Crs. IPO – a unique IPO in the solar energy space
- Vodafone Idea Ltd. - Rs. 25,000 Crs. Rights Issue
- Tata Sponge Iron Ltd. - Rs. 1,650 Crs. Rights Issue
- Axis Bank Ltd. - Rs. 12,500 Crs. QIP
- KEI Industries Ltd. - Rs. 500 Crs. QIP
- SBI Life Insurance Co. Ltd. - Rs. 3,524 Crs. OFS
- RITES Ltd. - Rs. 1,134 Crs. OFS (Two tranches)
- NSE Stake Sales - ~ Rs. 1,400 Crs.

Indicative Transactions for IBD FY 2019-20



**SBI Cards & Payment
Services Ltd.**
IPO
Book Running Lead Manager
₹10,341 Cr. | Mar-20



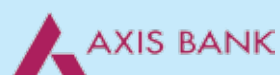
**Indian Railway Catering &
Tourism Corp. Ltd.**
IPO
Book Running Lead Manager
₹ 638 Cr. | Sep-19



Sterling & Wilson Solar Ltd.
IPO
Global Co-ordinator and Book
Running Lead Manager
₹ 2,850 Cr. | Aug-19



KEI Industries Ltd.
QIP
Book Running Lead Manager
₹ 500 Cr. | Jan-20



Axis Bank Ltd.
QIP
Book Running Lead Manager
₹ 12,500 Cr. | Sep-19



Tata Sponge Iron Ltd.
Rights Issue
Lead Manager
₹1,650 Cr. | Jul-19



Vodafone Idea Ltd.
Rights Issue
Lead Manager
₹ 25,000 Cr. | Apr-19



SBI Life Insurance Co. Ltd.
OFS
Seller's Broker
₹ 3,524 Cr. | Sep-19



Rites Ltd.
OFS
Seller's Broker
₹ 734 Cr. / ₹ 400 Cr.
Nov-19 / Feb-20

Debt Capital Markets (DCM)

The SBICAP's DCM team is one of the leading arrangers for raising funds through Domestic Debt Capital Markets. Our clientele includes Corporates, NBFCs, Banks, Financial Institutions, Municipal Corporations and Central/ State Government Undertakings. Our long-standing investor relationships and ability to structure the transactions give us an edge in our product and solution offerings in the Debt Capital Markets space. As per Prime Database, during the Financial Year 2019-20, the DCM team successfully executed 69 NCD issuances (Debt issuances) through private placement basis, with an aggregate Gross Mobilisation of ₹ 1,55,139 crore. Apart from the plain vanilla NCD issuance, we have expertise in handling complex deals and successfully leading them to closure in various industry verticals. SBICAP has been at the forefront in engaging with various stakeholders for developing innovative products viz. Infrastructure Investment Trust (InvIT) and Real Estate Investment Trust (REITs).

In the Financial year 2019-20, we were ranked 4 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 / Securitisation
- Bond Restructuring Advisory
- Real Estate Investment Trust (REITs) & Infrastructure Investment Trust (InvITs)
- Credit Enhanced Bonds
- Municipal Bonds



Unlearn to learn and relearn
is the mantra of breakthrough
leadership

Indicative Transactions for DCM FY 2019-20



Central Bank of India
INR 500 Cr.
March 2020



Canara Bank
INR 3,000 Cr.
March 2020



Bank of Maharashtra
INR 600 Cr.
March 2020



Indian Oil Corporation Ltd.
INR 2,995 Cr.
March 2020



**Mahindra & Mahindra
Financial Services**
INR 310 Cr.
March 2020



Can Fin Homes Ltd.
INR 250 Cr.
February 2020



**Chennai Petroleum
Corporation Limited**
INR 1,145 Cr.
February 2020



Export-Import Bank of India
INR 990 Cr.
February 2020



NHPC
INR 1,500 Cr.
February 2020



Food Corp. of India
INR 5262.3 Cr.
January 2020



**Mangalore Refineries &
Petrochemicals Ltd.**
INR 1,500 Cr.
January 2020



NABARD
INR 6952.6 Cr.
January 2020

Indicative Transactions for DCM FY 2019-20



LICHFL
INR 3,250 Cr.
January 2020



**Nuclear Power
Corporation of India Ltd.**
INR 2,300 Cr.
January 2020



**Rural Electrification
Corporation**
INR 2,090 Cr.
December 2019



Bank of Baroda
INR 1,747 Cr.
December 2019



**State Bank of India
Tier II**
INR 3,813.60 Cr.
November 2019



**Indian Railway
Finance Corp. Ltd.**
INR 2,454 Cr.
November 2019



**Greater Hyderabad
Municipal Corporation**
INR 100 Cr.
August 2019



**Hindustan Petroleum
Corp. Ltd.**
INR 2,000 Cr.
August 2019



NLC India Limited
INR 1475 Cr.
May 2019



**SBI Cards & Payment
Services Pvt. Ltd.**
INR 175 Cr.
May 2019

OUR SUBSIDIARIES

SBICAP Securities Limited

SBICAP Securities Ltd (SSL) started operations in 2006 to provide primary and secondary capital market access to retail customers and become the broking arm of the State Bank of India (SBI) Group. A wholly owned subsidiary of SBI Capital Markets Limited, SSL has become one of the fastest growing financial distribution houses in the country in a very short span of time.

SSL has 3 main verticals – Broking, Retail Assets Distribution, Retail Investment and Services, and has showcased its strength across all the 3 verticals.

In broking, SSL currently serves more than 1.8 million customers through state-of-the-art trading platforms on mobile app, website and terminal. SSL is one of the fastest growing demat & trading account acquirers in the country, enabled by its deep integration with SBI at 1600 + touchpoints across the country. SSL offers its customers a variety of products and services to choose from – such as Equity, Derivatives, Mutual Funds, Currency, and Commodities. SSL also serves institutional clients such as FIIs, Mutual Funds, Insurance Companies, etc. through its state-of-the-art trading platforms, cutting edge research and customised corporate access.

In Retail Assets distribution, SSL is the captive sourcing arm of State Bank of India. The company is expanding its distribution strength by sourcing a significant share in Auto Loans and Home Loans for SBI. SSL is able to add value to customers by providing a single, and 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 Independent Financial Advisor network which helps in deep retail distribution of primary products.

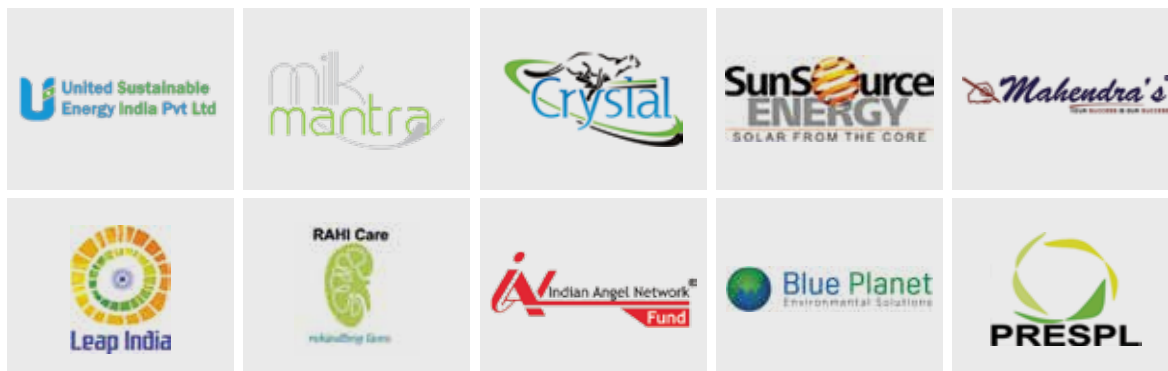
SBICAP Ventures Limited

Incorporated in 2005, SBICAP Ventures Ltd (SVL) is a wholly owned subsidiary of SBI Capital Markets Ltd and is Sponsor and Investment Manager of the Neev Fund. The company also acts as investment manager to SWAMIH Investment Fund I, a SEBI registered category II AIF.

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 ~INR 5,042 mn and is fully invested across 10 investee companies. The investors in the Neev Fund are SBI, SVL, SIDBI and 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 organisational capabilities, 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 Nomura, Shell etc.

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

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

On November 6, 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 requires last mile funding.

The Sponsor of the Fund is the Secretary, Department of Economic Affairs, Ministry of Finance, Government of India on behalf of the Government of India. The Government of India has committed a fund infusion of up to INR 10,000 cr. in the Special Window and further investments will be brought in through institutional and private investors. The Fund has a target corpus of INR 12,500 cr. with a greenshoe option of INR 12,500 cr. The Fund achieved a first closing with 14 investors and a capital commitment of ₹ 10,037.5 cr. on December 6, 2019. The Investment Manager of the Fund is SBICAP Ventures Ltd.

Neev II, SME Fund

The Neev II, SME Fund is currently in fund raise mode and has seen strong commitment interest from marquee global and domestic institutional investors. The Fund is targeting a corpus of INR 830 - INR 1000 cr. and is expected to have its first close in FY21. The Neev II Fund seeks to replicate the investment philosophy of Neev Fund across a PAN India footprint. The fund expects to invest 70% of the target fund size in sectors such as climate & environment, sustainability and the circular economy sectors with the balance being invested in other sectors including social impact sectors such as healthcare & education.

SBICAP Trustee Company Limited

SBICAP Trustee Company Ltd (STCL) is engaged in providing trusteeship services to the financial market players in India. It has PAN India presence and operates from Mumbai and 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 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.

- 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 253 new mandates, generating fee income of ₹ 836.00 lacs in 2019-20. Income from Security Trustee services forms 74% 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 50 mandates amounting to ₹ 78.24 lacs of fee income.
- iii) Share Pledge Trustee - STCL acts as Share Pledge Trustee where securities in the form of Pledge of Shares is provided to the Lenders by Corporates.

As a Trustee, STCL currently handles 2117 assignments and holds securities worth ₹ 30,27,098 crores as on 31.03.2020 on behalf of Lenders and Debenture / Bond holders. STCL has shown improved financials during 2019-20 with growth of New Business by 37%, growth of Gross Income by 24% and PAT by 38%. The Gross Income stood at ₹ 4323.52 lacs and Profit After Tax at ₹ 2051.88 lacs.

STCL is proudly associated with SWAMIH Investment Fund as Trustee. STCL also proposes to undertake additional activities like Securitisation Trustee, Trusteeship for REITS and InvITs, Virtual Data Room Services etc.

STCL is in the process of enhancing its IT platform called "Trustee Enterprise Management System (TEMS), to improve speed and quality of delivery and document retrieval and also revamping the products like Virtual Data Room and Will Management Services.

SBICAP (Singapore) Limited

SBICAP (Singapore) Limited, incorporated in Singapore is a CMSL Licence holder and regulated by the Monetary Authority of Singapore. The Company works with various teams at SBI, SBI Capital Markets Ltd & SBICAP Securities Ltd to offer solutions to Indian Corporates in their financial and business requirements. The Company Interacts with institutional investors and provide them insights on Indian markets across various asset classes. The Company has till date arranged/underwritten and placed offshore bonds of Indian Corporates to investors in the region amounting to over USD 18 billion. The issuers were from diverse sectors such as Utilities, Banking and Financial Services, Oil & Gas, Metals, Ports & Infrastructure. The Company has been show-casing INR denominated fixed income securities to Foreign Portfolio Investors (FPI in Singapore. These include Gov securities, SDLs and Corporate bonds.

SBICAP Corporate Social Responsibility Programme FY 2019-20

Businesses derive their primary benefits from operating in society and no business can function without caring for societal and community development. We, at SBICAP have always recognised this fact and established a tradition of giving back to society. Since its inception, SBICAP has been involved with several initiatives, actively pursuing and endorsing community improvement efforts in varying capacities, across India. We have a committed CSR policy in place and it is our endeavour to help reach out to various support groups that might require our time, finances or mobilisation strength. We have always followed the dictum of being a 'responsible and good Corporate Citizen' with an unwavering focus on supporting social and community needs.

At SBICAP 'We Support because We Care'...

During the year 2019-20, the Company executed many projects all across the country, achieving the CSR budgeted spends for the financial year. A few snapshots are given alongside...



Glimpses from various schools and education projects supported by SBICAP during the year



Refurbishment and setting up of a vocational training centre at David Sasson Home for Children, Mumbai



Medical equipment donated to Hirabai Cowasji Jehangir Medical Research Institute (HJMRI), Pune



Directors' Report

Directors' Report For The Financial Year 2019-20

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 Fourth Annual Report and Audited Financial Statements for the financial year ended 31st March, 2020.

FINANCIAL PERFORMANCE (Standalone and Consolidated)

The Company's financial performance, for the year ended 31st March, 2020 is summarized below:

(Rs. in Crores)

Financial Year ended March 31	Standalone		Consolidated	
	2020	2019	2020	2019
Operating Results				
Gross Income:				
a) Fee based Income	316.33	248.48	854.84	685.05
b) Income from securities and other Income	126.75	142.31	137.31	147.36
Total	443.08	390.79	992.15	832.41
Profit before provisions, Depreciation, Interest and Tax	282.27	254.00	456.96	376.74
Provisions	1.59	-	-	-
Depreciation	4.92	5.60	17.61	14.98
Interest	0.20	5.80	2.52	8.19
Profit before tax	275.56	242.60	436.83	353.57
Less: Tax expense	60.13	74.41	102.80	117.22
Add: Share in net profit of associate	-	-	0.46	0.38
Profit after Tax (A)	215.43	168.19	334.49	236.73
Other Comprehensive Income (B)	744.23	63.99	743.70	63.65
Total Comprehensive income (A+B)	959.66	232.18	1,078.19	300.38
Add: Balance in Retained earnings (C)	1,313.25	1,145.06	1,553.74	1,318.20
Add: Balance in Other Comprehensive Income (D)	40.28	(23.71)	39.93	(23.72)
SUB-TOTAL (A+B+C+D)	2,313.19	1,353.53	2,671.86	1,594.86
LESS: APPROPRIATION				
Transferred to General Reserve	-	-	2.05	1.49
Other adjustments	-	-	(1.64)	(0.30)
CLOSING BALANCE	2,313.19	1,353.53	2,671.45	1,593.67
Financial Position				
Equity Share Capital	58.03	58.03	58.03	58.03
Preference Share Capital	-	-	-	-
Reserves and Surplus	2,821.05	1,861.39	3,195.00	2,114.49
Other Select Data				
Earnings per share (Rs.)	37.12	28.98	57.64	40.79
Return on Equity	7.48%	8.76%	10.28%	10.90%
Dividend per share (Rs.)	-	-	-	-
Book Value per share (Rs.)	496.10	330.74	560.54	374.36

Directors' Report For The Financial Year 2019-20

Standalone basis

During the financial year 2019-20, the Company has achieved total income of Rs. 443.08 crores (previous financial year Rs. 390.79 crores) with year on year growth of 13.38%. The fee-based income grew by 27.31% to Rs. 316.33 crores (previous financial year Rs. 248.48 crores). The Company has reported Profit after Tax (PAT) of Rs. 215.43 crores (previous year Rs. 168.19 crores) an increase of 28.09% as compared to previous financial year.

Consolidated basis

During the financial year 2019-20, the Company has achieved total income of Rs. 992.15 crores (previous financial year Rs. 832.41 crores) with year on year growth of 19.19%. The fee-based income grew by 24.79% to Rs. 854.84 crores (previous year Rs. 685.05 crores). The Company has reported PAT of Rs. 334.49 crores (previous year Rs. 236.73 crores) an increase of 41.29% as compared to previous financial year.

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 crores equity shares of the face value of Rs. 10/- each. The Company has not issued any shares or convertible securities.

DIVIDEND

During the year under review, the Board of Directors of the Company has not recommended any dividend.

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

M/s. India Ratings and Research (Ind-Ra) vide its letter dated 19th August, 2020 has assigned the rating 'IND AAA/Outlook Stable' to SBICAP Bank Loan for Rs. 3,000 crores and affirmed the rating 'IND AAA/Outlook Stable' to SBICAP Bank Loan for Rs. 1,000 crores. In addition to the above, Ind-Ra affirmed the rating 'IND A1+' to SBICAP for issuance of Commercial Paper upto 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 investment banking solutions. It has been endorsed by several awards & recognitions received by the Company.

The performance of the Company during the financial year 2019-20 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. 27.95 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 total amount of Rs. 58,137 crores through nine equity issuances and were associated with many of the marquee transactions as listed below which concluded during the financial year 2019-20:

- i. IPO of SBI Cards and Payment Services Limited (Rs. 10,341 crores);
- ii. Rights Issue of Vodafone Idea Limited (Rs. 25,000 crores);
- iii. IPO of Sterling & Wilson Solar Limited (Rs. 2,850 crores);
- iv. QIP of Axis Bank Limited (Rs. 12,500 crores);
- v. OFS of SBI Life Insurance Company Limited (Rs. 3,524 crores);
- vi. IPO of Indian Railway Catering and Tourism Corporation Limited (Rs. 638 crores);
- vii. OFS of RITES Limited (Rs. 1,134 crores);
- viii. Rights Issue of Tata Sponge Iron Limited (Rs. 1,650 crores)
- ix. QIP of KEI Industries Limited (Rs. 500 crores)

Directors' Report For The Financial Year 2019-20

Improving its position from last year, the Company was ranked fifth⁽¹⁾ in terms of number of Equity Issuances (10 issues representing 15.40% of the overall number of issues) and sixth⁽¹⁾ in terms of issue amount raised in the market (Rs. 58,135 crores representing 40.10% of the overall amount raised). Additionally, the Company ranked second⁽¹⁾ by issue amount for Initial Public Offerings (with issue amount of Rs. 13,828 crores representing 68.00% of the overall issue amount for Initial Public Offerings).

The ECM group has taken the following initiatives to enhance SBICAP's competitive position:

1. Changing coverage model to build sectoral depth and to focus on knowledge-based deal origination
2. Diversifying the product streams across fuller range of ECM products;
3. Increasing mix of private sector business - bagging higher number of private sector mandates while continuing to support key Government and PSU mandates;
4. Private Equity Advisory Initiative to ensure focussed coverage of PE firms
5. A joint venture with Carlyle Group for setting up a distressed asset fund;
6. An anchor investment in Inflexor Technology Fund.
7. A joint venture with M/s. Investec Capital Services (India) Private Limited (Investec India) by initially acquiring minority equity stake (i.e. 40.00%) in Investec India with a right to acquire majority stake in the next 3 years.

(b) Debt Capital Markets Group – (DCM)

During the financial year 2019-20, the DCM group has executed 69 NCD issuances (Debt issuances) through private placement basis with an aggregate Gross Mobilization of Rs. 1,55,139 crore*. SBICAP was ranked fourth in Bloomberg Ranking for handling debt issues.

Some of the key transactions executed during the year include (i) Tier II bond issuances for State Bank of India, Central Bank of India, Bank of Maharashtra and Canara Bank, (ii) AT1 issuances for State Bank of India and Bank of Baroda, and (iii) Bond issuances of Greater Hyderabad Municipal Corporation Limited, LIC Housing Finance Limited, Food Corporation of India, SBI Cards & Payment Services Ltd. and Mahindra & Mahindra Finance Limited.

The DCM group was also advisor for Bond issuances of NLC India Limited, Chennai Petroleum Corporation Limited, Konkan Railway Corporation Limited, Mangalore Refinery and Petrochemicals Limited and Indian Oil Corporation Limited.

*(Source Prime Database)

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

The PA&SF group continued to maintain its leadership position in the country. SBICAP achieved a market share of approx. 33% as Mandated Lead Arranger in local currency loans category with volume of Rs. 41,606 crores (Bloomberg year 2019). PA&SF group earned a gross income of Rs. 273.53 crores for the financial year 2019-20 (previous year Rs. 226.41 crores) recording a y-o-y growth of 20.81%.

The Company booked a fee income of Rs. 177.59 crores in Advisory and Syndication Services. Additionally, the M&A and PE services contributed a fee income of Rs. 58.40 crores for the year.

Some of the marquee deals undertaken include:

- 1) Nagpur Mumbai Super Communication Expressway Limited - SBICAP provided financial advisory and debt syndication services to MSRDC for 701 km, 6 lane access - controlled expressway. The deal was ranked largest FY 2019-20 deal in India Loans League tables by Debtwire.
- 2) Yes Bank Ltd. (Yes Bank) – SBICAP was appointed as Capital Raising Advisor (M&A) by Yes Bank to assist them in capital raising, and implementation of reconstruction scheme under Section 45 of Banking Regulation Act, 1949.
- 3) Government of Odisha – SBICAP assisted the Government of Odisha in auction of mines expiring due to amendments in Mines and Minerals (Development & Regulation) Act, 1957. The Company evaluated 484 bids for 25 mineral blocks for total mineral resources of approx. 2.2 bn tonnes amounting to approx. Rs. 4.95 lacs crores.
- 4) Bangalore International Airport Ltd. - Phase II - SBICAP assisted in appraisal of loan proposal with the Project cost outlay of Rs. 13,352 crores.

Note: (1) Source is Prime Database; (2) Equity Issuances includes IPO, FPO, QIP, OFS, Rights Issue.

Directors' Report For The Financial Year 2019-20

- 5) Prayagraj Power Generation Company Limited (PPGCL) - SBICAP was the sole transaction advisor to lender-initiated stake sale and change in management in the power sector.
- 6) GMR Chhattisgarh Energy Limited - SBICAP provided buy-side advisory for 1,370 MW thermal power plant in Raipur.

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 financial year 2019-20 was Rs. 69.96 crores as against income of Rs. 49.66 crores in the previous year, reporting a growth of 40.87% YoY.

Investments were made in debt mutual fund schemes to capitalize on the falling interest rate and spread compression. Major investments of the company were in liquid mutual funds, parked for DCM Group's down-selling activity. Other investments included Fixed Maturity Plans, Bond Funds, Money Market Funds and Arbitrage Funds, AIFs and tax-free PSU bonds.

Overall investment portfolio of the company yielded an annualized return of 7.28% during the year.

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. 5.12 crores and;
- SBI MF Special Situations Fund (AIF Category II) - Total commitment - Rs. 10.00 crores; Partial drawdown – Rs. 2.50 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 had accorded approval to enter into partnership with M/s. Investec Capital Services (India) Private Limited (Investec India/ JV) by initially acquiring minority equity stake (40%) in Investec India with a right to acquire majority stake in the next 3 years.

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/ JV would be providing institutional equities sales & research services for SBICAP's ECM business apart from carrying out other businesses as per MoU dated 12th March, 2020.

Initially, SBICAP will acquire 40% equity stake in the JV Entity and the transaction involves cash infusion of Rs.55 crores by SBICAP alongwith demerger of the Institutional Equities business undertaking (valued at Rs. 94.50 Crores) of SBICAP Securities Ltd. (SSL).

(V) Qualitative Performance

(a) Human Resources:

SBICAP considers "Human Resources" as critical intellectual capital for achieving its objectives. The HR functions as a partner with the product groups, and closely works with them to achieve the business objectives of the Company and strives to align and benchmark the HR policies/practices to the best industry standards.

The Company is growing despite the challenges brought about by the Covid-19 crisis. To keep pace with the growth requirements, experienced professionals and premier B-School graduates were hired. To overcome the challenges induced by the crisis, the recruitment process and the on boarding were conducted online, shortening the recruitment process.

Directors' Report For The Financial Year 2019-20

The Company operates in niche areas of Investment Banking. Employees are continuously skilled & reskilled through participation in specialized training programmes, industry conferences/seminars/forums. The Company also focusses on nurturing the leadership skills of existing Leaders and identifying and developing a pool of potential leaders for strategic positions.

SBICAP recognizes & rewards high performing teams to retain critical resources. Performances of Individuals are differentiated and "Star Performers" who have contributed significantly are recognized and rewarded through monetary benefits, deputing them for Overseas conferences/seminars/forums and promotion to higher grades as per the career progression policy of the Company. In order to imbibe a collaborative culture across functions, the officials are also incentivized on Cross Selling of diverse products being offered by the Company.

All the above initiatives have helped the Company to attract, motivate and retain the talent as well as build a robust pipeline of future leaders. The Company is an equal opportunity employer with no tolerance to gender bias.

(b) Information Technology

During the year under review, IT group had undertaken various initiatives as part of digital transformation and governance. IT group has migrated the Company's existing email platform to Office 365 Productivity Suite which will ensure anytime anywhere access to emails, online meetings and improve the indexing capabilities. 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 financial year 2019-20, prominent among them are as follows:

AWARDS

- Project Finance House of the year, India at the Asset Triple A Asia Infrastructure Awards 2019;
- International Finance Awards 2019 for:
 - Best Deal of the Year Oil and Gas (India) 2019 for HPCL Rajasthan Refinery Ltd.;
 - Best Project Advisory – India 2019;
- The Asset Triple A Asia Infrastructure Country Deals Awards (South Asia) for the following:
 - Petrochemical Deal of the Year - Hindustan Urvarak & Rasayan urea projects 158.295 billion rupee financing;
 - Utility Deal of the Year - Adani Transmission acquisition of Reliance Infrastructure Limited Mumbai generation, transmission and distribution business;
- The Asset Triple A Country Awards 2019 for:
 - Best loan adviser;
 - Best FIG bond: State Bank of India US\$ 1.25 billion dual-tranche senior notes - Bookrunner and lead manager;
- Awarded the SKOCH Governance Awards 2019 - Gold category award for providing e-auction portal to Government of Gujarat



Directors' Report For The Financial Year 2019-20

RANKINGS

▪ Dealogic

- Ranked No. 1 - APAC India Loans MLA (Market share 29.90%, Volume USD 10,967 Million)
- Ranked No. 1 - Global PFI/PPP Project Finance Loans MLA (Market share 10.10%, Volume USD 4,696 Million)
- Ranked No. 1 - Global Infrastructure Project Finance MLA (Market share 7.90%, Volume USD 5,760 Million)
- Ranked No. 1 - APAC Project Finance Loans MLA (Market share 10.80%, Volume USD 10,725 Million)
- Ranked No. 1 - Asian Project Finance Loans MLA (Market share 14.70%, Volume USD 10,725 Million)
- Ranked No. 1 - APAC Project Finance by Financial Adviser (Market share 23.20%, Volume USD 9,375 Million)
- Ranked No. 2 - Global PFI/PPP Project Finance - Financial Adviser (Market Share 14.30%, Volume USD 3,477 Million)
- Ranked No. 2 - Global Infrastructure Project Finance - Financial Adviser (Market share 18.80%, Volume USD 5,317 Million)
- Ranked No. 3 - Global Project Finance - Financial Adviser (Market share 7.80%, Volume USD 9,375 Million)

• Bloomberg League Tables

- Ranked No. 1 - Indian Borrower Loans Mandated Lead Arranger with 18.332% market share (Volume INR 4,95,465 Million)
- Ranked No. 1 - Indian Borrower Local Currency Loans Mandated Lead Arranger with 33.049% market share (Volume INR 4,16,060 Million)
- Ranked No. 3 - APAC Project Finance Loans (Mandated Lead Arranger) with market share 5.974% (USD 5,769 Million)
- Ranked No 6 - India Borrower Foreign Currency Loans Mandated Lead Arranger with 5.484% market share (Volume USD 1,122 Million)

▪ Debtwire

- Ranked No. 4 India Mandated Lead Arranger - All Currencies (Market share 6.04%, Volume USD 1,418 Million)
- Ranked No. 4 - South Asia Mandated Lead Arranger (Market share 5.44%, Volume USD 1,418 Million).

▪ Refinitiv (formerly Thomson Reuters)

- Ranked No. 1 - Asia Pacific & Japan Project Finance Loans Mandated Arranger (Market share 13.60%, Volume USD 11,338 Million);
- Ranked No. 4 Global MLA Project Finance Loans (market share 3.80%, Volume USD 11,338 Million).

▪ Prime Database

- SBICAP was ranked 2nd by issue amount for IPO, OFS and Rights issues and 4th by number of issues in FY 2020.

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 of the Company to which the Financial Statements relate and the date of this Report except that State Bank of India, Overseas Branch, Mumbai, has sanctioned an unsecured revolving line of credit (Clean OD) for Rs. 4,000 crores to SBICAP for general corporate purposes with validity for a period of 12 months and subject to renewal thereafter. The Company had drawn down a sum of Rs. 1,070 crores to fund the development arising out of Yes Bank FPO, the repayment in respect of the draw down having commenced in tranches.

Directors' Report For The Financial Year 2019-20

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. However, the Company would like to report that on 14th November, 2019, Securities Appellate Tribunal (SAT) had passed an order whereby it had reduced the penalty levied on three Book Running Lead Managers (BRLMs) (viz. SBI Capital Markets Limited, Edelweiss Financial Services Ltd. and Axis Capital Ltd.) by the Adjudicating Officer from Rs.1 crore to Rs. 50 Lacs with respect to alleged inadequate disclosures made in Prospectus filed during the year 2010 for an IPO of M/s. Electrosteel Steels Ltd. The Board of Directors of the Company took note of the same and accorded approval at its meeting held on 26th November, 2019 for payment of proportionate penalty of Rs.16,66,666.67 levied upon the Company, which was paid subsequently on 03rd December, 2019.

Explanations 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 under applicable provisions of the Companies Act, 2013 in their report. Hence, the need for explanations or comments by the Board does not arise. The report of the Statutory Auditors forms part of the financial statements.

Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditors has 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 financial year 2019-20, 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 statement of our subsidiaries in the prescribed format 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.

SUBSIDIARY COMPANIES

As on March 31, 2020 the Company has in all five subsidiaries of which three are domestic and two are foreign subsidiaries, namely:

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

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The performance of the five subsidiaries during the year 2019-20 are as follows:

1. SBICAP Securities Limited (SSL)

SSL, a wholly owned subsidiary of SBICAP, besides offering equity broking services to retail and institutional 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.

Directors' Report For The Financial Year 2019-20

Summary of the audited financial highlights for the financial years 2019-20 and 2018-19 is as under:

(Amount Rs. in Crores)

Particulars	2019-2020	2018-2019
Fee based Income	481.97	394.38
Other Income	13.98	10.14
Gross Income	495.95	404.52
Expenses	378.72	310.35
Profit Before Tax	117.23	94.17
Profit After Tax (PAT)	84.94	57.52

During the financial year 2019-20, SSL has achieved gross income of Rs. 495.95 crores (previous year Rs. 394.38 crores) with year-on-year growth of 25.75%. SSL reported PAT of Rs. 84.94 crores (previous year Rs. 57.52 crores) an increase of 48.00% as compared to last year. The total client base in retail broking crossed 2 million. The Retail Asset Vertical which is distributing Home Loan and Car Loan have increased their contribution to 31.00% and 40.00% to SBI's business in locations.

In order to provide better customer experience, SSL has initiated a digital transformation journey and is moving towards complete technological revamp of Retail Broking platform. SSL is also going to launch digital account opening module which will help in reducing the account opening TAT considerably. In Retail Asset, SSL plans to launch digital app for end-to-end monitoring and identifying cross sell opportunities for other products.

New Business Initiatives undertaken during the year

- Prime Channel:** Traditionally SSL had been relying on acquisition of new customers through SBI channels (mainly walk-in customers at branches). In order to broad-base the targeted customer set and to acquire customers from competition and open market, SSL has started a new division named "Prime". SSL has on-boarded a dedicated team for the same.
- Customer Reactivation Team:** SSL is putting in place dedicated teams at its Corporate Office that will focus solely on inactive customers who are currently not transacting with them. Customer Reactivation team will get in touch with these customers for the purpose of reactivation. SSL projects a growth of higher active customer base and increased revenue from this channel.

Industry Awards & Recognition:

During the year under review, SSL bagged the following awards:

- NSDL - "Star Performer Award for Best performer in accounts growth rate (Big DPs)"
- CDSL - "Premier Depository Participant in Platinum category".

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 2019-20 and 2018-19 is as under:

(Rs. in Crores)

Particulars	2019-20	2018-19
Fee based – Trustee Remuneration Fees	35.78	28.85
Other Income	7.46	5.96
Gross Income	43.24	34.81
Expenses	15.97	13.90
Profit before Tax	27.27	20.90
Profit after Tax (PAT)	20.52	14.90

Directors' Report For The Financial Year 2019-20

During the financial year 2019-20, STCL has achieved gross income of Rs. 43.24 crores (previous year Rs. 34.81 crores) with year on year growth of 24.22% and reported PAT of Rs. 20.52 crores (previous year Rs. 14.90 crores) an increase by 37.72%.

STCL handles 2,117 assignments as trustees and holds securities worth Rs. 30,27,098 crores as on 31st March, 2020 on behalf of Lenders and Debenture/Bond holders.

STCL also proposes to undertake additional activities like Securitization Trustee, Trusteeship for REITs and InvITs, Virtual Data Room Services etc.

STCL is in the process of enhancing their IT platform called "Trustee Enterprise Management System (TEMS)", to improve speed and quality of delivery and document retrieval and focused on products like Virtual Data Room and Will Management Services.

3. SBICAP Ventures Limited (SVL)

SVL, a wholly owned subsidiary of SBICAP acts as the Asset Management Company. SVL is presently actively managing three funds – NEEV Fund, SWAMIH Investment Fund I and SVL-SME fund.

Summary of the audited financial highlights for the financial years 2019-2020 and 2018-2019 is as under:

(Amount Rs. in Crores)

Particulars	2019-20	2018-19
Fee based Income	25.45	9.11
Other Income	0.36	0.01
Gross Income	25.81	9.12
Expenses	11.18	8.35
Profit before Tax	14.63	0.77
Profit After Tax (PAT)	11.01	0.62

During the financial year 2019-20, SVL booked a gross income of Rs. 25.81 crores (previous year Rs. 9.12 crores) with year on year growth of 183.00% and reported PAT of Rs. 11.01 crores (previous year Rs. 0.62 crores) an increase by 1,675.81%.

Presently, SVL acts as an investment manager for the following two funds:

1. NEEV Fund – SEBI registered Category I AIF with 4 investors which had its final close on 31st March 2020. SVL earns management fees of 1.5% p.a. on capital invested i.e. Rs. 430.23 crores by NEEV Fund;
2. SWAMIH Investment Fund I – SEBI registered category II AIF had been incorporated to provide finance to stalled housing projects. The fund had its first close at Rs. 10,037.50 crores on 06th December, 2019 with 14 investors. SVL earns management fees of 0.60% p.a. on committed capital of Rs. 10,037.50 crores from the fund. The investment objective of the Fund is to provide assistance to complete construction of stalled residential development projects. As of 31st March, 2020, the fund has disbursed upto Rs. 45.30 crores.

Besides, SVL is working to set up the following two funds:

1. NEEV II SME fund – SEBI registered category I Fund which is in the process of fund raising and is expected to have its first close in the coming year.
2. Setting up a Distressed Asset Fund for which SVL Board approval has been obtained.

SVL would also be joining as an anchor investor in M/s. Inflexor Tech LLP, a Technology Fund during FY 2020-21.

4. SBICAP (Singapore) Limited (SSGL)

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

Directors' Report For The Financial Year 2019-20

Summary of the audited financial highlights for the year 2019-2020 and 2018-2019 is as under:

(Amount Rs. in Crores)

Particulars	2019-20	2018-19
Fee Income	3.03	0.58
Other Income	1.65	2.05
Gross Income	4.68	2.63
Expenses	4.22	4.28
Profit / (Loss) Before Tax	0.46	(1.65)
Profit / (Loss) After Tax	0.46	(1.65)

During the financial year 2019-20, SSGL booked a gross income of Rs. 4.68 crores (previous year Rs. 2.63 crores) with year on year growth of 77.94% and reported PAT of Rs. 0.46 crores (previous year loss of Rs. 1.65 crores).

5. SBICAP (UK) Limited (SUL)

Summary of the audited financial highlights for the period 01-04-2019 to 30-11-2019 and year 2018-19 are as under:

(Amount Rs. in Crores)

Particulars	01-04-2019 to 30-11-2019	2018-19
Fee Income	0.00	0.00
Other Income	0.01	0.03
Gross Income	0.01	0.03
Expenses	2.69	3.19
(Loss)	(2.68)	(3.16)

During the period 01st April, 2019 to 30th November, 2019, SUL booked gross income of Rs. 0.01 crores (previous financial year Rs. 0.03 crores) and booked a loss of Rs. 2.68 crores (previous financial year Rs. 3.16 crores).

The Board of SUL vide resolution dated 14th August, 2019 accorded approval to surrender the licenses to FCA, UK and initiate the process of winding-up. As on date, operations of SUL has been wound-up and an application has been made to Company House, UK to strike-off its name.

DIRECTORS

As on 31st March, 2020, the Board of Directors of the Company comprised of Nine Directors of which two are Non-Executive Independent Directors; the composition of Board of the Directors is as follows. A brief profile of the Directors is appended in the Corporate Governance Report which forms part of the report:

- 1) Shri Rajnish Kumar, Non-Executive Chairman;
- 2) Shri Dinesh Kumar Khara, Non-Executive Nominee Director;
- 3) Smt. Bharati Rao, Non-Executive Nominee Director;
- 4) Shri Narayan K. Seshadri, Non-Executive Independent Director;
- 5) Shri Ananth Narayan Gopalakrishnan, Non-Executive Independent Director;
- 6) Shri T. L. Palani Kumar, Non-Executive Director;
- 7) Shri Sharad Sharma, Non-Executive Nominee Director;
- 8) Shri Arun Mehta, Managing Director & Chief Executive Officer; and
- 9) Smt. Uma Shanmukhi Sistla, Whole-Time Director.

Directors' Report For The Financial Year 2019-20

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 report:

(A) Appointment of Directors

Sl. No.	Name of the Director	Appointment	Date
1.	Shri. Sharad Sharma, Non-Executive Nominee Director	Appointment	06 th September, 2019
2.	Shri Arun Mehta, Managing Director & Chief Executive Officer	Appointment	21 st January, 2020
3.	Shri Ramanathan Viswanathan, Whole-time Director	Appointment	27 th May, 2020

(B) Cessation of Directors

Sl. No.	Name of the Director	Cessation	Date
1.	Shri Sanjiv Chadha, Managing Director & Chief Executive Officer	Cessation	20 th January, 2020
2.	Smt. Uma Shanmukhi Sistla, Whole-time Director	Cessation	22 nd May, 2020

The Board welcomes Shri Sharad Sharma, Shri Arun Mehta and Shri Ramanathan Viswanathan and further places on record its deep appreciation to Shri Sanjiv Chadha and Smt. Uma Shanmukhi Sistla for valuable contributions made by them during their tenures as Managing Director & CEO and Whole Time Director of the Company respectively.

Directors retiring by rotation

In terms of Section 152 of the Companies Act, 2013, Shri. T. L. Palani Kumar retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends to the Shareholders at the said Annual General Meeting for re-appointment of Shri. T. L. Palani Kumar as Non – Executive Director of the Company. A brief profile of Shri. T. L. Palani Kumar who is seeking re-appointment has been provided in the notice of the Annual General Meeting.

KEY MANAGERIAL PERSONNEL

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

(A) Appointment of Key Managerial Personnel

Sl. No.	Name of the KMP and Designation	Appointment	Date
1.	Shri Arun Mehta, Managing Director & Chief Executive Officer	Appointment	21 st January, 2020
2.	Shri Ramanathan Viswanathan, Whole Time Director	Appointment	27 th May, 2020
3.	Shri Krishnan Kutty Raghavan, Sr. Vice President & Chief Financial Officer	Appointment	19 th July, 2019
4.	Shri Krishnan Kutty Raghavan, Sr. Vice President & Chief Financial Officer	Appointment	08 th June, 2020

Directors' Report For The Financial Year 2019-20

(B) Cessation of Key Managerial Personnel

Sl. No.	Name of the KMP and Designation	Cessation	Date
1.	Shri Sanjiv Chadha, Managing Director & Chief Executive Officer	Cessation	20 th January, 2020
2.	Smt. Uma Shanmukhi Sistla, Whole-time Director	Cessation	22 nd May, 2020
3.	Shri Sivakumar Vattipalli, Sr. Vice President & Chief Financial Officer	Cessation	26 th June, 2019
4.	Shri Krishnan Kutty Raghavan, Sr. Vice President & Chief Financial Officer	Cessation	28 th April, 2020

Number of Meetings of the Board

The Board met eight times during the financial year 2019-20. Detailed information on the meetings of the Board are included in the Report on Corporate Governance, which forms part of this Annual Report.

Additionally, several committee meetings were held including that of Audit Committee, which met five times during the year.

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.

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 financial year 2019-20 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

Since the Company is engaged in Merchant Banking and Advisory Services, there is no information to report under this head.

Directors' Report For The Financial Year 2019-20

Foreign Exchange Earnings and Outgo

During the year under review, the Company had earned foreign exchange equivalent to Rs. 12.98 crores (previous year Rs. 8.09 crores) towards advisory & syndication fees from overseas clients and reimbursement of expenses. The total foreign exchange expended amounts to Rs. 2.13 crores (previous year Rs. 1.73 crores) on account of foreign travel and other expenses.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEE

SBICAP has not given any loans or guarantee except various performance guarantees (issued by State Bank of India) on behalf of the Company aggregating Rs. 239 lacs (previous year Rs. 302 lacs) in favour of Clients. Further, SBICAP has offered corporate bonds worth Rs. 50.00 crores towards collateral security for the overdraft facility of Rs. 100.00 crores availed by SSL from SBI, Capital Markets Branch, Mumbai.

For the details of investments made by WW, the Directors draw attention of the members to note nos. 4 and 6 of the Financial Statements as on 31st March, 2020.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were in the ordinary course of business and on an 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 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 financial year 2019-20, 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 34th Annual General Meeting of the Company.

In terms of Section 139 of the Companies Act 2013, CAG vide their letter ref. no./CA.V/COY/CENTRAL GOVERNMENT, SBICAP(1)/13 dated 10th August, 2020, has appointed M/s. Ummed Jain & Co., Chartered Accountants, as the Statutory Auditors of the Company 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 financial year 2019-20. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY 2019-20 is annexed to this report as **Annexure 'IV'**.

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

Comments of the Comptroller & Auditor General of India as per report dated 07th July, 2020, submitted under Section 143(6)(b) read with section 129(4) of the Companies Act, 2013 on the Stand Alone Financial Statement and the Consolidated Financial Statements of the Company for the year ended 31st March, 2020 are enclosed. The CAG has not made any adverse comments in the Report and has inter-alia advised as follows:

"I, On behalf of the Comptroller & Auditor General of India, have decided not to conduct a supplementary audit of the financial statements, consolidated financial statements of SBI Capital Markets Ltd for the year ended 31st March, 2020 under Section 143(6)(a) read with section 129(4) 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 hereby to this 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.

Directors' Report For The Financial Year 2019-20

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

The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2020 and therefore, the provisions of the clause 3(v) of the Companies (Auditor's Report) Order, 2016 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 financial year ended 31st March, 2020 in Form MGT-9 is annexed as Annexure 'VI'.

http://www.sbicans.com/wp-content/uploads/2020/08/MGT-9_2019-20.pdf

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee of the Board has framed a policy on Directors, Key Managerial Personnel and other Senior Management Personnel for appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of a Director and other related matters in accordance with Section 178 of the Companies Act, 2013 read with the applicable Rules made thereunder.

The Nomination and Remuneration Policy was approved by the Board of Directors at its meeting held on 30th March, 2015 and further amended by the Board of Directors at its meeting held on 18th July, 2020 which is available on the website of the company at - https://www.sbicans.com/wp-content/uploads/2014/06/SBICAP_NRC_Policy.pdf

and also forms part of this report and annexed as 'Annexure VII' to the Annual Report.

The salient features of the NRC policy are given below:

1. The NRC Policy was formulated in terms of Section 178 of the Companies Act, 2013 covering the aspects relating to appointment, removal and remuneration of Directors, Key Managerial Personnel and Senior Management and other employees of the Company, evaluation of the performance of the Board etc.
2. The NRC Policy has given overall framework for constitution of the NRC Committee, its Meeting, quorum etc.
3. The NRC Policy has given guidelines with respect to appointment of Executive Director, Independent Directors, Key Managerial Personnel, Senior Management Personnel and fixation of their remuneration.
4. The NRC Policy has provided the guidelines relating to ex-gratia / performance-based remuneration to Managing Director/Whole Time Directors/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 of the Board included aspects like Board composition, shared vision and strategy, the effectiveness of Board processes, information and functioning, etc. The criteria for performance evaluation of Committees of the Board include aspects like the composition of Committees, the effectiveness of Committee meetings, etc. The criteria for performance evaluation of the individual Directors include acting independently and in the best interests of the Company, various aspects on contribution to the Board and Committee meetings like devoting sufficient time to his/her role and responsibilities at Board meetings and playing an active role in the activities of each committee on which he/she serves, etc.

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

A separate meeting of Independent Directors was held to review the performance of Non-Independent Directors, performance of the Board, and performance of the Chairman of the Company, which also considered the views of Executive Directors and the Non-Executive Directors. The Nomination and Remuneration Committee reviewed the performance of individual Directors. This was followed by a Board Meeting that discussed the performance of the Board, Committees, Individual Directors and Independent Directors.

The summary was placed before the Nomination and Remuneration Committee at its meeting held on 18th July, 2020, for noting and recommending to the Board to take note of the same. The Board took note of the same at its meeting held on 18th July, 2020.

Directors' Report For The Financial Year 2019-20

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has established Corporate Social Responsibility Committee. The CSR policy is forming part of the Board's Report as **Annexure 'VIII'** and is also available on the Company's website www.sbicans.com. The disclosures required to be made in the Board's Report as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are enclosed with Report of Corporate Governance.

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 financial year 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.

Acknowledgment

The Board of Directors would like to express its thanks to SEBI - the Company's Regulator, and to the Comptroller & Auditor General of India (CAG), 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

Place: Mumbai
Date: 7th September, 2020

Sd/-
(Narayan K. Seshadri)
Independent Director

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

(As on year ended March 31, 2020)

Sl. No.	Name of the 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 shareholding
1.	SBICAP Securities Limited	INR	N.A.	9,687.50	26,246.39	67,366.16	31,432.25	0.10	48,196.58	11,722.72	3,228.76	8,493.96	-	100
2.	SBICAP Trustee Company Limited	INR	N.A.	100.00	11,200.01	11,707.71	407.69	150.10	3,577.63	2,727.07	675.51	2,051.56	-	100
3.	SBICAP Ventures Limited	INR	NA	6,037.79	2,246.59	8,621.84	337.32	8,248.70	2,545.50	1,463.17	362.48	1,100.69	-	100
4.	SBICAP (Singapore) Limited	SGD	52.9930	6,178.12	20.40	6,324.48	125.71	-	297.65	46.10	-	46.10	-	100

Part "B": Associates and Joint Ventures

Sr. No.	Name of associates/ Joint Ventures	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				Considered in Consolidation (Rs. In Lacs)	Not Considered in Consolidation
1	SBI Pension Funds Pvt Ltd	31.03.2020	60,00,000	6,00,00,000.00	20%	No significant influence	212.22 Lacs	45.56 Lacs	-

Annexure - II

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, 2020, the Board of Directors comprised of Nine Directors of which two are Non-Executive Independent Directors. Given hereunder is the composition of the Board of Directors along with the brief profiles of the Directors:

1. **Shri Rajnish Kumar, Chairman [SBI Nominee]:** Shri Rajnish Kumar has assumed the office as Chairman State Bank of India on 7th October, 2017. Previously, Shri Rajnish Kumar was the Managing Director (National Banking Group) looking after retail banking and latest initiatives in payments and digital banking since November, 2015. Prior to becoming Managing Director in SBI, Shri Rajnish Kumar was heading SBI Capital Markets Limited (the Merchant Banking arm of State Bank of India) as Managing Director & Chief Executive Officer. Shri Rajnish Kumar has been with the State Bank of India for over three decades, having joined the Bank as a Probationary Officer in 1980. Shri Rajnish Kumar did his M.Sc. in Physics and is also a certified Associate of Indian Institute of Bankers (CAIIB). Shri Kumar has held several key assignments across various business verticals, including two overseas assignments in Canada and U.K. He has vast experience in handling large credit, project finance, foreign exchange and retail banking. Shri Kumar has held such important positions as Regional Head, SBI (UK); Chief General Manager, North East Circle, Chief General Manager, Project Finance and Managing Director (Risk & Compliance). Shri Kumar is an avid traveller and has visited several countries. He loves sports and is a good player of badminton.
2. **Shri Dinesh Kumar Khara, Non-Executive Director [SBI Nominee]:** Shri Dinesh Kumar Khara is the Managing Director (Global Banking & Subsidiaries), State Bank of India. Earlier he was Managing Director & CEO of SBI Funds Management Private Limited (SBIMF) for the period 11th November, 2013 to 10th August, 2016. Under his leadership, the Company leaped one position up and became the 5th largest Mutual Fund in India with total AUM of about Rs.1,30,000 crores by improving its market share to 8.80% from 7.00%. Prior to his assignment in SBIMF, Shri Khara was Chief General Manager - Bhopal Circle, State Bank of India - responsible for managing around 1400 branches and handling deposits and advances portfolio of approx. Rs 1.51 lac crores.

Shri Dinesh Kumar Khara did his Master's in Business Administration from FMS New Delhi and is a post-graduate in Commerce. He is also a Certified Associate of Indian Institute of Bankers (CAIIB). Shri Khara joined SBI as Probationary Officer in December 1984 and has over 35 years of experience in all facets of Commercial banking such as Retail Credit, SME/Corporate Credit, deposit mobilization, international banking operations, branch management, etc. in India and abroad. As General Manager in Associates and Subsidiaries department of SBI Corporate Centre, Shri Khara worked closely with the operational and strategy issues of various Non-banking subsidiaries of SBI. During his tenure, the Bank increased market share in its area of operation and also improved profitability of key businesses by formulating and implementing strategies for effective delivery of products and services with a clear focus on maximizing profits.
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 35 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 Narayan K. Seshadri, Non-Executive Independent Director:** Shri Seshadri is the Chairman and CEO of Halcyon Group, an Investment Advisory and Management Services enterprises specializing in 'turnaround' and 'turn up' activities. He is a Chartered Accountant. He headed Andersen and KPMG Business Consulting businesses before founding Halcyon. He carries a rich experience of over 35 years in Finance, Accounts, Audit, Advisory and Management Services. His experience ranges across industries in different countries.
5. **Shri Ananth Narayan Gopalakrishnan, Non-Executive Independent Director:** Shri Ananth Narayan is an Associate Professor, Finance at S. P. Jain Institute of Management and Research (SPJIMR) and carries rich experience of 21 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 is 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.

6. **Shri T. L. Palani Kumar, Non-Executive Director:** Shri T. L. Palani Kumar has had an outstanding career spanning over 37 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 Engineering) 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.
7. **Shri Sharad Sharma, Non-Executive Nominee Director:** Shri Sharad Sharma joined State Bank of India as a Probationary Officer in 1977 and has 40 years of wide experience in various areas of banking sector. He holds a Bachelors degree in Arts. During his long and illustrious career with the Bank spanning 40 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.
8. **Shri Arun Mehta, Managing Director & Chief Executive Officer:** Shri Arun Mehta has over 35 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.
9. **Smt. Uma Shanmukhi Sistla, Whole Time Director:** Smt. Uma Shanmukhi Sistla, President & Chief Operating Officer was also designated as Whole Time Director of SBI Capital Markets Ltd effect from 12th July, 2018. She also held the Charge as the Chief Executive Officer of the Company, in addition to Whole Time Director from 1st January 2019 to 11th February 2019, till the appointment of new Managing Director & CEO of the Company. Smt. Uma Shanmukhi Sistla joined State Bank of India as Probationary Officer in 1987. She gained wide experience in various areas of Banking, covering Branch Operations, Credit Management, Consumer Banking, SME Finance, International Banking, Training, e-course development and Investment Banking. She also has exposure to Bank's International operations, at SBI's Frankfurt Branch. She was Regional Head of Chennai Regional of SBI Capital Markets Limited during 2010-2013, she held various positions in SBI viz DGM (SME) Ahmedabad, GM (SME) SBI, Corporate Centre and GM (Network) at Delhi. Smt. Uma Shanmukhi Sistla is a Science faculty graduate and Certified Associate of Indian Institute of Bankers. She holds an MBA in Banking and Finance and was also a Certified Financial Planner from FPSB.

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 monitoring 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 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.

Annexure - II

v) Board Meetings

During the year under review, eight Board Meetings were held on 26th April, 2019, 19th July, 2019, 10th August, 2019, 6th September, 2019, 9th October, 2019, 26th November, 2019, 17th January, 2020, and 6th February, 2020.

The attendance record of each Director at the said Board Meetings is given hereunder:

Name of the Director	Number of Board Meetings attended
Shri Rajnish Kumar, Chairman, Non-Executive Nominee Director	3
Shri Dinesh Kumar Khara, Non-Executive Nominee Director	8
Smt. Bharati Rao, Non-Executive Nominee Director	6
Shri Narayan K. Seshadri, Non-Executive Independent Director	8
Shri Ananth Narayan Gopalakrishnan, Non-Executive Independent Director	8
Shri T. L. Palani Kumar, Non-Executive Director	5
Shri Sharad Sharma, Non-Executive Nominee Director (appointed w.e.f. 06 th September, 2019)	5
Shri Sanjiv Chadha, Managing Director & CEO, (SBI Nominee) (Resigned w.e.f. 20 th January, 2020)	7
Shri Arun Mehta, Managing Director & CEO, (SBI Nominee) (appointed w.e.f. 21 st January, 2020)	1
Smt. Uma Shanmukhi Sistla, Whole Time Director (SBI Nominee)	7

vi) Details of Remuneration paid to Directors during the financial year 2019-20

(Amount Rs. in Lacs)

Elements of remuneration	Salary/ Sitting fees	Benefits	Stock options	Performance linked incentive	Notice period	Severance fees	Total
Name of the Director							
Shri Sanjiv Chadha Managing Director & CEO*(upto 20.01.2020)	25.81	5.38	-	1.40	-	-	32.59
Shri Arun Mehta, Managing Director & CEO* (from 21.01.2020)	5.94	2.44	-	-	-	-	8.38
Smt. Uma Shanmukhi Sistla	32.38	10.61	-	7.91	-	-	50.90
Shri Narayan K. Seshadri	7.00	-	-	-	-	-	7.00
Smt. Bharati Rao	6.35	-	-	-	-	-	6.35
Shri Ananth Narayan Gopalakrishnan	4.80	-	-	-	-	-	4.80
Shri T. L. Palani Kumar	3.55	-	-	-	-	-	3.55
Shri Sharad Sharma	1.60	-	-	-	-	-	1.60

*PF, Gratuity & Superannuation, performance linked variable pay

Annexure - II

vii) Details of Remuneration paid to Key Managerial Personnel during the financial year 2019-20.

(Amount Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Shri Krishnankutty Raghavan, CFO**	Shri Sivakumar Vattipalli, CFO#	Shri Amit Shah, Company Secretary	
1	Gross salary	21.37	6.58	30.21	58.16
	(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 – PLVP	0.00	4.83	4.75	9.59
	Total	21.37	11.41	34.97	67.75

** Appointed w.e.f. 19-07-2019

Resigned w.e.f. 26.06.2019

viii) Composition and Terms of Reference of the Audit Committee

The composition of the Audit Committee as well as its role and functions are generally in conformity with the Companies Act, 2013 and recent Guidance notes issued by the Institute of Chartered Accounts of India. The composition of the Audit Committee as on 31st March, 2020 and Terms of Reference of the Audit Committee are as follows:

(a) Composition:

Sr. No.	Name of the Director	Designation
1.	Shri Narayan Seshadri, Non-Executive Independent Director	Chairman
2.	Shri Ananth Narayan Gopalakrishnan, Non-Executive Independent Director	Member
3.	Smt. Bharati Rao, Non-Executive Nominee Director	Member
4.	Shri Dinesh Kumar Khara, Non-Executive Nominee Director	Member

(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:

- (a) Quarterly /Annual financial statement after reviewing the same with the management;
- (b) Management discussion and analysis of financial condition and results of operations after it review;
- (c) 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 it review;
- (d) To recommend the appointment, remuneration and terms of appointment of the statutory auditors and fixation of their fees.
- (e) 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.

Annexure - II

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.	

ix) Composition and Terms of Reference of Nomination and Remuneration Committee

a. Composition of the Nomination and Remuneration Committee

Sr. No.	Name of the Director	Designation
1.	Shri Narayan Seshadri, Non-Executive Independent Director	Chairman
2.	Shri Ananth Narayan Gopalakrishnan, Non-Executive Independent Director	Member
3.	Smt. Bharati Rao, Non-Executive Nominee Director	Member
4.	Shri Dinesh Kumar Khara, Non-Executive Nominee Director	Member

b. Terms of Reference of Nomination and Remuneration Committee of the Board:

- 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 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, Key Managerial Personnel and senior management 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.

x) Corporate Social Responsibility Committee

a. Composition of Corporate Social Responsibility Committee

Sr. No.	Name of the Director	Designation
1.	Shri Narayan Seshadri, Non-Executive Independent Director	Chairman
2.	Shri Dinesh Kumar Khara, Non-Executive Nominee Director	Member
3.	Smt. Bharati Rao, Non-Executive Director	Member
4.	Shri Arun Mehta, Managing Director & CEO (w.e.f. 21 st January, 2020)	Member

b. Terms of Reference of Corporate Social Responsibility Committee

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



Annexure - II

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

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to CSR policy and projects or programs	As per CSR Policy enclosed as Annexure 'VIII' . Further, the said Policy is also available on our website - https://www.sbicans.com/wp-content/files/SBICAP_Corporate_Social_Responsibility_CSR_Policy.pdf
2.	The Composition of the CSR Committee	Details as stated above
3.	Average net profit of the company for last three financial years	₹ 297.20 crores
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 5.95 crores
5.	Details of CSR spent during the financial year.	As per Annexure below
(a)	Total amount to be spent for the financial year;	₹ 5.95 crores
(b)	Amount unspent, if any;	Nil
(c)	Manner in which the amount was spent during the financial year.	As per Annexure below
6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	N. A.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The said responsibility statement has been obtained from the CSR Committee.

Sd/-
(Arun Mehta)
Managing Director & CEO

Sd/-
(Narayan K. Seshadri)
Chairman CSR Committee

The CSR Spend for the Company in FY 2019-20 are summarized as below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State & District where the project or program were undertaken	Amount outlay (budget) project/ program wise (Amount in Rs.)	Amount spent on the projects or programs Sub-heads : (1) Direct Expenditure on projects or programs (2) Over heads	Cumulative expenditure up to the reporting period (Amount in Rs.)	Amount spent Direct or through Implementing agency*
1.	CSR grant towards up gradation of 3 child shelter homes in and around Mumbai.	Promoting education, including special education and employment enhancing vocation skills especially among children	Mumbai & Badlapur, Maharashtra	89,71,205/-	Direct expenditure – ₹ 81,66,981/- Overheads – ₹ 8,04,224/-	24,71,205/-	Implementing agency
2.	CSR grant towards provision of waterwheels in Vidarbha & Marathwada regions of Maharashtra	Drinking water and sanitation	Vidarbha & Marathwada, Maharashtra	46,55,000/-	Direct expenditure – ₹ 42,80,000/- Overheads – ₹ 3,75,000/-	36,55,000/-	Direct
3.	CSR grant towards stated civil work and purchase of requisite equipment for the residential school for mentally challenged located at Mulshi near Pune.	Promoting education, including special education and employment enhancing vocation skills especially among children	Mulshi, Maharashtra	47,00,000/-	₹ 47,00,000/- direct expenditure	20,56,086/-	Direct
4	CSR grant towards the complete medical treatment and allied care for 100 under-privileged children suffering from diabetes.	Healthcare	Pune, Maharashtra	42,17,709/-	Direct expenditure – ₹ 38,34,281/- Overheads – ₹ 3,83,428/-	42,17,709/-	Direct
5.	CSR grant to provide furniture, fixtures and equipment for the NGO's referral center for under-privileged leprosy patients' in Mumbai.	Healthcare	Mumbai, Maharashtra	1,00,000/-	Direct expenditure – ₹ 1,00,000/-	1,00,000/-	Direct
6.	CSR grant towards various social development projects identified by the Foundation (8 projects identified & allocated funds)	Education, incubation, impact development	National	4,70,00,000/-	₹ 4,70,00,000/- Direct expenditure	4,70,00,000/-	Implementing agency
	TOTAL					5,95,00,000/-	

xi) 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.

xii) 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.

xiii) 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 risk on an enterprise wide basis.
- To establish clear accountability and ownership of risk.
- 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.

xiv) 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 Codes of the Company to the Chief Executive Officer of the Company or to the Chairman of Audit Committee or any other Audit Committee member, 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.

xv) 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).

xvi) 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.

xvii) 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 2019 - 2020, under the said Policy of the Company.

xviii) Arm-Length Policy:

The Company has put in place Arms-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, 2020.

Sd/-
Arun Mehta
Managing Director & CEO

Place: Mumbai
Date : 7th September, 2020

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 – 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
SBICAPS Ventures Limited	Subsidiary Company
SBICAP Trustee Company Limited	Subsidiary Company
SBICAP (UK) Limited	Subsidiary Company
SBICAP Singapore Ltd.	Subsidiary Company

Other related parties where transactions have occurred during the year

Name of the Party	Relationship
SBI DFHI Limited	Fellow Subsidiary
SBI Funds Management Pvt. Limited	Fellow Subsidiary
SBI Life Insurance Company Limited	Fellow Subsidiary
SBI Cards & Payment Services Pvt. Limited	Fellow Subsidiary
SBI General Insurance Co. Ltd.	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
Shri Arun Mehta (from 21 st January, 2020 onwards)	Managing Director & CEO
Shri Sanjiv Chadha (from 21 st February, 2019 to 20 th January, 2020)	Managing Director & CEO
Smt. Varsha Purandare (up to 31 st December 2018)	Managing Director & CEO
Smt. Uma Shanmukhi Sistla (from 12 th July, 2018 onwards)	Whole Time Director
Shri Narayan K. Seshadri	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 (from 6 th September, 2019 onwards)	Non-Executive Director
Shri Siva Kumar Vattipalli SVP & CFO (upto 26 th June, 2019)	Key Managerial Personnel
Shri Krishnan Kutty Raghavan, SVP & CFO (From 19 th July, 2019)	Key Managerial Personnel
Shri Amit Shah, Company Secretary	Key Managerial Personnel

(b) Details of Transactions with the above related parties are as under :

(Amount ₹ in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries/ Associates		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Income during the year ended								
Issue Management Fees	-	-						
SBI Cards and Payment Services Limited					643	-		
Arranger's Fees	695	831						
SBICAP Securities Ltd.			-	7				
SBI Cards & Payment Services Private Limited					25	19		
Advisory Fees	7,172	4,662						
Interest Income	21	27						
SBI Cards and Payment Services Limited					116	-		
Rent	-	-						
SBICAP Securities Ltd.			1,239	1,042				
Dividend	-	-						
SBI DFHI Limited					60	-		
Miscellaneous Receipts		-						-
SBICAP Securities Ltd.			2	9				
Expenses during the year ended								
Deputation of Employees	288	280						
Salaries & Allowances								
Shri Arun Mehta							4	-
Shri Sanjiv Chadha							12	1
Smt. Varsha Purandare							-	9
Smt. Uma Shanmukhi Sistla							9	7
Shri Biswa Ketan Das							-	2
Director's Sitting Fees								
Smt. Bharati Rao							6	4
Shri T. L. Palani Kumar							4	2
Shri Sharad Sharma							2	-
Shri Narayan K Seshadri							7	6

Annexure - III

(Amount ₹ in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries/ Associates		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Shri Ananth Narayanan G.							5	1
Smt. Aruna Jayanthi							-	1
Interest Expenses	-	538						
Other Borrowing cost	20	42						
Fees & Commission								
SBICAP Securities Limited			753	215				
Royalty Expense	336	489						
Insurance Expense	-	-						
SBI Life Insurance Company Ltd.					87	111		
SBI General Insurance Co. Ltd.					18	23		
Loss on disposal of subsidiary								
SBICAP (UK) Ltd.			232	-				
Rent Expense	58	51						
Brokerage Expenses								
SBICAP Securities Ltd.			13	-				
Contribution towards CSR								
SBI Foundation					470	400		
Bank & Other Charges	5	2						
SBICAP Securities Ltd.			0*	0*				
SBICAP Trustee Company Ltd.			0*	-				
Business Promotion Expenses								
SBICAP (UK) Ltd.			10	-				
SBICAP Singapore Ltd.			4	2				
Bad Debts written off	103	230						
Other expenses								
SBICAP Trustee Company Ltd.			0*	-				
SBI Cards and Payment Services Ltd.					0*			

Annexure - III

(Amount ₹ in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries/ Associates		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Balance Sheet Items:								
(Outstanding As on)								
Share Capital	5,803	5,803						
Balance payable as at								
Payables	-	2						
SBICAP Securities Ltd.			672	48				
SBICAP Singapore Ltd.			-	1				
SBICAP UK Ltd.			-	1				
SBICAP Trustee Company Ltd.			0*	-				
SBI General Insurance Company Ltd.					0*	-		
Balance receivable as at								
Bank Balance	1,427	1,995						
Deposit with Banks	5,301	317						
Receivables	643	2,582						
SBICAP Securities Ltd.			26	21				
SBICAP Trustee Company Ltd.			1					
SBICAP Ventures Ltd.			3	-				
SBI Cards and Payment Services Ltd.			-	-	759	15		
Investments								
SBICAP Securities Ltd.			12,500	12,500				
SBICAP Ventures Ltd.			6,038	4,998				
SBICAP Trustee Company Ltd.			5	5				
SBICAP UK Ltd.			-	172				
SBICAP Singapore Ltd.			6,019	6,178				
SBI Pension Funds Private Ltd.					601	601		
SBI DFHI Ltd.					2,869	2,754		
SBICAP Home Finance Ltd.®					-	-		
SBI Foundation					0*	0*		
State Bank of India Servicos Limitada Brazil®					-	0*		
Accrued interest on Deposit with Banks	33	33						
Other transactions during the year ended								

Annexure - III

(Amount ₹ in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries/ Associates		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Investments in equity shares of subsidiary								
SBICAP Ventures Ltd.			1,040	1,070				
SBICAP (UK) Ltd.			177	-				
Winding up of Company								
SBICAP (UK) Ltd.			349	-				
Investment in Bonds								
SBI Cards & Payment Services Private Ltd\$					82,500	-		
Sale of securities	1,20,015	-						
SBI General Insurance Company Ltd.	-	-			50,028	77,886		
SBI DFHI Ltd.					75,202	1,456		
SBI Life Insurance Company Ltd.					89,058	15,521		
SBI Funds Management Private Ltd.					40,015	-		
Guarantees	239	301						
Expenses shared	37	82						
SBICAP Securities Ltd.			127	80				
SBICAP Ventures Ltd.			19	2				
SBICAP Trustee Company Ltd.			2	3				

Included in expenses relating to deputation of employees are amounts aggregating to ₹ 117 (2018: ₹ 105) pertaining to salaries paid to key management personnel.

* Insignificant amount.

@Fully provided

\$Outstanding as at 31st March, 2020 is Nil.

The Company has contributed ₹ 722 Lacs (March 31, 2019: 542 Lacs) to SBICAPS Employee's Provident Fund during the year.

The Company has sold securities of ₹ 151 Lacs (March 31, 2019: Nil) to SBICAPS Employee's Provident Fund during the year.

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act 2013 and rule No.9 of 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 - 400005. 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 pandemic situation and statewide lockdown, the audit process has been modified to some extent and we have relied on the documents /records /returns / registers /minutes in electronic forms provided by the company through its representatives. Therefore wherever, in the report, words such as "examined", "review", "verification" are being stated should be construed including examination, review, verification of electronic records. Our Report is to be read along with the attached Note in Annexure I to this Report, which forms an integral part of this Report.

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, 2020 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

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, 2020 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made thereunder;

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

SEBI (Prohibition of Insider Trading) Regulation 2015 to the extent applicable to market participant.

The Securities and Exchange Board of India (Research Analyst) Regulations, 2014.

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.

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;

Annexure - IV

- 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.

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 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.

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 hold the meeting at shorter notice were duly obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. 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 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, 2020, the Company has not undertaken any event/ action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that on 14th November, 2019, SAT had passed an order whereby it had reduced the penalty levied on three BRLMs by the Adjudicating Officer from ₹ 1 crore to ₹ 50 Lacs with respect to alleged inadequate disclosures made in Prospectus filed during the year 2010 for an IPO. The Board of Directors of the Company took note of the same and accorded approval for the payment of proportionate penalty of ₹ 16,66,666.67/- levied upon the Company and the same has been paid subsequently.

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

Sd/-
VIJAY B. KONDALKAR
Partner
ACS-15697, CP-4597

Place : Mumbai
Date : 09-07-2020
UDIN: A015697B000430463

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 9th July, 2020.

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

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.

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.

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.

Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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
ACS-15697, CP-4597

Place : Mumbai
Date : 09-07-2020
UDIN: A015697B000430463

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020

[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	Public Ltd. Company
v) Address of the Registered office and contact details	202, Maker Tower 'E', Cuffe Parade, Mumbai - 400 005. Tel.: 22178300
vi) Whether listed company: Yes / No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent if any	Data Matics Business Solutions Ltd. Plot No: B/5, Part B Cross Lane, MIDC, Andheri East, Mumbai - 400 093. Tel.: 02266712238

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

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	-	88.29%

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 (UK) Ltd.	Foreign Subsidiary	Subsidiary	100%	Foreign Subsidiary*
6.	SBICAP (Singapore) Ltd.	Foreign Subsidiary	Subsidiary	100%	Foreign Subsidiary
7.	SBI Pension Funds Pvt. Ltd.	U66020MH2007GOI176787	Associate	20%	Section 2(6)

* SBICAP (UK) Ltd is under winding-up process. An application has been made to Company House, UK to strike-off the name of the Company.

IV. SHARE HOLDING 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, 2019			No. of Shares held at the end of the year i.e. as on 31 st March, 2020			% change during the year 2019-20
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) *Individuals / HUF	24	-	24	24	-	24	0.00
b) Central Govt							
c) State Govt (s)							
d) Bodies Corp.							
e) Banks / FI	5,80,33,687	-	5,80,33,687	5,80,33,687	-	5,80,33,687	100%
f) Any Other.... – Public Ltd. Co.							
Sub-total (A) (1):	5,80,33,711	-	5,80,33,711	5,80,33,711	-	5,80,33,711	100%
*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	5,80,33,711	-	5,80,33,711	100%
							Nil

Annexure - VI

Category of Shareholders	No. of Shares held at the beginning of the year i.e. as on 1 st April, 2019				No. of Shares held at the end of the year i.e. as on 31 st March 2020				% change during the year 2019-20
	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 Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 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

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 2019-20			Shareholding at the end of the year 2019-20			% 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)

Sl. No.		Share holding at the beginning of the year 2019-20		Cumulative Share holding during the year 2019-20	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Change		No Change	
	Date wise Increase/ Decrease in Promoters Share-holding during the year specifying the reasons for increase/ decrease (e. g. allotment/ transfer/ bonus/ sweat equity etc.):	No Change		No Change	
	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):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 2019-20		Cumulative Shareholding during the year 2019-20	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	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
	At the End of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

Annexure - VI

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 2019-20		Cumulative Shareholding during the year 2019-20	
		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 *Shri Sanjiv Chadha as MD & CEO *Shri Krishnankutty Raghavan, SVP & CFO	6 1	0.00%	6 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 (i) Shri Sanjiv Chadha, former MD & CEO to *Shri Arun Mehta, MD & CEO (ii) Shri Sivakumar Vattipalli former SVP & CFO to Shri Krishnan Raghavan, SVP & CFO	6 1	0.00%	6 1	0.00%
3	At the End of the year 2019-20 (i) Shri Arun Mehta, MD & CEO (ii) Shri Krishnan Raghavan, SVP & CFO	6 1	0.00%	6 1	0.00%

*Shares held as SBI Nominee.

V. INDEBTEDNESS

Indebtedness of the Company including interest out standing/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2019-20				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)				
Change in Indebtedness during the financial year 2019-20				
▪ Addition	NIL	NIL	NIL	NIL
▪ Reduction				
Net Change				
Indebtedness at the end of the financial year 2019-20				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

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/MTD/Manager			Total Amount (₹ in lacs)
		Shri Arun Mehta, Managing Director & CEO**	Shri Sanjiv Chadha, Managing Director & CEO***	Smt. Uma Shanmukhi Sistla, Whole-Time Director	
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	8.38	32.59	50.90	91.87
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	8.38	32.59	50.90	91.87
	Ceiling as per the Act	-	-	-	2,75.56

*PF, Gratuity & Superannuation, performance linked variable pay

** appointed w.e.f. 21st January, 2020*** up to 20th January, 2020

B. Remuneration to the directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Name of Directors	Name of Directors	Total Amount in ₹
1.	Independent Directors	Shri Narayan K. Seshadri		Shri Ananth Narayan Gopalakrishnan	
	(a) Fee for attending board committee meetings	7,00,000/-		4,80,000/-	11,80,000/-
	(b) Commission	-		-	-
	(c) Others, please specify	-		-	-
	Total (1)	7,00,000/-		4,80,000/-	11,80,000/-
2.	Other Non-Executive Directors	Shri T. L. Palani Kumar	Smt. Bharati Rao	Shri Sharad Sharma	
	(a) Fee for attending board committee meetings	3,55,000/-	6,35,000/-	1,60,000/-	11,50,000/-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (2)				11,50,000/-
	Total B (1+2)				23,30,000/-
	Total Managerial Remuneration				23,30,000/-
	Overall Ceiling as per the Act				Sitting fees of 1,00,000/- per Director per meeting.

Annexure - VI

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

(Amount ₹ In Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Shri Krishnan Kuttu Raghavan, SVP&CFO**	Shri Sivakumar Vattipalli, SVP & CFO#	Shri Amit Shah, Company Secretary	
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	21.37	6.58	30.21	58.16
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify - PLVP	0.00	4.83	4.75	9.59
	Total	21.37	11.41	34.97	67.75

*PF, Gratuity & Superannuation

#up to 26th June, 2019

**appointed w.e.f. 12th July, 2019

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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	Inadequate disclosures made in prospectus filed during the year 2010 for an IPO of M/S Electro Steels limited	Rupees 16.67 lacs	Securities Appellate Tribunal	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.
- 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.

1.1 Definitions:

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.

2. Applicability:

The Policy is applicable to all Directors, Key Managerial Personnel (KMP), SMP and other employees.

3. Constitution, Composition, Quorum of the Committee

3.1 Number of Members

- i. The Committee shall consist of a minimum 3 (Three) non-executive directors., out of which not less than one half shall be Independent 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., of which, at least one Director shall be an Independent Director.
- iii. The Chairman of the Committee will be an Independent 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.

3.2 Meetings and Invitees to 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.

4. Role and functions of the Committee related to Nomination

4.1 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 Independent Director subject to the provisions of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013.

4.2 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 up to 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.

4.3 Evaluation:

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

4.4 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 Senior Management Personnel, subject to the provisions and compliance of the said Act, rules and regulations.

4.5 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, Senior Management Personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

5. Role and functions of the Committee related to Remuneration**5.1 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.

- 5.0.1 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.
- 5.0.2 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.

5.2 Remuneration to KMPs and SMPs:**5.1.1 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.

5.1.2 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 Senior Management Personnel:

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.

5.1.3 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.

5.3 Remuneration to Independent Director:

6.2.1 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.

6.2.2 Stock Options:

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

6. 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).

7. 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.

8. 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.

SBI Capital Markets Limited (SBICAP)

Corporate Social Responsibility (CSR) Policy

Corporate Social Responsibility (CSR) Policy	Approval Date:	
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Corporate Social Responsibility (CSR) Policy - 2020

Policy owner: Corporate Communications Department
Version: 3.0

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1. Corporate Philosophy

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically 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 underprivileged 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 developmental lacunae and to promote self and community development.

2. Role of the Board

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).

1.1 As such, the SBICAP Board shall constitute a CSR Committee consisting of three or more Directors, out of which, at least one Director shall be an Independent Director, as mandated by the Act.

1.2 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) Ensure that the activities included in the CSR Policy are in compliance with the activities in Schedule VII of the Act;
- c) Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company; and
- d) 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.

3. Role of the CSR Committee

The Corporate Social Responsibility (CSR) Committee constituted by the SBICAP Board shall have the following terms of reference:

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

4. 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.

5. Role of the CSR Working Group (CWG)

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

- a) Draft a CSR Strategy document 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

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CSR Strategy document 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 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 (Re value wherever possible) and success parameters.
- d) The CWG will take decisions on day to day activities of the CSR activities.
- e) The CWG will be responsible for periodic reporting of the activities to the CSR Committee as per the reporting format outlined in Section 12 or 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 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.

6. CSR Budget & Delegation of Powers

- 6.1 As enshrined under Sec 135 of The Companies Act, SBICAP's budget in pursuance of its Corporate Social Responsibility Policy will be, but not restricted to, at least two percent of the average net profits made by the company during the three immediately preceding financial years.
- 6.2 The CSR Budget for the corresponding financial year, will be updated, with due consideration, in the CSR Strategy document & revised each financial year.
- 6.3 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	Rs. 1,00,00,000/- (Rupees One Crore only)	The Board
2.	President & Chief Operation Officer	Rs. 50,00,000/- (Rupees Fifty Lacs only)	MD & CEO
3.	Senior Vice President & Chief Financial Officer	Rs. 25,00,000/- (Rupees Twenty Five Lacs only)	MD & CEO

7. CSR Activities

- 7.1 The Company's CSR Policy would encompass all the activities listed under Schedule VII of the Companies Act, 2013 (Annexure A). However, the Company has shortlisted 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;1
 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 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. Such other matters as may be notified by the Ministry of Corporate Affairs from time to time.
- 7.2 The above focus areas may be re-aligned and new focus areas incorporated, as and when deemed necessary, by the Company's CSR Committee.
- 7.3 The specific undertakings and collaborations under each focus area and 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 Strategy Document. 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.

8. Shortlist Criteria

A CSR Association Form to be filled-in and submitted by any partner / vendor, to help the Company evaluate and screen CSR proposals for possible association, is appended as Annexure 'B'.

9. Implementation Process

- a. The Company will implement initiatives under its CSR Policy, which may also include activities for or on behalf of its eligible Indian subsidiaries, as deemed applicable.
 - b. 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)
- 9.3 The CWG will be responsible for the Implementation Process.
- 9.4 The key implementation steps and processes have been summarized below:
1. Develop a CSR Strategy Document – the CWG will draft a CSR Strategy document 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 Strategy Document, during the course of the year. Inputs, if any, from the applicable Indian subsidiaries of

Annexure - VIII

the Company – SBICAP Securities Limited (SSL) & SBICAP Trustee Company Limited (STCL) 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
 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
- 9.3 The company may decide to undertake the CSR projects or programs or activities approved by the CSR Committee, through any of the following three agencies, established by the company or its holding or subsidiary or associate company:
- A registered trust, or
 - A registered society, or
 - A company registered under Section 8 of the Act.
- 9.4 Provided that:
- If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar projects or programs;
 - The company has specified the projects or programs to be undertaken through these entities and the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- 9.5 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.
- 9.6 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.

10 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 centres.

11 Monitoring of CSR projects or programs or activities

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 also 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.

12. Reporting Template

The format for the "Annual Report on CSR Activities" to be included in the Board's Report and to be displayed on the company's website www.sbicaps.com shall be as follows:

1. A brief outline of the company CSR policy & CSR Strategy Document for the corresponding year, including overview of the projects or program proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for the last three financial years.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above).
5. Details of the CSR spent during the financial year:
 - a. Total Amount to be spent for the financial year;
 - b. Amount unspent, if any;
 - c. Manner in which the amount is spent during the financial year (as per Format below):

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State & District where the project or program were undertaken	Amount outlay (budget) project/ program wise	Amount spent on the projects or programs Sub-heads : (1) Direct Expenditure on projects or programs (2) Over heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through Implementing agency*
1.							
2.							
3.							
	TOTAL						

*Give Details of Implementing Agency

6. In case the company is unable to spend the two percent of the average net profit for the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in the Board's report.
7. A Responsibility statement of the CSR Committee that the implementation and the monitoring of the CSR Policy, is in compliance with the CSR objectives and the Policy of the company.
8. The Annual Report shall be signed by :
 - a. Managing Director & CEO or Director
 - b. Chairman - CSR Committee.

13 Policy Review Mechanism

The CSR policy will be under the ownership of the CSR Committee and will be reviewed annually. 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	BOD	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 MoCA.

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
2. "Corporate Social Responsibility (CSR)" means and includes but is not limited to:
 - a. Projects or programs relating to activities specified in Schedule VII to the Act; or
 - b. Projects or programs relating to activities undertaken by the Board of Directors of the company (Board) in pursuance of recommendations of the CSR committee of the Board as per the declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
3. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
4. "CSR Expenditure" shall include all expenditure including contribution to corpus, 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.
5. "CSR Policy" relates to activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the company
6. "Net Profit" means the net profit of the company as per its financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely;
 - a. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - b. any dividend received from other companies in India, which are covered under and complying with the provisions of the section 135 of the Act
7. "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 listed in the Schedule VII to the Companies Act, 2013 and are outlined below:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the 'Swach 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

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 [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 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. Such other matters as may be prescribed.

The CSR activities that the company finalizes as area of future work need to be aligned to the above activities allowed by the law.

Additionally:

- The CSR activity shall be undertaken by the company as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- Only projects or programs or activities undertaken in India shall amount to CSR expenditure
- The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.
- CSR projects or programs or activities that benefit only employees of the company and their families shall not be considered as CSR activities.
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity.
- The company may build CSR capacities of its own personnel as well as those of its Implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads, shall not exceed five percent of total CSR expenditure of the company in one financial year.
- Expenses incurred by the company for the fulfillment of any Act/ Statute or Regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.
- One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.
- The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

Annexure 'B'

Corporate Social Responsibility (CSR) Association Form

A] Organisation Details:

Contact Details		
1	Name of organisation	
2	Address for Correspondence	
3	Telephone Number(s)	
4	Website	
5	Founder of organisation	
6	Head of the Organization	
	Mobile Number	
	e-Mail	
7	Contact person	
	Mobile Number	
	E-Mail	
Registration Details		
1	Whether registered or not?	
	If Yes, under what Act?	
	Registration Number	
	Registration Date	
2	PAN No.	
3	12A Certificate	
4	80G Certificate	
5	FCRA Registration no.	
References		

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

B] Organisation's Work Profile

Background Details (Work done so far)		
1	Vision of organization	
2	Mission	
3	Geographic area	
4	Details of work	
5	Impact achieved	
6	Team size	

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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	

D] Proposed Budget

Financial details		
1	Budget	
2	Other Funders	

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 Ind-AS Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of SBI Capital Markets Limited ("the Holding Company") its subsidiaries (the Holding Company and its subsidiaries collectively referred to as "the Group"), and its associate, which comprise the consolidated Balance Sheet as at 31st March, 2020, 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 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, 2020, 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 there under, 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 (UK) Ltd.**
Included within note 1 within the notes to the financial statements SBICAP UK Limited discloses that the directors have decided to wind-up operations and have relinquished their license with the FCA that enables them to trade. The audit opinion is not modified in respect to the matter emphasized.
- (ii) **With respect to SBICAP Securities Ltd.**
We draw attention to note 47 to the Financial Statements for the year ended 31 March, 2020 which describes the effect of COVID-19 on the business of the Company and states that the debtors realization might be impacted due to the COVID-19 and Management has considered the same while calculating the provision based on expected credit loss method. Our opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, 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.

Independent Auditors' Report on Consolidated Financial Statements

S. No.	Key Audit Matter	Auditor's Response
With respect to SBI Capital Markets Limited		
(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 ₹ 1611.76 crore (₹ 757.59 crore as at 31.03.2019). 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. (Refer Note 2.1 (viii)(b) and Note 6 (1) to the Consolidated Financial Statements).</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 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. The company closely monitors its receivables that are going through financial stress. The assessment is done in respect of receivables at ₹ 92.29 crore (Gross: 151.01 crore) as at 31st March, 2020 after considering the allowance for credit loss of ₹ 59.43 crore.</p> <p>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.</p> <p>(Refer Note 46 to the Consolidated Financial Statements)</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

S. No.	Key Audit Matter	Auditor's Response
(iii)	Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. (Refer Notes 8 to the Consolidated Financial Statements)	Principal Audit Procedures We evaluated the Company's processes and controls for monitoring the tax disputes. Obtained risk assessment of tax litigation from our internal tax expert to assess management's judgment 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.
With respect to SBICAP Trustee Company Ltd.		
(iv)	Revenue recognition for one time acceptance fees As per Ind AS 115 An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. The Company recognizes the revenue from trusteeship acceptance fees on the acceptance of trusteeship assignment. There is a risk of revenue been booked for such contracts for which performance obligations continues after the reporting date.	Our results: Based on the management representation on the activities performed, the revenues are booked for one time acceptance fees for which performance Obligation is satisfied. The management believes that for all the revenue booked the performance obligation is satisfied.
(v)	Revenue recognition for penal interest income The Company recognizes revenue of penal interest for the cases referred to NCLT. Provision for ECL on penal interest for NCLT account raised during the year, is done on the basis of 40% of the amounts without considering the status of account for its recoverability. Further the penal interest on service charges are not charged on regular accounts.	Our results: The Company accrues revenue for interest on NCLT cases and makes provision as per the policy as determined by the management.
(vi)	Impact of COVID-19 pandemic on Provisioning of trade receivables The company is following expected credit loss (ECL) model for provisioning of trade receivables and minimum 40% provisioning policy for trade receivables of NCLT cases and simplified provisioning approach for trade receivables of other than NCLT cases. Further The widespread contraction in economic activity across the globe due to rapid spread of COVID-19 is likely to have an impact on the recovery of current debtors. There is a risk of less provisioning for ECL and risk that financial assets may become credit-impaired.	Our results: The Company believes that there will not be any impact on the impairment of financial assets due to the peculiar nature of the business and hence has not included any COVID impact in the ECL Model.

Independent Auditors' Report on Consolidated Financial Statements

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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 judgment 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.

Independent Auditors' Report on Consolidated Financial Statements

- 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 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 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.

Report on Other Matters

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

We did not audit the financial statements of five subsidiaries whose financial statements reflect total assets of ₹ 926.70 crore as at 31st March, 2020, total net assets of ₹ 611.03 crore, total revenue of ₹ 569.08 crore and net cash inflows of ₹ 171.30 crore 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 ₹ 0.46 crore for the year ended March, 2020, 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 and 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.

Independent Auditors' Report on Consolidated Financial Statements

(ii) **With respect to SBICAP Securities Ltd.**

The financial statements of the Company as on 31 March, 2020 were audited under exceptional circumstances due to prevailing lockdown conditions on account of COVID-19 pandemic. The audit was conducted remotely through VPN access over client's system and books of accounts. Documentation and other requirements along with discussion with the Management were held through video conference and discussed over emails with some restrictions over confidential data which could not be provided by the Company remotely through VPN. We had adopted relevant alternative audit procedures to issue our audit opinion in respect of these matters.

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) We are informed that the provisions of Section 164(2) of the Act are not applicable to the Holding Company and its subsidiary companies incorporated in India being Government companies in terms of notification no. G.S.R.463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs. On the basis of the report of the statutory auditor of associate incorporated in India, none of the directors of associate company incorporated in India is disqualified as on 31st March, 2020 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: 20137970AAAAAL4497

Place: Jaipur
Date: 29th April, 2020

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, 2020 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 2020, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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, 2020, 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: 20137970AAAAAL4497

Place: Jaipur
Date: 29th April, 2020

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, 2020 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.
 - 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, except in One subsidiary Company.

In one subsidiary Company, during the year, debts aggregating to ₹ 1.05 crores were written off in 51 cases. Accordingly the profit of the company for the year has been reduced to this extent. A summary of debtors written off during the year along with the reasons for write off is given below

Reasons	Write off's	
	No. of Cases	Amount in crores
Liquidity Crisis faced by clients	33	0.83
Deal did not Materialise	3	0.07
Disputed services/billing	15	0.15
Total	51	1.05

During the year, Service charges aggregating to ₹ 0.36 crores were reversed in 12 cases. Accordingly the profit of the Company for the year has been reduced to this extent. A summary of Service charges de-accrued during the year along with the reasons for de-accrual is given below:

Reasons	De-accruals	
	No. of Cases	Amount in crores
Deal did not Materialise	10	0.30
Disputed services/billing	2	0.06
Total	12	0.36

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: 20137970AAAAAL4497

Place: Jaipur
Date: 29th April, 2020

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 THE SBI CAPITAL MARKETS LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of consolidated financial statements of SBI Capital Markets Limited for the year ended 31 March 2020 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 29 April, 2020.

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, 2020 under section 143(6) (a) read with section 129(4) of the Act.

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

Sd/-

(P. V. Hari Krishna)
Principal Director of Audit (Shipping), Mumbai

Place: Mumbai
Date: 07/07/2020

Consolidated Balance sheet as at 31st March, 2020

(Rs. in Lacs)			
Particulars	Notes	As at	As at
		31-Mar-20	31-Mar-19
ASSETS			
Financial Assets			
Cash and cash equivalents	3	36,444	21,205
Bank balance other than above	3	30,233	20,341
Securities for trade	4	82,692	62,659
Receivables			
Trade Receivables	5	24,781	41,777
Other Receivables	5	41	61
Investments	6	194,407	105,687
Other Financial assets	7	4,603	6,604
Total Financial Assets		373,201	258,334
Non-financial Assets			
Current tax asset (Net)	8	12,300	9,505
Property, Plant and Equipment	9	8,591	8,885
Capital work in progress		6	-
Intangible assets	10	472	356
Other non-financial assets	11	1,836	1,297
Total Non - Financial Assets		23,205	20,043
TOTAL ASSETS		396,406	278,377
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	12		
(I) Trade Payables			
- total outstanding dues of MSME		-	-
- total outstanding dues of creditors other than MSME		15,134	22,232
(II) Other Payables			
- total outstanding dues of MSME		-	-
- total outstanding dues of creditors other than MSME		522	58

Consolidated Balance sheet as at 31st March, 2020

(Rs. in Lacs)			
Particulars	Notes	As at	As at
		31-Mar-20	31-Mar-19
Borrowings	13	6,899	5,099
Other financial liabilities	14	10,193	8,037
Total Financial Liability		32,748	35,426
Non-Financial Liabilities			
Deferred tax Liabilities (Net)	15	33,049	20,500
Provisions	16	2,113	2,007
Other non-financial liabilities	17	3,193	3,192
Total non financial Liability		38,355	25,699
EQUITY			
Equity Share capital	18	5,803	5,803
Other Equity	19	319,500	211,449
Total Equity		325,303	217,253
TOTAL LIABILITIES AND EQUITY		396,406	278,377
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: Jaipur
Date: 29th April, 2020

For and on behalf of Board of Directors
Sd/-
Dinesh Kumar Khara
Director

Sd/-
Krishnan Kutty Raghavan
Senior Vice President & CFO
Place: Mumbai

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

(Rs. in Lacs)			
Particulars	Notes	Year Ended	Year Ended
		31-Mar-20	31-Mar-19
Revenue from operations			
Interest Income	20	3,006	2,397
Dividend Income	21	4,105	3,788
Fees and Commission Income	22	85,484	68,505
Net gain on fair value changes	23	5,552	3,606
Total Revenue from Operations		98,146	78,296
Other Income	24	1,069	4,945
Total Income		99,215	83,241
Expenses			
Finance Costs	25	252	819
Fees and Commission expenses	26	14,326	11,594
Employee Benefits Expenses	27	25,520	20,295
Depreciation and Amortization	28	1,761	1,498
Others expenses	29	13,674	13,678
Total Expenses		55,532	47,884
Profit before share of profit/ (loss) of associates		43,683	35,357
Share of profit/(loss) of associates		46	38
Profit before tax		43,729	35,395
Tax Expense:			
(1) Current Tax	38	9,367	11,568
(2) Tax expense/(credit) of earlier years	38	(920)	-
(3) Deferred Tax	38	1,833	154
Profit/(loss) after tax for the year		33,449	23,673
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
- Remeasurement of defined employee benefit plans	33	(168)	(36)
- Equity instruments through OCI		85,253	9,811

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

(Rs. in Lacs)			
Particulars	Notes	Year Ended	Year Ended
		31-Mar-20	31-Mar-19
- Income tax relating to items that will not be reclassified to Profit or Loss	38	(10,715)	(3,410)
Subtotal (A)		74,370	6,365
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)		-	-
Other comprehensive income		74,370	6,365
Total Comprehensive Income for the year		107,819	30,038
Earning Per Share (face value of ₹ 10 each)			
Basic in ₹	30	57.64	40.79
Diluted in ₹	30	57.64	40.79
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: Jaipur

Date: 29th April, 2020

For and on behalf of Board of Directors

Sd/-
Dinesh Kumar Khara
Director

Sd/-
Krishnan Kutty Raghavan
Senior Vice President & CFO
Place: Mumbai

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Consolidated Statement of changes in equity as at 31st March, 2020

A. Equity share capital

Particulars	No. of shares (lacs)	Amount (Rs. in Lacs)
Balance as at April 1, 2018	580	5,803
Changes in equity share capital	-	-
Balance as at March 31, 2019	580	5,803
Changes in equity share capital	-	-
Balance as at March 31, 2020	580	5,803

B. Other Equity

Particulars	General Reserve	Capital Redemption Reserve	Security premium reserve	Retained earnings	Foreign Curren- cy Translation Reserve	Other Comprehensive Income	Total equity (Rs. in Lacs)
Balance as at April 1, 2018	45,236	94	6,347	131,820	150	(2,372)	181,275
Profit/additions for the year	-	-	-	23,673	-	-	23,673
Other comprehensive income	-	-	-	6,365	-	-	6,365
Total comprehensive income for the year	-	-	-	30,038	-	-	30,038
Inter-Reserve Transfer	45,236	94	6,347	161,858	150	(2,372)	211,313
Other Movements	149	-	-	(149)	-	-	-
	-	-	-	(6,335)	106	6,365	136
Balance as at March 31, 2019	45,385	94	6,347	155,374	256	3,993	211,449

Consolidated Statement of changes in equity as at 31st March, 2020

Particulars	General Reserve	Capital Redemption Reserve	Security premium reserve	Retained earnings	Foreign Currency Translation Reserve	Other Comprehensive Income	Total equity
Profit/additions for the year	-	-	-	33,449	-	-	33,449
Other comprehensive income for the year	-	-	-	74,370	-	-	74,370
Total comprehensive income for the year	-	-	-	107,819	-	-	107,819
Inter-Reserve Transfer	205	-	-	(41)	(164)	-	-
Other Movements	-	-	-	(74,370)	231	74,370	231
Balance as at March 31, 2020	45,590	94	6,347	188,782	323	78,364	319,500

(Rs. in Lacs)

The above statement of changes in equity should be read in conjunction with the accompanying notes.
Previous gap figures have been reclassified to conform to Ind AS presentation requirements.

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/- Dinesh Kumar Khara Director	Sd/- Arun Mehta Managing Director & CEO
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Sd/-
CA Akhil Jain
Partner
Membership No.: 137970
Place: Jaipur

Sd/-
Krishnan Kutty Raghavan
Senior Vice President & CFO
Place: Mumbai

Sd/-
Amit Shah
Company Secretary

Date: 29th April, 2020

Consolidated Cash Flow Statement for the year ended 31st March, 2020

Particulars	(Rs. in Lacs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Cash flow from operating activities:		
Net profit before taxation	43,683	35,357
Adjustments for -		
Fair valuation gain/loss on FVTPL Financial Instrument	(1,719)	165
Interest on fair valuation of security deposit	(8)	(35)
Amortisation of prepaid rent expenses on security deposit	8	31
Gain on disposal of subsidiaries	6	-
Provision for (written back)/doubtful debts	(3,001)	243
Interest on income Tax refund	13	-
Depreciation and amortisation expenses	1,761	1,498
(Profit) / Loss on sale of Property, plant and equipment (net)	1	(4)
Interest income on long term investment	(682)	(669)
Interest income on fixed deposit with Banks	(1,710)	(1,340)
Interest income on AIF Funds	(10)	-
Dividend income	(4,105)	(3,788)
Interest expenses	252	819
Increase in Foreign Currency Translation Reserve	231	106
Intercompany elimination differences	-	31
(Decrease)/increase in provision for gratuity	(312)	85
(Decrease)/increase in Provision for compensated absences	251	165
Operating profit before working capital changes	34,659	32,664
Decrease /(increase) in trade receivables	20,017	(7,280)
Decrease /(increase) in other cash and bank balances	(3,561)	10,975
Decrease /(increase) financial asset	1,988	(4,566)
Decrease /(increase) other non-financial assets	(538)	695
Decrease /(increase) securities for trade	(20,033)	21,069
(Decrease)/increase payable	(6,633)	(108,404)
(Decrease)/increase other financial liabilities	2,392	(6,055)
(Decrease)/increase non-financial liabilities	2	155
Cash generated from operations	28,293	(60,747)
Income tax paid	(11,242)	(12,607)
I. Net cash from operating activities	17,051	(73,354)

Consolidated Cash Flow Statement for the year ended 31st March, 2020

(Rs. in Lacs)		
Particulars	Year Ended	Year Ended
	31-Mar-20	31-Mar-19
Cash flow from investing activities:		
Purchase of Property Plant & Equipment	(1,601)	(1,919)
Sale of Property Plant & Equipment	10	65
Interest received	2,402	2,009
Dividend income	4,105	3,788
Purchase of investments	(6,145)	(8,484)
Sale of investments	4,443	2,463
II. Net cash from investing activities	3,213	(2,078)
Cash flow from financing activities:		
Repayment of bank borrowing	-	(29,055)
Bank borrowing availed	1,800	-
Repayment of lease liabilities	(241)	-
Interest expenses	(252)	(819)
Tax on dividend payment	-	(2,658)
III. Net cash used in financing activities	1,307	(32,532)
Net change in cash & cash equivalents (I+II+III)	21,571	(107,965)
Cash & cash equivalents at the beginning of the year	27,370	135,335
Cash & cash equivalents at the end of the year	48,941	27,370

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

(Rs. in Lacs)		
Particulars	As at	As at
	31-Mar-20	31-Mar-19
Cash on hand	1	1
Cheques on hand	648	-
Balances with scheduled banks (current & deposit accounts)	31,524	21,047
Deposit with maturity of less than 3 months	4,145	-
Fixed deposit with banks	12,623	6,322
Total Cash and Cash Equivalents	48,941	27,370
(Excludes amounts placed as deposits with scheduled banks and lien marked with them and balances in escrow accounts)	17,737	14,176

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.

Consolidated Cash Flow Statement for the year ended 31st March, 2020

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

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

Sd/-
CA Akhil Jain
Partner
Membership No.: 137970

Place: Jaipur

Date: 29th April, 2020

For and on behalf of Board of Directors

Sd/-
Dinesh Kumar Khara
Director

Sd/-
Krishnan Kutty Raghavan
Senior Vice President & CFO

Place: Mumbai

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, 2020

1. Corporate Information

SBI Capital Markets Limited (hereinafter referred to as “the Company”) is a 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 principle 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 India’s one of the renowned Investment Bank, offering the entire gamut of investment banking, merchant banking and corporate advisory services. These services encompass Project Advisory and Loan Syndication, Structured Debt Placement, Capital Markets, Mergers & Acquisitions, Private Equity and Stressed Assets Resolution.

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

2.1 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been consistently applied to all the years presented by the Company unless otherwise stated.

i. Basis of Preparation

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards-1 Presentation of Financial Statements (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 company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013.

With effect from 01st April 2019, Ind AS-116 Leases (Ind AS 116) supersedes Ind AS 17 Leases. The group has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard to its leases on prospective basis. The detail disclosure with respect to Ind AS 116 is given in Note no. 41.

The Consolidated financial statements for the year ended March 31, 2020 are being authorized for issue in accordance with a resolution of the director’s on April 27, 2020.

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 Group. The Group 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.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases control when the Group loses control of the subsidiary. The income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit and loss from the effective date the Company gains control until the date when the Company ceases to control the subsidiaries.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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 Group has significant influence but not control or joint control.

When the Group's 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.

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 company 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 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

The Company 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) 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.
- **Trusteeship Acceptance fees** are recognised on the acceptance or execution of trusteeship assignment whichever is earlier.
- **Trusteeship Service Charges** are recognised/accrued on the basis of terms of Trusteeship Contracts/Agreements entered into with customers.
- **Trusteeship fee from 'Will' Services** are recognised when the right to receive the fee is established, as all certainty for revenue recognition is present at the time of establishment of such right.

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 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 company and the cost of the item can be measured reliably.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

Depreciation:

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

Management believes based on a technical evaluation 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 Equipments (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 company 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.

Amortisation:

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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

vii. Investment property

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

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.

viii. 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. 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 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 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.

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 Company 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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 economic best interest.

A fair value measurement of a nonfinancial 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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	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 Company recognise 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 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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 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 company 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 recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company 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 company 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 company could be required to repay.

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 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

ix. 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 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 tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability 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 Company intends to settle its current tax assets and liabilities on a net basis.

x. 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 asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions 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, but so that 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

xi. 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 stand-alone price of the lease component and the aggregate stand-alone 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 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 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 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 company recognises 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 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 company applies Ind AS 115 Revenue to allocate the consideration in the contract.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

xii. Borrowing Costs

Borrowing cost included interest expense as per the effective interest rate (EIR) and other costs incurred by the company in 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 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 recognised 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.

xiii. 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.

xiv. 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.

xv. Contingent Liabilities and assets

A 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, 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.

xvi. 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.

xvii. 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

A defined benefit plan is a postemployment 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 need 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.

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 comprises 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.

xviii. 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.

xix. 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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.

xx. 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.

2.2 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, 2020

3 Cash and Bank Balances

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
(a) Cash and Cash equivalents		
Balances with Scheduled banks		
- In current accounts	31,524	21,047
- In current accounts-Escrow Accounts	126	157
Cheques on hand	648	-
Deposit with maturity of less than 3 months	4,145	-
Cash on hand	1	1
Total	36,444	21,205
(b) Other bank balances		
Deposit with original maturity Less than 12 months	27,740	6,634
Deposit with original maturity more than 12 months	2,493	35
Margin money deposit	-	13,672
Total	30,233	20,341

- 3.1 Fixed deposit amounting to ₹ 17,611 lacs (2019: 13,672 lacs) kept as collateral security deposit with Bank towards guarantees issued by bank's, 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, 2020

4 Securities for trade

(Rs. in Lacs)

Particulars	As at			
	31-Mar-2020		31-Mar-2019	
	Units	Amount	Units	Amount
A At fair value through profit or loss				
(i) Debt Securities - Bonds				
8.30% Rural Electrification Corporation Ltd.	-	-	4,000	40,092
8.98% Power Finance Corporation Ltd.	-	-	1,000	10,010
7.03% Hindustan Petroleum Corporation Ltd.	100	1,000	-	-
		1,000		50,102
(ii) Preference Shares (unquoted) fully paid up				
0.0001% preference shares of Pasupati Fabrics Ltd. of ₹ 10/- each	140,000	-	140,000	-
		-		-
(iii) Investment in Equity Instruments (unquoted) - fully paid up				
Cremica Agro Foods Ltd. of ₹ 10/- each	46,200	9	46,200	-
		9		-
(iv) Mutual Funds				
- Unquoted - Investments		81,683		12,557
		81,683		12,557
Total (A) Gross		82,692		62,659
Less: Impairment Allowance		-		-
Total (B) - Net		82,692		62,659

*Fully provided for.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

5 Receivables

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
(a) Trade Receivables		
(i) Receivables - Secured	-	10,044
(ii) Receivables - Unsecured, Considered good	23,575	34,807
(iii) Receivable from related parties	9,427	8,141
Less: Allowance for expected credit loss	(8,220)	(11,215)
Total (a)	24,781	41,777
(b) Other Receivables		
(i) Receivables - Unsecured, Considered good	16	19
(ii) Receivable from related parties	27	42
Less: Allowance for expected credit loss	(2)	-
Total (b)	41	61
Total (a+b)	24,822	41,838

5.1 Movements in allowance for expected credit loss:

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Balance at the beginning of the year	11,215	10,972
Add/(Less): Allowance for the year	(3,001)	243
Total	8,214	11,215

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

6 Investments

(Rs. in Lacs)

	Particulars	As at			
		31-Mar-2020		31-Mar-2019	
		Units	Amount	Units	Amount
I	Investments carried at fair value through statement of other comprehensive income (FVOCI)				
	(a) Investment in Equity instruments - Unquoted				
	National Stock Exchange of India	21,450,000	158,001	21,450,000	72,745
	OTC Exchange of India of ₹ 10 each	1,100,000	*-	1,100,000	*-
	Investor Services India Ltd. of ₹ 10 each (company under voluntary liquidation)	535,768	-	535,768	-
	India SME Technology Services Ltd. of ₹ 10 each (company under voluntary liquidation)	22,000	42	-	-
	ONGC Mittal Energy Ltd. of USD 1 each	1,000,000	*-	1,000,000	*-
	Receivable Exchange of India Ltd. of ₹ 10 each	1,525,000	175	1,525,000	260
	Receivable Exchange of India Ltd. of ₹ 10 each (partly paid up ₹ 5)	1,525,000	88	-	-
	SBI Home Finance of ₹ 10 each (Company under liquidation)	1,032,500	*-	1,032,500	*-
			158,307		73,005
	(b) Investment in Equity Instruments - Parent's Subsidiaries (unquoted)				
	SBI DFHI Ltd. of ₹ 100 each (formerly known as SBI Gilts Ltd.) (Percentage holding in the Company is 3.12%)	595,295	2,869	595,295	2,753
	State Bank of India Servicos Limitada Brazil* (0.01% contribution)	1	-	1	-
	SBI Foundation of ₹ 10 each* (Percentage holding in the Company is 0.1%)	4,002	-	4,002	-
			2,869		2,753
	Total		161,176		75,758

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(Rs. in Lacs)

	Particulars	As at			
		31-Mar-2020		31-Mar-2019	
		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	813	6,000,000	768
	Total		813		768
III	Investments carried at fair value through Fair Value through Profit and Loss (FVTPL)				
	(a) Investments in AIF units - unquoted				
	Stellaris Ventures Partners India I Fund	512	935	431	431
	SBI Special Situation Fund I	2,500	253	-	-
	Neev Fund		6,503		4,769
			7,691		5,200
	(b) Investments in Mutual funds				
	- Unquoted		16,272		15,505
			16,272		15,505
	Total		23,963		20,705
IV	Investment carried at amortised cost				
	Investments in debentures or bonds - Quoted				
	8.20% bonds of National Highway Authority of India Ltd. (Taxfree) of ₹ 1,000/- each	54,876	549	54,876	549
	8.20% Power Finance Corporation Ltd. (Taxfree) of ₹ 1,000/- each	71,197	712	71,197	712
	8.10% bonds of India Railways Finance Corporation Ltd. (Taxfree) of ₹ 1,000/- each	304,510	3,045	304,510	3,045
	7.38% Rural Electrification Corporation Ltd. (Taxfree) of ₹ 1,000/- each	100,000	1,000	100,000	1,000
	7.34 % Indian Railways Finance Corporation Ltd. (Taxfree) of ₹ 1,000/- each	100,000	1,000	100,000	1,000
	8.63% Rural Electrification Corporation Ltd. (Taxfree) of ₹ 1,000/- each	100,000	1,000	100,000	1,000
	8.55% India Infrastructure Finance Company Ltd. (Taxfree) 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 Non-current Investment		194,407		105,687

* Fully provided for.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

6.1 Investments in bonds of ₹ 5000 lacs (2019: ₹ 5000 lacs) is kept as collateral security against bank overdraft facility.

6.2 Category wise Investments

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Financial Assets		
- Amortised Cost	8,456	8,456
- Cost	813	768
- Fair value through other comprehensive income	161,176	75,758
- Fair value through profit or loss	23,963	20,705
Total	194,407	105,687

7 Other financial assets

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Unsecured, Considered good		
Deposits		
- Security deposits for leased premises	577	588
- Deposits with stock exchanges/clearing house	2,949	1,281
- Other deposits	163	141
- Provision for expected credit loss	(5)	(4)
Loans to employees	40	27
Accrued interest	863	795
Accrued income from services	14	44
Interest receivable on income tax refund	-	3,639
Other Advances	2	92
Total	4,603	6,604

8 Income Tax Asset (Net)

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Advance tax and TDS	12,300	9,505
(Net of provision for tax of ₹ 1,75,230 Lacs (2019: ₹ 1,67,624 Lacs))		
Total	12,300	9,505

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

9 Property Plant and equipment

(Rs. in Lacs)										
Particulars	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Vehicles	Computers	Lease hold Improvement	Right to Use Assets	Total	
A. Gross carrying amount										
Opening balance as at April 1, 2018	9,517	4,020	1,048	1,139	14	5,396	153	-	21,286	
Additions	-	-	45	39	-	1,521	-	-	1,605	
Disposals	-	-	106	20	-	521	53	-	699	
Balance as at March 31, 2019	9,517	4,020	986	1,158	14	6,396	100	-	22,192	
Additions	-	-	57	10	34	344	-	798	1,242	
Disposals	-	-	28	4	-	116	-	-	148	
Balance as at March 31, 2020	9,517	4,020	1,015	1,164	48	6,624	100	798	23,286	
B. Accumulated depreciation										
Opening balance as at April 1, 2018	2,244	4,020	934	946	4	4,325	138	-	12,610	
Depreciation charge for the year	364	-	75	84	5	810	7	-	1,345	
Disposals	-	-	94	23	-	487	45	-	648	
Balance as at March 31, 2019	2,608	4,020	915	1,007	8	4,649	100	-	13,307	
Depreciation charge for the year	345	-	54	53	15	838	-	219	1,525	
Disposals	-	-	26	2	-	109	-	-	137	
Balance as at March 31, 2020	2,953	4,020	943	1,058	23	5,378	100	219	14,695	
C. Net carrying value										
Net carrying amount as at March 31, 2020	6,564	-	72	106	24	1,247	-	579	8,591	
Net carrying amount as at March 31, 2019	6,909	-	71	152	6	1,747	-	-	8,885	

10.1 Building includes cost of 15 shares of ₹ 100 each held by the company in a co op society

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

10 Intangible assets

(Rs. in Lacs)

	Particulars	Computer Software
A.	Gross carrying amount	
	Balance as at April 1, 2018	4,850
	Addition	311
	Disposals	184
	Balance as at March 31, 2019	4,977
	Addition	353
	Disposals	-
	Balance as at March 31, 2020	5,330
B.	Accumulated amortisation	
	Balance as at April 1, 2018	4,651
	Addition	154
	Disposals	184
	Balance as at March 31, 2019	4,621
	Addition	237
	Disposals	-
	Balance as at March 31, 2020	4,858
C.	Net carrying value	
	Net carrying amount as at March 31, 2020	472
	Net carrying amount as at March 31, 2019	356

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

11 Other non-financial assets

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Service Tax refund receivable	4	4
VAT Refund Receivable	-	5
Advances for expenses	254	-
Advances rentals for lease premises	485	-
Capital Advances	15	-
Prepaid expenses	338	433
GST Credit	660	720
Other advances	80	135
Total	1,836	1,297

12 Payables

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
(I) Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	15,134	22,232
Total (I)	15,134	22,232
(II) Other Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	522	58
Total (II)	522	58
Total (I+II)	15,656	22,290

13 Borrowings

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Unsecured, Payable on demand		
Working capital loan from SBI	6,899	5,099
Total	6,899	5,099

13.1 Bank overdraft carry interest rate of 8.20% (2019: 8.70%) secured by pledge of investment in tax free bonds.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

14 Other financial liabilities

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Incentive payable	2,371	1,797
Payable for Capital Expenditure	1	448
Payable in respect of employees	2,431	2,288
Payable for expenses	4,575	3,279
Trust Settlement Fees	19	-
Retention money for Capital expenditure	9	-
Lease liabilities	598	-
Deposits		
- Lease deposits	35	46
- Other deposits	28	36
Others	126	143
Total	10,193	8,037

15 Deferred Tax Liability/ (Asset)

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Deferred Tax Liability	33,049	20,500
(Refer note no. 38)		
Total	33,049	20,500

16 Provisions

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Provision for compensated absences	1,524	1,273
Provision for Gratuity	589	734
Total	2,113	2,007

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

17 Other non-financial liabilities

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Income received in advance	829	866
Statutory liabilities	2,364	2,326
Total	3,193	3,192

18 Equity Share Capital

(Rs. in Lacs)

	Particulars	As at	
		31-Mar-20	31-Mar-19
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

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

(Rs. in Lacs)

Equity Shares	March 31, 2020		March 31, 2019	
	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 company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled for one vote per share. The dividend proposed (if any) by the Board of Director's is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event if 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, 2020		March 31, 2019	
	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%

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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

Particulars	2019	2018	2017	2016	2015
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.

19 Other Equity

(Rs. in Lacs)

	Reservers & Surplus	As at	
		31-Mar-20	31-Mar-19
A	General Reserve		
	Balance as per the last financial statements	45,385	45,236
	Add: addition during the year	205	149
	Closing Balance	45,590	45,385
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	256	150
	Add: addition during the year	231	106
	Less: Transferred to Retained Earnings	(164)	-
	Closing Balance	323	256

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(Rs. in Lacs)

	Reservers & Surplus	As at	
		31-Mar-20	31-Mar-19
E	Retained Earnings		
	Balance as per the last financial statements	155,374	131,820
	Profit for the year	33,449	23,673
	Add: Transferred from Foreign Exchange fluctuation reserve	164	-
	Add/Less: Appropriations/ Adjustments		
	Transfer to general reserve	(205)	(149)
	Other adjustments	-	30
	Closing Balance	188,782	155,374
F	Other Comprehensive Income (OCI)		
	Balance as per the last financial statements	3,993	(2,372)
	Add: addition during the year	74,370	6,365
	Closing Balance	78,364	3,993
	Total	319,500	211,449

20 Interest Income

(Rs. in Lacs)

	Particulars	Year ended	
		31-Mar-20	31-Mar-19
A.	Interest income on financial assets measured at amortised cost:		
	- Investments	682	669
	- Fixed deposit with banks	1,710	1,340
B.	Interest income on financial assets measured at fair value through profit or loss:		
	- AIF Funds	10	-
	- Securities held for trade	604	388
C.	Interest income on financial assets measured at fair value through OCI	-	-
	Total	3,006	2,397

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

21 Dividend Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
- Dividend Income	4,105	3,788
Total	4,105	3,788

22 Fees and Comission Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Issue management Fees	1,508	438
Arranger's fees	1,317	1,601
Advisory fees	29,106	22,847
Trusteeship Acceptance Fees	1,090	803
Trusteeship Service Charges	2,466	2,049
Trusteeship Income from will Services	-	1
Brokerage	16,152	16,133
Selling and distribution commission	24,101	17,429
Depository service income	2,209	2,068
Fund management fees	2,545	911
- Other Operating Revenue		
Legal & Documentation Charges	14	32
Other Operating Income	4,976	4,193
Total	85,484	68,505

23 Net gain on fair value changes

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Net gain/loss on financial instruments at fair value through profit or loss		
- Profit/loss on securities held for trade	3,832	3,545
- Profit/(loss) on sale of investments (net)	1,720	61
Total	5,552	3,606

23.1 Fair value changes

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Fair value changes		
- Realised	3,665	2,941
- Unrealised	1,886	665
Total	5,552	3,606

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

24 Other Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Bad debts recovered	192	208
Interest on Income Tax refund	13	3,645
Exchange differences (net)	240	92
Exchange differences on disposal of subsidiary	8	-
Profit on sale of Property, plant and equipment	-	4
Gain on disposal of Subsidiary	6	-
Others	213	840
Write back of Provisions		
- Leave Encashment	67	10
- S&D sub-commission payable written back	47	146
- Others	283	-
Total	1,069	4,945

25 Finance costs

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Interest expense	184	777
Interest on lease liability	48	-
Other borrowing cost	20	42
Total	252	819

26 Fees and commission expenses

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Fees and commission expenses	2,591	2,021
Other Operating Expenses	11,735	9,573
Total	14,326	11,594

27 Employee Benefits Expenses

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Salaries, wages and bonus	23,616	18,506
Contribution to provident and other funds	1,123	493
Contribution to Superannuation	26	803
Contribution to gratuity (Refer note 33)	170	180
Staff welfare expenses	585	313
Total	25,520	20,295

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

28 Depreciation, amortization and impairment

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Depreciation and amortisation expense	1,761	1,498
Total	1,761	1,498

29 Other expenses

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Legal & Professional Fees	3,404	1,578
Conveyance & Travelling	1,147	1,096
Rental charges	888	1,578
Rates & Taxes	513	172
Royalty Expenses	541	630
Bad Debts Written off	4,646	2,560
Write back of Provision for Doubtful Debts	(3,001)	243
Postage, telephone and telex	912	370
Advertisement Expenses	22	28
Printing & Stationery	295	288
Electricity Expenses	218	223
Repairs & Maintenance Building	104	173
Repairs & Maintenance Others	681	553
Insurance	125	145
Auditor's Remuneration (Refer note 32)	61	46
Director's Sitting Fees	36	20
Office Maintenance	333	295
Training Charges	369	203
Membership & Subscription	815	806
Filing Fees & Other Charges	32	346
Corporate Social Responsibility expenses (Refer note 36)	777	828
Penalty paid to SEBI	17	-
Provision for Long Term Investments	-	50
Loss on sale of Property, plant and equipment	1	-
Miscellaneous expenses	738	1,447
Total	13,674	13,678

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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-20	March-19
Profit after tax	33,449	23,673
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 ₹	57.64	40.79
- Diluted in ₹	57.64	40.79

31 Contingent Liabilities and Commitments

(Rs. in Lacs)

Particulars	Year ended	
	March-20	March-19
A) Contingent Liabilities		
Claims against the Company/disputed liabilities not acknowledged as debts		
- For income tax matters	4,999	17,710
- For indirect tax matters	-	577
- For other matters	276	401
Guarantees		
- Performance Guarantees	19,014	20,327
- In respect of Associates	86	64
B) Commitments		
- Capital Commitments	1,283	1,756
- Uncalled liability on shares and investments partly paid	76	-
- Other commitments- Investments	1,580	1,716

32 Auditor's Remuneration

(Rs. in Lacs)

Particulars	Year ended	
	March-20	March-19
- Audit Fees	27	27
- Tax audit	4	5
- Limited Review	9	8
- Other services (certification)	20	5
- Out-of-pocket expenses	1	1
Total	61	46

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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

Particulars	(Rs. in Lacs)	
	Year ended	
	March 2020	March 2019
Opening of defined benefit obligation	1,165	1,258
Current service cost	172	183
Interest on defined benefit obligation	78	88
Remeasurements due to:		
- Actuarial loss/(gain) arising from change in financial assumptions	63	(41)
- Actuarial loss/(gain) arising from change in demographic assumptions	45	-
- Actuarial loss/(gain) arising on account of experience changes	19	73
Benefits paid	(120)	(396)
Closing of defined benefit obligation	1,422	1,165

Movement in plan Assets

Particulars	(Rs. in Lacs)	
	Year ended	
	March 2020	March 2019
Opening fair value of plan assets	496	645
Employer contributions	234	203
Interest on plan assets	36	48
Remeasurements due to:		
- Actual return on plan assets less interest on plan assets	6	(5)
Benefits paid	(120)	(396)
Closing fair value of plan assets	652	496

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

Particulars	(Rs. in Lacs)	
	Year ended	
	March 2020	March 2019
Investments with insurer	100%	100%

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

Balance sheet

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

(Rs. in Lacs)

Particulars	Year ended	
	March 2020	March 2019
Present value of the funded defined benefit obligation	1,422	1,165
Fair value of plan assets at the end of the year	652	496
Liability recognized in the balance sheet (i-ii)	770	669

(Rs. in Lacs)

Particulars	Year ended	
	March 2020	March 2019
Statement of profit & loss		
Expenses recognised in the Statement of profit and loss:		
Current service cost	172	183
Expected return on plan assets	42	40
Total expense charged to profit and loss account	214	223
Statement of other Comprehensive Income (OCI)		
Opening amount recognized in OCI outside profit and loss account	(21)	(5)
Remeasurements during the year due to:		
Changes in financial assumptions	63	(49)
Changes in demographic assumptions	45	-
Experience adjustment	19	27
Actual return on plan assets less interest on plan assets	(6)	6
Closing amount recognized in OCI outside profit and loss account	100	(21)

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

Particulars	%	%
Discount rate	7.03	7.65
Salary Escalation rate	8.00	8.00

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	1,383	1461
Impact of increase in 50 bps on DBO	-2.68%	2.78%
Defined Benefit obligation on decrease in 50 bps	1,462	1384
Impact of decrease in 50 bps on DBO	2.83%	-2.66%

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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

Investment details of plan assets

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	253
Expected benefits for year 2	199
Expected benefits for year 3	210
Expected benefits for year 4	182
Expected benefits for year 5	160
Expected benefits for year 6	149
Expected benefits for year 7	128
Expected benefits for year 8	109
Expected benefits for year 9	122
Expected benefits for year 10	714

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, 2019 is based on actuarial valuation carried out by using the projected unit credit method.

Particulars	Year ended	
	31 st March 2020 %	31 st March 2019 %
Interest rate	7.03	7.65
Salary Escalation rate	8.00	8.00

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

34 SEGMENTAL REPORTING

- Primary Segment

The Company'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 Company 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

- | | |
|--------------------|---------------------|
| a. 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 Pvt. Limited
SBI Life Insurance Company Limited
SBI Cards & Payment Services Pvt. 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. Directors and Key Management Personnel of the Company | |
| 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)
Smt. Varsha Purandare
(upto 31 st December, 2018) |

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

Whole-time Director

Smt. Uma Shanmukhi Sistla
(from 12th July, 2018 onwards)
Shri Biswa Ketan Das
(upto 15th June, 2018)

Non-Executive Independent Director

Shri Narayan K. Seshadri
Shri Ananth Narayanan G.
Smt. Aruna Jayanthi
(upto 27th September, 2018)

Non-Executive Director

Smt. Bharati Rao
Shri T. L. Palani Kumar
Shri Sharad Sharma
(from 6th September, 2019 onwards)

35.1 Managerial Remuneration

(Rs. in Lacs)

Particulars	Year ended	
	March-20	March-19
Shri Sanjiv Chadha		
Short term employee benefits	27	4
Post employee benefits	4	1
Shri Arun Mehta		
Short term employee benefits	7	-
Post employee benefits	1	-
Smt. Varsha Purandare	-	32
Short term employee benefits	-	4
Post employee benefits		
Shri Biswa Ketan Das	-	6
Short term employee benefits	-	1
Post employee benefits		
Smt. Uma Shanmukhi Sistla		
Short term employee benefits	38	26
Post employee benefits	5	4
Total	83	77

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Income and Expense items:						
Income during the year ended						
Issue Management Fees						
SBI Cards and Payment Services Limited			643	-		
Arranger Fees	695	831				
SBI Cards and Payment Services Limited			25	19		
Advisory fees	7,172	4,662				
Trusteeship Fees	68	81				
Brokerage Income	61	139				
SBI Life Insurance Company Limited			200	172		
SBI General Insurance Company Limited			4	2		
SBI Funds Management Private Limited			1	1		
SBISG Global Pvt. Ltd.			2	-		
Interest Income	606	504				
SBI Cards and Payment Services Limited			116	-		
Net Profit on sale securities						
SBI Cards and Payment Services Limited			65	-		
Dividend received						
SBI DFHI Limited			60	-		
Selling and distribution commission	23,942	15,977				
SBI Life Insurance Company Limited			6	9		
SBI General Insurance Company Limited			11	12		
Other Operating Income	64	130				
Miscellaneous Income	100	197				
Expenses during the year ended						
Deputation of Employees#	564	572				
Ex-gratia paid						
Shri Arun Mehta					4	-
Shri Sanjiv Chadha					12	1
Smt. Varsha Purandare					-	9
Smt. Uma Shanmukhi Sistla					9	7

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(Rs. in Lacs)

Particulars	Holding Company		Fellow Subsidiaries and Associates		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Shri Biswa Ketan Das					-	2
Director's Sitting Fees						
Smt. Bharati Rao					8	5
Shri T. L. Palani Kumar					6	3
Shri Sharad Sharma					2	-
Shri Narayan K. Seshadri					7	6
Shri Ananth Narayanan G.					5	1
Smt. Aruna Jayanthi					-	1
Finance charges	184	777				
Other Borrowing cost	20	42				
Royalty Expense	543	629				
Insurance Expense						
SBI Life Insurance Company Limited			87	111		
SBI General Insurance Company Limited			30	34		
Rent Expense	85	64				
Contribution towards CSR						
SBI Foundation			570	450		
Bank & Other Charges	109	78				
Referral Fees	517	522				
Bad Debts written off	103	230				
Other expenses						
SBI Cards and Payment Services Limited			1	1		
Balance Sheet Items:						
(Outstanding As on)						
Balance payable as at						
Payables	158	120				
SBI General Insurance Company Limited			0*			
Short term borrowings	6,899	5,099				
Balance receivable as at:						
Bank Balance	25,706	13,459				

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(Rs. in Lacs)

Particulars	Holding Company		Fellow Subsidiaries and Associates		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Deposit with Banks	13,435	6,552				
Receivables	767	8,096				
SBI Cards and Payment Services Limited			759	15		
SBI Life Insurance Company Limited			0*	2		
SBI Fund Management Pvt. Ltd.			0*	0*		
Investments						
SBI Pension Funds Private Limited			601	601		
SBI DFHI Limited			2,869	2,754		
SBICAP Home Finance Limited®			0*	0*		
SBI Foundation			1	1		
State Bank of India Servicos Limitada Brazil®			0*	0*		
Gratuity Fund			24	43		
SBI Life Insurance Company Limited						
Other Current Asset	8,358	355				
SBI Life Insurance Company Limited				4		
Others transactions during the year ended						
Investment in Bonds						
SBI Cards & Payment Services Private Limited\$			82,500	-		
Sale of securities	120,015	-				
SBI General Insurance Company Limited			50,028	77,886		
SBI DFHI Limited			75,202	1,456		
SBI Life Insurance Company Limited			89,058	15,521		
SBI Funds Management Private Limited			40,015	-		
Guarantees	239	301				
Expenses shared	37	82				

#Included in expenses relating to deputation of employees are amounts aggregating to ₹ 117 (2018: ₹ 105) pertaining to salaries paid to key management personnel.

*Insignificant amount.

® Fully provided

\$Outstanding as at 31st March, 2020 is Nil.

The Company has contributed ₹ 722 Lacs (March 31, 2019: 542 Lacs) to SBICAPS Employee's Provident Fund during the year.

The Company has sold securities of ₹ 151 Lacs (March 31, 2019: Nil) 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, 2020

36 Statement of corporate social responsibility expenditure

(Rs. in Lacs)

Particulars	Year ended	
	March-20	March-19
a) Gross amount required to be spent during the year	776	833
b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above - in cash	777	828
Out of the above, contribution made to related party is as below		
SBI Foundation (For Inclusive growth)	584	450

37 Micro and small enterprises

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2020. 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.

38 Income taxes

(Rs. in Lacs)

	Particulars	Year ended	
		March-20	March-19
A.	The major components of income tax expense for the year are as under:		
	Current Tax		
	In respect of current year	9,367	11,568
	In respect of earlier years	(920)	-
	Total (A)	8,447	11,568
	Deferred tax		
	Origination of reversal of temporary differences	1,611	154
	Impact of change in tax rate	223	-
	Total (B)	1,833	154
	Income Tax recognised in the statement of Profit and Loss (A+B)	10,280	11,722
	Income tax expenses recognized in OCI		
	Income tax relating to items that will not be classified to profit or loss	10,715	3,410
	Total	10,715	3,410

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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

(Rs. in Lacs)

Particulars	Year ended March-20	Year ended March-19
Profit before tax	43,683	35,357
Enacted tax rates in India	25.168	34.944
Computed tax expense	10,994	12,355
Effect of income taxable on receipt basis	917	-
Effect of different tax rates in component	-	144
Tax on expenses not tax deductible	777	1,068
Tax on exempt income	(3,322)	(1,998)
Total Tax expenses as per statement of profit and loss	9,367	11,568

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 25.168% and 34.944% respectively. The reduction in corporate statutory tax rate to 25.168% is consequent to Introduction of section 115BAA in Income Tax Act, 1961

C. Movement of Deferred tax assets and Liabilities

i. 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	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)

ii. As at March 31, 2019

(Rs. in Lacs)

Movement during the year ended March 31, 2020	As at April 1, 2018	Credit/(Charge) in the statement of profit and loss	Credit/(Charge) in other comprehensive income	As at March 31, 2019
Difference between book and tax depreciation	371	22	-	393
Allowances for doubtful debts and advances	3,784	85	-	3,869
Fair value gain/(loss) on investments	(23,083)	45	(3,429)	(26,467)
Provision for post retirement benefits	488	39	-	527
Other temporary differences	1,504	(344)	18	1,178
Net deferred tax assets/(Liabilities)	(16,936)	(154)	(3,410)	(20,500)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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, 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	36,444	-	-	36,444	36,444
Other balances with banks	30,233	-	-	30,233	30,233
Securities for trade	-	82,692	-	82,692	82,692
Trade Receivables	24,822	-	-	24,822	24,822
Investments excluding 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
Other financial liabilities	10,193	-	-	10,193	10,193
Total	32,748	-	-	32,748	32,748

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

The carrying value of financial instruments by categories as of March 31, 2019 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	21,205	-	-	21,205	21,205
Other balances with banks	20,341	-	-	20,341	20,341
Securities for trade	-	62,659	-	62,659	62,659
Trade Receivables	41,838	-	-	41,838	41,838
Investments excluding Subsidiary and Associate	8,456	20,705	75,758	104,919	104,919
Other Financial Assets	4,603	-	-	4,603	4,603
Total	96,443	83,364	75,758	255,565	255,565
LIABILITIES:					
Trade Payables	22,290	-	-	22,290	22,290
Borrowings	5,099	-	-	5,099	5,099
Other financial liabilities	8,037	-	-	8,037	8,037
Total	35,426	-	-	35,426	35,426

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, 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
Total	82,683	-	9	82,692
Investments				
- Equity Shares	-	-	161,176	161,176
- Mutual Funds	16,272	-	-	16,272
- AIF Funds	-	-	7,691	7,691
Total	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, 2020

(Rs in Lacs)				
As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Instruments				
Securities for trade				
- Debt Securities	50,102	-	-	50,102
- Mutual Funds	12,557	-	-	12,557
Sub total	62,659	-	-	62,659
Investments				
- Equity Shares			75,758	75,758
- Mutual Funds	15,505	-	-	15,505
- AIF Funds		-	5,200	5,200
Sub total	15,505	-	80,959	96,463
Total	78,164	-	80,959	159,122

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.

(Rs in Lacs)		
Particulars	As at	
	March-20	March-19
Opening Balance	80,959	69,213
Add: Purchase	2,310	2,092
Add: Fair Value Gain/(Loss)	85,606	9,653
Closing Balance	168,875	80,959

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 risk arising from financial instruments:

- Credit Risk
- Liquidity Risk
- 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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.

Following provides exposures to credit risk for trade receivables, securities for trade and Investments:

Particulars	(Rs in Lacs)	
	As at	
	March-20	March-19
Trade Receivables	24,822	41,838
Debt Instruments in Securites for trade and Investment portfolio	9,306	58,407
Total	34,128	100,246

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, 2020:

Age of Trade Receivables	(Rs in Lacs)		
	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

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

As at March 31, 2019:

(Rs. in Lacs)

Age of Trade Receivables	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
0-3 Months	7,484	353	7,131
3-6 Months	1,369	160	1,210
6-9 Months	2,345	466	1,879
9-12 Months	1,118	324	795
12-15 Months	900	358	542
15-18 Months	1,179	643	535
18-21 Months	207	139	68
21-24 Months	607	497	110
24 Months and above	6,679	6,679	-
Total	21,890	9,620	12,270

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 ₹ 6795 lacs (2019: ₹ 25,293 lacs) ₹ 1560 lacs (2019: Nil) is unsecured over due for than 7 days. Probability of default has been considered at 100% and treated as credit impaired.

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 ₹ 8443 lacs (2019: ₹ 5879 lacs) ₹ 79 lacs (2019: ₹ 1595 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 ₹ 4640 lacs (2019: ₹ 2561 lacs) 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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
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	937	3,665	-	4,603
Total	180,354	23,168	169,680	373,201
Liabilities				
Payables	15,656	-	-	15,656
Borrowings	6,899	-	-	6,899
Other financial liabilities	8,895	1,298	-	10,193
Total	31,451	1,298	-	32,748
Net Excess/(shortfall)	148,903	21,870	1,69,680	340,453

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at March 31, 2019.

(Rs. in Lacs)

Particulars	Less than 1 year	1-5 years	Greater than 5 years	Total
Assets				
Cash and bank balance	41,511	35	-	41,546
Securities for trade	62,659	-	-	62,659
Receivables	41,819	19	-	41,838
Investments	7,103	16,857	81,726	105,687
Other Financial assets	4,704	1,900	-	6,604
Total	157,797	18,810	81,726	258,334
Liabilities				
Payables	22,290	-	-	22,290
Borrowings	5,099	-	-	5,099
Other financial liabilities	7,816	222	-	8,037
Total	35,204	222	-	35,426
Net Excess/(shortfall)	122,593	18,589	81,726	222,908

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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, 2020		March 31, 2019	
	Weighted Average Interest Rate	Balance	Weighted Average Interest Rate	Balance
Bank overdrafts	8.20%	6,899	8.70%	5,099

Sensitivity

The table below set out the effect on profit or loss due to parallel shift of 2.50% in interest rates

(Rs. in Lacs)

Particulars	Year ended	
	March-20	March-19
Effect on Profit and loss		
2.5% decrease in Interest rates	129	83
2.5% increase in Interest rates	(129)	(83)

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-20	March-19
Securities for trade	82,692	62,659
Investments	185,138	96,463
Total	267,831	159,123

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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-20	March-19
Effect on Profit and loss		
10% increase in prices	8,036	5,673
10% decrease in prices	(8,036)	(5,673)
Effect on Equity		
10% increase in prices	12,430	5,843
10% decrease in prices	(12,430)	(5,843)

40 Leases

40.1 Transition to Ind AS-116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessee and lessor. It introduces a single, on-balance sheet lease accounting model for lessees.

The company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, prospectively. Accordingly, the company has not restated comparative information of the previous year.

40.2 As a Lessee

For transition, the company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, the company recognised a lease liability measured at present value of remaining lease payments. The right of use assets is recognised at its carrying amount as if the standard had been applied since its commencement of the lease, but discounted using the lessee's incremental borrowing rate. Accordingly, right of use asset of ₹ 798 lacs and corresponding lease liability of ₹ 791 lacs has been recognised. The principal payment of lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS-17- Leases were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to exclusion of the commitments for the leases to which the company has chosen to apply the practical expedient or exemptions as per the standard.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

40.3 The following is the movement in lease liability for the year ended March 31, 2020

(Rs. in Lacs)

Particulars	Amount
Balance as at April 1, 2019	791
Interest on lease liability for the year	48
Repayment of lease liability during the year	241
Total	598

40.4 The details of right to use assets held by the company are as under:

(Rs. in Lacs)

Particulars	Additions for the year	Carrying Amount
Buildings	687	515
Furniture & Fixtures	110	62
Office Equipment	2	1
Total	798	579

- 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. 29 to the statement of Profit and Loss. Lease rent amounting to ₹ 887 lacs (2019: 1577 lacs) has been debited to statement of profit and loss during the year ended March 31, 2020.

40.6 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.

41 Revenue from contracts with customers

The Company 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 and debenture trustee ship 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 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 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

B. Equity Broking

The Company 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 recognised 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 Company distributes various financial products and other services to the customers on behalf of third party i.e. the Company 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 Company etc. to procure customers for its products. As a consideration, the Company 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.

The Company recognizes the revenue on completion of the performance obligation either on point in time or over a period of time, as the case may be.

The Company has used practical expedient and have not disclosed the amount of remaining performance obligations since its contract with customers have duration of less than one year.

Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognized as revenue on completing the performance obligation.

D. Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended	
	March-20	March-19
Revenue from the contracts (as per contract)	86,313	69,371
Adjustment for Contract Liabilities	829	866
Revenue from the Contracts (as per Statement of Profit and Loss)	85,484	68,505

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

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.

(Rs in Lacs)

	As at March-20	Within 12 months	After 12 months	As at March-19	Within 12 months	After 12 months
ASSETS						
Financial Assets						
Cash and cash equivalents	36,444	36,444	-	21,205	21,205	-
Bank balance other than above	30,233	27,657	2,576	20,341	20,306	35
Securities for trade	82,692	82,692	-	62,659	62,659	-
Receivables		-			-	
Trade Receivables	24,781	24,781	-	41,777	41,677	100
Other Receivables	41	41	-	61	42	19
Investments	194,407	7,802	186,606	105,687	7,103	98,583
Other Financial assets	4,603	937	3,665	6,604	4,704	1,900
Total Financial Assets	373,201	180,354	192,847	258,334	157,697	100,637
Non-financial Assets						
Current tax asset (Net)	12,300	-	12,300	9,505	-	9,505
Property, Plant and Equipment	8,591	46	8,545	8,885	-	8,885
Capital work in progress	6	-	6	-	-	-
Intangible assets	472	-	472	356	-	356
Other non-financial assets	1,836	1,802	33	1,297	1,220	77
Total Non-Financial Assets	23,205	1,848	21,357	20,043	1,220	18,823
TOTAL ASSETS	396,406	182,202	214,204	278,377	158,917	119,460
LIABILITIES AND EQUITY						
Liabilities						
Financial Liabilities						
Payables	15,656	15,187	470	58	58	-
Borrowings	6,899	6,899	-	5,099	5,099	-
Other financial liabilities	10,193	8,895	1,298	8,037	7,816	222
Total Financial Liability	32,748	30,981	1,767	13,194	12,973	222
Non-Financial Liabilities						
Deferred tax liabilities (Net)	33,049	-	33,049	20,500	-	20,500
Provisions	2,113	949	1,164	2,007	493	1,514
Other non-financial liabilities	3,193	3,193	-	3,192	3,192	-
Total non financial Liability	38,355	4,143	34,212	25,699	3,684	22,015
Total Liabilities	71,103	35,124	35,979	38,893	16,657	22,236
Net	325,303	147,078	178,225	239,484	142,260	97,224

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

43 Disposal of Subsidiary SBICAP (UK) Limited (SUL)

The Board of Directors of the company in their meeting held on July 19, 2019 have approved the winding up of Wholly owned subsidiary company SUL. Subsequently voluntary winding up proceedings have been initiated for SUL.

During the year under review company has received ₹ 116 lacs (GBP 134,064). Consequently the proceeds received from SUL has been considered as proceeds on disposal, and further no proceeds are to be received hence gain of ₹ 6 lacs has been recognised in statement of profit and loss for the year ended March 31, 2020. The company has also recognised a loss of ₹ 257 lacs as loss for the period beginning from April 1, 2029 to the date of disposal of subsidiary in statement of profit and loss for the year ended March 31, 2020.

44 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%
SBICAP (UK) Ltd.	United Kingdom	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, 2020

45 Additional Information, as required under schedule III to the Companies Act, 2013, of Enterprise Consolidated as Subsidiary/Associates

(Rs. in Lacs)

Name 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 Ltd.	81%	263,988	64%	21,461	100%	74,423	89%	95,884
Subsidiaries								
Indian								
1. SBICAP Securities Limited	11%	35,316	27%	9,001	-0%	(41)	8%	8,960
2. SBICAP Trustee Company Ltd.	3%	11,301	6%	2,052	-0%	(4)	2%	2,048
3. SBICAP Ventures Ltd.	3%	8,287	3%	1,101	-0%	(8)	1%	1,093
Foreign								
1. SBICAP (UK) Ltd.	0%	0	-1%	-257	0%	-	-0%	(257)
2. SBICAP (Singapore) Ltd.	2%	6,199	0%	46	0%	-	0%	46
Associate								
1. SBI Pension Fund Pvt. Ltd.	0%	212	0%	46	0%	0	0%	46
Total		325,303		33,449		74,370		107,819

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

46 Impact of COVID-19 (Global Pandemic)

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous Governments and companies, including the Company, have introduced variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced strict 21-day lockdown which was further extended by 19 days across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Company's performance will depend on future developments, which are highly uncertain, including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the company.

Financial instruments carried at fair value as at March 31, 2020 is ₹ 267,831 lacs and financial instruments carried at amortised cost as at March 31, 2020 is ₹ 104,558 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.

Financial assets of ₹ 104,558 lacs as at March 31, 2020 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 ₹ 24,822 lacs (net of provision) as at March 31, 2020 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 ₹ 24,822 lacs as at March 31, 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹ 8,220 lacs as at March 31, 2020 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: Jaipur
Date: 29th April, 2020

For and on behalf of Board of Directors

Sd/-
Dinesh Kumar Khara
Director

Sd/-
Krishnan Kutty Raghavan
Senior Vice President & CFO
Place: Mumbai

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, 2020, 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, 2020, 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 financial statements under the provisions of the Act and the Rules there under, 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 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 ₹ 1611.76 crore (₹ 757.59 crore as at 31.03.2019). 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.</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 financial statements.

Independent Auditors' Report

	<p>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>(Refer Note 2(vii)(b) and Note 6 (1) to the Standalone Financial Statements)</p>	<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. The company closely monitors its receivables that are going through financial stress. The assessment is done in respect of receivables at ₹ 92.29 crore (Gross: 151.01 crore) as at 31st March, 2020 after considering the allowance for credit loss of ₹ 59.43 crore.</p> <p>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.</p> <p>(Refer Note 47 to the Standalone Financial Statements)</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> <p>(1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions and</p> <p>(2) We tested the mathematical accuracy and computation of the allowances using the same input data used by the Company</p>
iii)	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>(Refer Notes 8 to the Standalone Financial Statements)</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 judgment 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

- 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

- The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position,

Independent Auditors' Report

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 judgment 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 financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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.

Independent Auditors' Report

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: 20137970AAAAAM4535

Place: Jaipur
Date: 29th April, 2020

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, 2020 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 program 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.
- b. 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, 2020 for a period of more than six months from the date on when they become payable.
- c. 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:

Independent Auditors' Report - Annexure I

Name of the statute	Nature of dues	Demand disputed (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Issue relating to disallowance of expenses	28.27	AY 1989-90 AY 1991-92 AY 2011-12 AY 2015-16 AY 2016-17 AY 2017-18	Commissioner Income Tax (Appeals)
Income Tax Act, 1961	Issue relating to disallowance of expenses	26.12	AY 1996-97 to AY 1999-00, AY 2001-02, AY 2003-04 & AY 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 where ever applicable and the details have been disclosed in the 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: 20137970AAAAAM4535

Place: Jaipur
 Date: 29th April, 2020

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, 2020 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, 2020 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 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, 2020, 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: 20137970AAAAAM4535
Place: Jaipur
Date : 29th April, 2020

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, 2020 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.**
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.
 - **There is no case/cases of restructuring of an existing loan or cases of waiver/write off debts/loans/ interest etc. made by a lender to the company at all.**
3. Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its term and conditions? List the cases 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: 20137970AAAAAM4535

Place: Jaipur
Date : 29th April, 2020

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 2020

The preparation of financial statement of SBI Capital Markets limited for the year ended 31 March 2020 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 statement 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 29 April 2020

I, On behalf of the comptroller and auditor general of India, have decided not to conduct a supplementary audit of the financial statements of SBI capital markets limited for the year ended 31 march 2020 under section 143(6)(a) act.

For and on the behalf of the

Comptroller and Auditor General of India

Sd/-

(P. V. Hari Krishna)

Principal Director of Audit (Shipping), Mumbai

Place: Mumbai

Date: 07/07/2020

Balance sheet as at 31st March, 2020

(Rs. in Lacs)

Particulars	Notes	As at	As at
		31-Mar-20	31-Mar-19
ASSETS			
Financial Assets			
Cash and cash equivalents	3	2,075	1,995
Bank balance other than above	3	5,301	317
Securities for trade	4	82,692	62,659
Receivables			
Trade Receivables	5	9,158	10,834
Other Receivables	5	71	70
Investments	6	210,358	122,178
Other Financial assets	7	810	4,595
Total Financial Assets		310,465	202,648
Non-financial Assets			
Current tax asset (Net)	8	10,044	8,535
Investment Property	9	6,233	6,562
Property, Plant and Equipment	10	555	567
Intangible assets	11	7	11
Other non-financial assets	12	812	190
Total Non - Financial Assets		17,651	15,865
TOTAL ASSETS		328,116	218,513
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	13		
(I) Trade Payables			
- total outstanding dues of MSME		-	-
- total outstanding dues of creditors other than MSME		705	99
(II) Other Payables			
- total outstanding dues of MSME		-	-
- total outstanding dues of creditors other than MSME		517	531
Other financial liabilities	14	3,026	2,045
Total Financial Liability		4,248	2,675
Non-Financial Liabilities			
Deferred tax Liabilities (Net)	15	34,210	21,727
Provisions	16	875	1,035
Other non-financial liabilities	17	875	1,134
Total non financial Liability		35,960	23,896

Balance sheet as at 31st March, 2020

(Rs. in Lacs)			
Particulars	Notes	As at	As at
		31-Mar-20	31-Mar-19
EQUITY			
Equity Share capital	18	5,803	5,803
Other Equity	19	282,105	186,139
Total Equity		287,908	191,942
TOTAL LIABILITIES AND EQUITY		328,116	218,513
Significant Accounting policies and notes to financial statements	1-49		
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/-
Dinesh Kumar Khara
Director

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
CA Akhil Jain
Partner
 Membership No.: 137970

Place: Jaipur

Date: 29th April, 2020

Sd/-
Krishnan Kutty Raghavan
Senior Vice President & CFO

Place: Mumbai

Sd/-
Amit Shah
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2020

(Rs. in Lacs)

Particulars	Notes	Year Ended	Year Ended
		31-Mar-20	31-Mar-19
Revenue from operations			
Interest Income	20	1,305	1,084
Dividend Income	21	4,100	3,757
Fees and Commission Income	22	31,633	24,848
Net gain on fair value changes	23	5,605	3,613
Total Revenue from Operations		42,643	33,302
Other Income	24	1,665	5,777
Total Income		44,308	39,079
Expenses			
Finance Costs	25	20	580
Fees and Commission expenses	26	754	272
Impairment of Financial instruments	27	159	-
Employee Benefits Expenses	28	9,088	6,442
Depreciation and Amortization	29	492	560
Others expenses	30	6,239	6,965
Total Expenses		16,752	14,819
Profit/(loss) before tax		27,556	24,260
Tax Expense:			
(1) Current Tax	39	5,177	7,180
(2) Tax expense/(credit) of earlier years	39	(917)	-
(3) Deferred Tax	39	1,753	261
Profit/(loss) after tax for the year		21,543	16,819
Other Comprehensive Income			
A) Items that will not be reclassified to profit or loss			
- Remeasurement of defined employee benefit plans	34	(101)	16
- Equity instruments through OCI		85,253	9,812
- Income tax relating to items that will not be reclassified to Profit or Loss	39	(10,729)	(3,429)
Subtotal (A)		74,423	6,399

Statement of Profit and Loss for the year ended 31st March, 2020

(Rs. in Lacs)

Particulars	Notes	Year Ended	Year Ended
		31-Mar-20	31-Mar-19
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)		-	-
Other comprehensive income		74,423	6,399
Total Comprehensive Income for the year		95,966	23,218
Earning Per Share (face value of ₹ 10 each)			
Basic in ₹	31	37.12	28.98
Diluted in ₹	31	37.12	28.98
Significant Accounting policies and notes to financial statements	1-49		
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: Jaipur
Date: 29th April, 2020

For and on behalf of Board of Directors

Sd/-
Dinesh Kumar Khara
Director

Sd/-
Krishnan Kutty Raghavan
Senior Vice President & CFO
Place: Mumbai

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Statement of changes in equity as at 31st March, 2020

A. Equity share capital

Particulars	No. of Shares	Amount (Rs. in Lacs)
Balance as at April 1, 2018	580	5,803
Changes in equity share capital	-	-
Balance as at March 31, 2019	580	5,803
Changes in equity share capital	-	-
Balance as at March 31, 2020	580	5,803

B. Other Equity

Particulars	Security premium reserve	Retained earnings	General Reserve	Other comprehensive income	Total equity (Rs. in Lacs)
Balance as at April 1, 2018	6,347	114,506	44,439	(2,371)	162,920
Profit for the year	-	16,819	-	-	16,819
Other comprehensive income	-	6,399	-	-	6,399
Total comprehensive income for the year	-	23,218	-	-	23,218
Interim Dividends paid	6,347	137,724	44,439	(2,371)	186,139
Dividend Distribution Tax	-	-	-	-	-
Inter-Reserve Transfer	-	-	-	-	-
Other Movements	-	(6,399)	-	6,399	-
Balance as at March 31, 2019	6,347	131,325	44,439	4,028	186,139

Statement of changes in equity as at 31st March, 2020

Particulars	Security premium reserve	Retained earnings	General Reserve	Other Comprehensive Income	Total equity
Profit/(Loss) for the year	-	21,543	-	-	21,543
Other comprehensive income for the year	-	74,423	-	-	74,423
Total comprehensive income for the year	-	95,966	-	-	95,966
Dividends paid	-	-	-	-	-
Inter-Reserve Transfer	-	-	-	-	-
Other Movements	-	(74,423)	-	74,423	-
Balance as at March 31, 2020	6,347	152,868	44,439	78,451	282,105

(Rs. in Lacs)

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/-
Dinesh Kumar Khara
Director

For and on behalf of Board of Directors

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
CA Akhil Jain
Partner

Membership No.: 137970
Place: Jaipur

Date: 29th April, 2020

Sd/-
Krishnan Kutty Raghavan
Senior Vice President & CFO
Place: Mumbai

Sd/-
Amit Shah
Company Secretary

Cash Flow Statement for the year ended 31st March, 2020

Particulars	(Rs. in Lacs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Cash flow from operating activities:		
Net profit before taxation	27,556	24,260
Adjustments for -		
Fair valuation gain/loss on FVTPL Financial Instrument	(1,773)	33
Interest on fair valuation of security deposit	(8)	(35)
Amortisation of prepaid rent expenses on security deposit	8	31
Impairment of Financial Instruments	159	-
Loss on disposal of subsidiaries	232	-
Provision for (written back)/doubtful debts	(3,330)	(586)
Interest on income Tax refund	-	(3,645)
Depreciation and amortisation expenses	492	560
(Profit) / Loss on sale of Property, plant and equipment (net)	2	(3)
Interest income on investment	(680)	(669)
Interest income on fixed deposit with Banks	(21)	(27)
Dividend income	(4,100)	(3,757)
Interest expenses	20	580
Provision for Gratuity	(194)	(24)
Provision for Leave encashment	(67)	(11)
Operating profit before working capital changes	18,296	16,707
Decrease /(increase) in trade receivables	5,006	9,921
Decrease /(increase) in other cash and bank balances	47	56
Decrease /(increase) financial asset	3,794	(3,426)
Decrease /(increase) other non-financial assets	(630)	4,260
Decrease /(increase) securities for trade	(20,033)	16,925
(Decrease)/increase payable	591	(1,583)
(Decrease)/increase other financial liability	981	(1,526)
(Decrease)/increase non-financial liability	(258)	(571)
Cash generated from operations	7,794	40,763
Income tax paid	(5,770)	(7,650)
I. Net cash from operating activities	2,024	33,113

Cash Flow Statement for the year ended 31st March, 2020

(Rs. in Lacs)

Particulars	Year Ended	Year Ended
	31-Mar-20	31-Mar-19
Cash flow from investing activities:		
Purchase of fixed assets	(156)	(98)
Sale of fixed assets	7	63
Interest income on investment	680	669
Interest income on fixed deposit with Banks	21	27
Dividend income	4,100	3,757
Purchase of investments	(1,661)	(8,001)
Proceeds on disposal of subsidiary	116	-
Sale of investments	-	2,507
II. Net cash from investing activities	3,107	(1,076)
Cash flow from financing activities:		
Repayment of bank borrowing	-	(30,032)
Interest expenses	(20)	(580)
Tax on dividend payment	-	(2,658)
III. Net cash used in financing activities	(20)	(33,270)
Net change in cash & cash equivalents (I+II+III)	5,111	(1,233)
Cash & cash equivalents at the beginning of the year	1,964	3,197
Cash & cash equivalents at the end of the year	7,075	1,964

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

Particulars	As at	As at
	31-Mar-20	31-Mar-19
Cash on hand	-	-
Cheques on hand	648	-
Balances with scheduled banks (current & deposit accounts)	1,427	1,964
Bank Overdraft (Book Overdraft shown under Current Liabilities)	-	-
Fixed deposit with banks	5,000	-
	7,075	1,964

Cash Flow Statement for the year ended 31st March, 2020

(Rs. in Lacs)

Particulars	Year Ended	Year Ended
	31-Mar-20	31-Mar-19
(Excludes amounts placed as deposits with scheduled banks and lien marked with them and balances in escrow accounts)	301	348

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: Jaipur
Date: 29th April, 2020

For and on behalf of Board of Directors

Sd/-
Dinesh Kumar Khara
Director

Sd/-
Krishnan Kutty Raghavan
Senior Vice President & CFO
Place: Mumbai

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, 2020

1. Corporate Information

SBI Capital Markets Limited (hereinafter referred to as “the Company”) is a 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).

The Financials Statement were authorized for issue by the Company’s Board of Directors on 27th April, 2020.

2.1 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been consistently applied to all the years presented by the Company unless otherwise stated.

i. Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards-1 Presentation of Financial Statements (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. With effect from 1st April, 2019, Ind AS-116 Leases (Ind AS 116) supersedes Ind AS 17 Leases. The company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard to its leases on prospective basis. The detail disclosure with respect to Ind AS 116 is given in Note no. 41.

The financial statements for the year ended March 31, 2020 are being authorized for issue in accordance with a resolution of the director’s on April 27, 2020.

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 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.

iii. Revenue recognition

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 Company 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.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

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 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 shareholder's 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 of the fixed assets using the written down value method as per useful life of Asset as prescribed in Part C of Schedule II to the Companies Act, 2013, except in case of computers including servers, mobile phones, hand held devices wherein the management estimates the useful life to be lower i.e. 3 years. Computers, mobile phones and hand held devices are depreciated over a period of three years on straight line basis.

Management believes based on a technical evaluation 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 Equipments (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.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

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 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 company 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.

Amortisation:

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.

vi. Investment property

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

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. 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 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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

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.

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 Company 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 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 economic best interest.

A fair value measurement of a nonfinancial 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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	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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

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 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 Company recognise impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, 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 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 company 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 recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company 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 company 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 company could be required to repay.

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 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 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 tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability 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 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 asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

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, but so that 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

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 stand-alone price of the lease component and the aggregate stand-alone 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 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 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 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 company recognises any remaining amount of the remeasurement 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 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 company applies Ind AS 115 Revenue to allocate the consideration in the contract.

xi. Borrowing Costs

Borrowing cost included interest expense as per the effective interest rate (EIR) and other costs incurred by the company in 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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

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 recognised 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

A 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, 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 need 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, 2020

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 comprises 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.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

2.2 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 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 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 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, 2020

3 Cash and Bank Balances

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
(a) Cash and Cash equivalents		
Balances with banks with Scheduled banks		
- In current accounts	1,427	1,964
- In current accounts-Escrow Accounts	-	31
Cheques on hand	648	-
Cash on hand	-	-
Total	2,075	1,995
(b) Other bank balances		
Deposit with original maturity Less than 12 months	5,301	312
Deposit with original maturity more than 12 months	-	5
Total	5,301	317

- 3.1 Fixed deposit kept as collateral security deposit towards bank guarantees issued by banks amounted to ₹ 301 lacs (2019: 317 lacs).

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

4 Securities for trade

(Rs. in Lacs)

	Particulars	As at			
		31-Mar-2020		31-Mar-2019	
		Units	Amount	Units	Amount
A	At fair value through profit or loss				
	(i) Debt Securities- Bonds				
	8.30% Rural Electrification Corporation Ltd.	-	-	4,000	40,092
	8.98% Power Finance Corporation Ltd.	-	-	1,000	10,010
	7.03% Hindustan Petroleum Corporation Ltd.	100	1,000	-	-
			1,000		50,102
	(ii) Preference Shares (unquoted) fully paid up				
	0.0001% preference shares of Pasupati Fabrics Ltd. of ₹ 10/- each	140,000	-	140,000	-
			-		-
	(iii) Investment in Equity Instruments (unquoted) - fully paid up				
	Cremica Agro Foods Ltd of ₹ 10/- each	46,200	9	46,200	-
			9		-
	(iv) Mutual Funds				
	- Unquoted - Investments carried at FVTPL		81,683		12,557
			81,683		12,557
	Total (A) Gross		82,692		62,659
	Less: Impairment Allowance		-		-
	Total (B) - Net		82,692		62,659

* Fully provided for.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

5 Receivables

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
(a) Trade Receivables		
(i) Receivables- Unsecured, Considered good	13,726	17,527
(ii) Receivable from related parties	1,375	2,582
Less: Allowance for expected credit loss	(5,943)	(9,275)
Total (a)	9,158	10,834
(b) Other Receivables		
(i) Receivables- Unsecured, Considered good	16	19
(ii) Receivable from related parties	57	51
Less: Allowance for expected credit loss	(2)	-
Total (b)	71	70
Total (a+b)	9,229	10,904
5.1 Movement in allowance for expected credit loss		
Balance at the beginning of the year	9,275	9,861
Add: Allowance for the year	(3,330)	(586)
Total	5,945	9,275

6 Investments

(Rs. in Lacs)

Particulars	As at			
	31-Mar-2020		31-Mar-2019	
	Units	Amount	Units	Amount
I Investments carried at fair value through statement of other comprehensive income (FVOCI)				
(a) Investment in Equity instruments - Unquoted				
National Stock Exchange of India Ltd. of Re.1 each	21,450,000	158,001	21,450,000	72,745
OTC Exchange of India of ₹ 10 each	1,100,000	*-	1,100,000	*-
Investor Services India Ltd. of ₹ 10 each (company under voluntary liquidation)	535,768	-	535,768	-
India SME Technology Services Ltd. of ₹ 10 each (company under voluntary liquidation)	22,000	42	-	-
ONGC Mittal Energy Ltd. of USD 1 each	1,000,000	*-	1,000,000	*-
Receivable Exchange of India Ltd. of ₹ 10 each	1,525,000	176	1,525,000	260

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

(Rs. in Lacs)

Particulars	As at			
	31-Mar-2020		31-Mar-2019	
	Units	Amount	Units	Amount
Receivable Exchange of India Ltd of ₹ 10 each (partly paid up ₹ 5)	1,525,000	88		
SBI Home Finance Ltd of ₹ 10 each (Company under liquidation)	1,032,500	*-	1,032,500	*-
		158,307		73,005
(b) Investment in Equity Instruments - Parent's Subsidiaries (unquoted)				
SBI DFHI Ltd of ₹ 100 each (formerly known as SBI Gilts Ltd.) (Percentage holding in the Company is 3.12%)	595,295	2,869	595,295	2,754
State Bank of India Servicos Limitada Brazil* (0.01% contribution)	1	-	1	-
SBI Foundation of ₹ 10 each* (Percentage holding in the Company is 0.1%)	1,001	-	1,001	-
		2,869		2,754
Total		161,176		75,759
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	600	6,000,000	600
		600		600
(b) Investment in Equity Instruments - wholly owned subsidiaries (unquoted)				
SBICAP Securities Ltd. of ₹ 10 each	96,875,000	12,500	96,875,000	12,500
SBICAP UK Ltd. of GBP 1 each (Company under liquidation)	-	-	200,000	172
SBICAP Trustee Company Ltd. of ₹ 10 each	1,000,000	5	1,000,000	5
SBICAP Ventures Ltd. of ₹ 10 each	603,779,170	6,038	49,977,917	4,998
SBICAP Singapore Ltd. of SGD 1 each	13,000,000	6,178	13,000,000	6,178
		24,721		23,853
Less: Impairment loss allowance		159		-
		24,562		23,853
Total		25,162		24,453

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

(Rs. in Lacs)

	Particulars	As at			
		31-Mar-2020		31-Mar-2019	
		Units	Amount	Units	Amount
III	Investments carried at fair value through Fair Value through Profit and Loss (FVTPL)				
	(a) Investments in AIF units - unquoted				
	Stellaris Ventures Partners India I Fund	512	935	431	432
	SBI Special Situation Fund I	2,500	253	-	-
	Sub Total		1,188		432
	(b) Investments in Mutual funds				
	- Unquoted		14,526		13,228
	Sub Total		14,526		13,228
	Total		15,714		13,660
IV	Investment carried at amortised cost				
	Investments in debentures or bonds - Quoted				
	8.20% bonds of National Highway Authority of India Ltd. (Taxfree) of ₹ 1,000/- each	54,876	549	54,876	549
	8.20% Power Finance Corporation Ltd. (Taxfree) of ₹ 1,000/- each	71,197	712	71,197	712
	8.10% bonds of India Railways Finance Corporation Ltd. (Taxfree) of ₹ 1,000/- each (300000 units pledged to SBI for loan of a subsidiary)	304,510	3,045	304,510	3,045
	7.38% Rural Electrification Corporation Ltd. (Taxfree) of ₹ 1,000/- each (100000 units pledged to SBI for loan of a subsidiary)	100,000	1,000	100,000	1,000
	7.34 % Indian Railways Finance Corporation Ltd. (Taxfree) of ₹ 1,000/- each (100000 units pledged to SBI for loan of a subsidiary)	100,000	1,000	100,000	1,000
	8.63% Rural Electrification Corporation Ltd. (Taxfree) of ₹ 1,000/- each	100,000	1,000	100,000	1,000
	8.55% India Infrastructure Finance Company Ltd. (Taxfree) of ₹ 1,000/- each	100,000	1,000	100,000	1,000
	Total		8,306		8,306
	Total Non-current Investment		210,358		122,178

* Fully provided for.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

- 6.1 Investments in bonds of ₹ 5000 lacs (2019: ₹ 5000 lacs) is kept as collateral security against bank overdraft facility for the Wholly owned subsidiary Company SBICAP Securities Limited.

6.2 Category wise Investments

Particulars	As at	
	31-Mar-20	31-Mar-19
Financial Assets		
- Amortised Cost	8,306	8,306
- Cost	25,162	24,453
- Fair value through other comprehensive income	161,176	75,759
- Fair value through profit or loss	15,714	13,660
Total	210,358	122,178

7 Other financial assets

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Unsecured, Considered good Deposits		
- Security deposits for leased premises	327	335
- Other deposits	139	109
Loans to employees	40	27
Accrued interest	290	356
Accrued income from services	14	44
Interest receivable on income tax refund	-	3,639
Other Advances	-	85
Total	810	4,595

8 Income Tax Asset (Net)

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Advance tax and TDS (Net of provision for tax of ₹ 1,60,642 Lacs (2019: ₹ 1,56,382 Lacs))	10,044	8,535
Total	10,044	8,535

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

9 Investment Property

(Rs. in Lacs)

Particulars	Investment Property
A. Gross carrying amount	
Opening balance as at April 1, 2018	7,917
Additions	-
Disposals	-
Balance as at March 31, 2019	7,917
Additions	-
Disposals	-
Balance as at March 31, 2020	7,917
B. Accumulated depreciation	
Opening balance as at April 1, 2018	1,010
Depreciation charge for the year	345
Disposals	-
Balance as at March 31, 2019	1,355
Depreciation charge for the year	328
Disposals	-
Balance as at March 31, 2020	1,683
C. Net carrying value	
Net carrying amount as at March 31, 2020	6,233
Net carrying amount as at March 31, 2019	6,562

9.1 Fair value of investment property as at March 2020 is ₹ 9,422 lacs

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

10 Property Plant and equipment		(Rs. in Lacs)							
Particulars		Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Vehicles	Computers	Lease hold Improvement	Total
A. Gross carrying amount	Opening balance as at April 1, 2018	1,600	4,020	764	937	14	808	88	8,230
	Additions	-	-	16	25	-	56	-	97
	Disposals	-	-	53	10	-	177	33	273
	Balance as at March 31, 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
B. Accumulated depreciation	Opening balance as at April 1, 2018	1,234	4,020	687	815	4	675	79	7,514
	Depreciation charge for the year	18	-	44	55	5	73	6	201
	Disposals	-	-	40	9	-	147	31	227
	Balance as at March 31, 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
C. Net carrying value									
	Net carrying amount as at March 31, 2020	331	-	28	56	24	116	-	555
	Net carrying amount as at March 31, 2019	348	-	37	91	6	86	-	567

10.1 Building includes cost of 15 shares of ₹ 100 each held by the company in a co op society

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

11 Intangible assets

(Rs. in Lacs)

Particulars	Computer Software
A. Gross carrying amount	
Balance as at April 1, 2018	740
Addition	1
Disposals	-
Balance as at March 31, 2019	741
Addition	4
Disposals	-
Balance as at March 31, 2020	745
B. Accumulated amortisation	
Balance as at April 1, 2018	716
Addition	14
Disposals	-
Balance as at March 31, 2019	730
Addition	8
Disposals	-
Balance as at March 31, 2020	738
C. Net carrying value	
Net carrying amount as at March 31, 2020	7
Net carrying amount as at March 31, 2019	11

11.1 All Intangible assets held by the company are purchased and not internally generated.

12 Other non-financial assets

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Service Tax refund receivable	3	4
Advances for expenses	160	-
Advances rentals for lease premises	475	-
Prepaid expenses	105	124
Other advances	69	62
Total	812	190

13 Payables

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
(I) Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	705	99
Total (I)	705	99

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
(II) Other Payables		
- total outstanding dues of micro enterprises and small enterprises		
- total outstanding dues of creditors other than micro enterprises and small enterprises	517	531
Total (II)	517	531
Total (I+II)	1,222	630

14 Other financial liabilities

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Incentive payable	2,300	1,737
Payable for expenses	663	229
Deposits		
- Lease deposits	35	46
- Other deposits	28	33
Total	3,026	2,045

15 Deferred Tax Liability/ (Asset)

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Deferred Tax Liability (Refer note no. 39)	34,210	21,727
Total	34,210	21,727

16 Provisions

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Non - Current		
Provision for compensated absences	683	750
Provision for Gratuity	192	285
Total	875	1,035

17 Other non-financial liabilities

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Current		
Income received in advance	31	74
Statutory liabilities	844	1,060
Total	875	1,134

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

18 Equity Share Capital

(Rs. in Lacs)

Particulars	As at	
	31-Mar-20	31-Mar-19
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

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

(Rs. in Lacs)

Equity Shares	March 31, 2020		March 31, 2019	
	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 company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled for one vote per share. The dividend proposed (if any) by the Board of Director's is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event if 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, 2020		March 31, 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India & Its nominees	8,033,711	100%	8,033,711	100%
Total	8,033,711	100%	8,033,711	100%

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

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

Particulars	2019	2018	2017	2016	2015
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.

19 Other Equity

(Rs. in Lacs)

Reservers & Surplus	As at	
	31-Mar-20	31-Mar-19
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	131,325	114,506
Profit for the year	21,543	16,819
Add/Less: Appropriations/ Adjustments		
Total appropriations	-	-
Closing Balance	152,868	131,325
D Other Comprehensive Income (OCI)		
Balance as per the last financial statements	4,028	(2,371)
Add: addition during the year	74,423	6,399
Closing Balance	78,451	4,028
Total	282,105	186,139

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

20 Interest Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
A. Interest income on financial assets measured at amortised cost:		
- Investments	670	669
- Fixed deposit with banks	21	27
B. Interest income on financial assets measured at fair value through profit or loss:		
- AIF Funds	10	-
- Securities held for trade	604	388
C. Interest income on financial assets measured at fair value through OCI	-	-
Total	1,305	1,084

21 Dividend Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
- Others	4,100	3,757
Total	4,100	3,757

22 Fees and Comission Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Issue management Fees	1,508	652
Underwriting commission	-	-
Arranger's fees	1,317	1,610
Advisory fees	28,808	22,586
Total	31,633	24,848

23 Net gain on fair value changes

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Net gain/loss on financial instruments at fair value through profit or loss		
- Profit/loss on securities held for trade	3,832	3,583
- Profit/(loss) on sale of investments (net)	1,773	30
Total	5,605	3,613

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

23.1 Fair value changes

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
- Realised	3,597	2,762
- Unrealised	2,008	851
Total	5,605	3,613

24 Other Income

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Rental Income	1,239	1,042
Bad debts recovered	148	159
Interest on Income Tax refund	-	3,645
Exchange differences (net)	115	93
Exchange differences on disposal of subsidiary	8	-
Profit on sale of Property, plant and equipment	-	3
Others	23	817
Write back of Provisions		
- Leave Encashment	67	10
- Others	65	8
Total	1,665	5,777

25 Finance costs

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Interest expense	-	538
Other borrowing cost	20	42
Total	20	580

26 Fees and commission expenses

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Fees and commission expenses	754	272
Total	754	272

27 Impairment on Financial Instruments

(Rs. in Lacs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Investments in subsidiary (Refer Note: 46)	159	-
Total	159	-

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

28 Employee Benefits Expenses

(Rs. in Lacs)

Reservers & Surplus	Year ended	
	31-Mar-20	31-Mar-19
Salaries, wages and bonus	8,492	5,653
Contribution to provident and other funds	368	293
Contribution to Superannuation	26	180
Contribution to gratuity (Refer note 34)	72	179
Staff welfare expenses	130	137
Total	9,088	6,442

29 Depreciation, amortization and impairment

(Rs. in Lacs)

Reservers & Surplus	Year ended	
	31-Mar-20	31-Mar-19
Depreciation and amortisation expense	492	560
Total	492	560

30 Other expenses

(Rs. in Lacs)

Reservers & Surplus	Year ended	
	31-Mar-20	31-Mar-19
Legal & Professional Fees	700	581
Conveyance & Travelling	782	671
Rental charges	609	837
Rates & Taxes	164	113
Royalty Expenses	336	489
Bad Debts Written off	4,540	2,335
Write back of Provision for Doubtful Debts	(3,330)	(586)
Postage, telephone and telex	66	96
Advertisement Expenses	10	5
Printing & Stationery	75	60
Electricity Expenses	66	84
Repairs & Maintenance Building	104	112
Repairs & Maintenance Others	118	111
Insurance	113	132
Auditor's Remuneration (Refer note 33)	30	21
Director's Sitting Fees	23	14
Office Maintenance	90	80
Training Charges	369	195
Membership & Subscription	203	240

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

(Rs. in Lacs)

Reservers & Surplus	Year ended	
	31-Mar-20	31-Mar-19
Filing Fees & Other Charges	32	345
Corporate Social Responsibility expenses (Refer note 37)	595	728
Penalty paid to SEBI	17	-
Provision for Long Term Investments	-	50
Provision for Current investment	-	-
Loss on disposal of subsidiary (Refer note 45)	232	-
Loss on sale of Property, plant and equipment	2	-
Miscellaneous expenses	293	251
Total	6,239	6,965

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-20	March-19
Profit after tax	21,543	16,819
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 (Rs.)	10	10
Earnings per share		
- Basic in Rs.	37.12	28.98
- Diluted in Rs.	37.12	28.98

32 Contingent Liabilities and Commitments

(Rs. in Lacs)

Particulars	Year ended	
	March-20	March-19
A) Contingent Liabilities		
Claims against the Company/disputed liabilities not acknowledged as debts		
- For income tax matters	4,993	5,125
- For other matters	181	314
Guarantees		
- Performance Guarantees	239	302
B) Commitments		
- Capital Commitments	38	600
- Uncalled liability on shares and investments partly paid	76	-
- Other commitments- Investments	1,238	-

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

33 Auditor's Remuneration

(Rs. in Lacs)

Particulars	Year ended	
	March-20	March-19
- Audit Fees	14	14
- Tax audit	1	1
- Limited Review	4	3
- Other services (certification)	10	2
- Out-of-pocket expenses	1	1
Total	30	21

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 2020	31 st March 2019
Opening of defined benefit obligation	666	891
Current service cost	59	93
Interest on defined benefit obligation	47	65
Remeasurements due to:		
- Actuarial loss/(gain) arising from change in financial assumptions	29	(49)
- Actuarial loss/(gain) arising from change in demographic assumptions	43	-
- Actuarial loss/(gain) arising on account of experience changes	32	27
Benefits paid	(78)	(361)
Closing of defined benefit obligation	798	666
Movement in plan Assets		
Opening fair value of plan assets	445	566
Employer contributions	201	203
Interest on plan assets	34	43
Remeasurements due to:		
- Actual return on plan assets less interest on plan assets	4	(6)
Benefits paid	(78)	(361)
Closing fair value of plan assets	607	445

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

(Rs. in Lacs)

Particulars	Year ended	
	31 st March 2020	31 st March 2019
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investments with insurer	100%	100%
Balance sheet		
Net asset/(liability) recognised in the balance sheet:		
Present value of the funded defined benefit obligation	798	666
Fair value of plan assets at the end of the year	607	445
Liability recognized in the balance sheet (i-ii)	192	221
Statement of profit & loss		
Expenses recognised in the Statement of profit and loss:		
Current service cost	59	93
Past service cost	-	-
Expected return on plan assets	13	21
Total expense charged to profit and loss account	72	114
Statement of other Comprehensive Income (OCI)		
Opening amount recognized in OCI outside profit and loss account	(21)	(5)
Remeasurements during the year due to:		
Changes in financial assumptions	29	(49)
Changes in demographic assumptions	43	(0)
Experience adjustment	32	27
Actual return on plan assets less interest on plan assets	(4)	6
Adjustment to recognized the effect of asset ceiling	-	-
Closing amount recognized in OCI outside profit and loss account	79	(21)

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

	%	%
Discount rate	7.03	7.65
Salary Escalation rate	8.00	8.00

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

(Rs. in Lacs)

Particulars	Discount Rate	Salary Escalation Rate
Defined Benefit obligation on increase in 50 bps	775	823
Impact of increase in 50 bps on DBO	-2.95%	3.07%
Defined Benefit obligation on decrease in 50 bps	823	775
Impact of decrease in 50 bps on DBO	3.12%	-2.93%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Investment details of plan assets

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	127.93
Expected benefits for year 2	88.37
Expected benefits for year 3	109.84
Expected benefits for year 4	92.52
Expected benefits for year 5	87.93
Expected benefits for year 6	94.50
Expected benefits for year 7	84.46
Expected benefits for year 8	69.86
Expected benefits for year 9	89.68
Expected benefits for year 10	493.57

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, 2019 is based on actuarial valuation carried out by using the projected unit credit method.

Particulars	Year ended	
	31 st March, 2020	31 st March, 2019
	%	%
Interest rate	7.03	7.65
Salary Escalation rate	8.00	8.00

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

35 SEGMENTAL REPORTING

- Primary Segment

The Company'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 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 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 & Payment Services Pvt. Limited SBI General Insurance Co. Limited SBI Foundation State Bank of India Servicos Limitada Brazil SBI Home Finance Limited SBI Pension Funds Pvt. Limited
b. Staff Welfare Fund	SBICAPS Employee's Provident Fund
c. Directors and Key Management Personnel of the Company	
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) Smt. Varsha Purandare (upto 31 st December, 2018)

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

Whole Time Director

Smt. Uma Shanmukhi Sistla
(from 12th July, 2018 onwards)
Shri Biswa Ketan Das
(upto 15th June, 2018)

Non-Executive Independent Director

Shri Narayan K Seshadri
Shri Ananth Narayanan G.
Smt. Aruna Jayanthi
(upto 27th September, 2018)

Non-Executive Director

Smt. Bharati Rao
Shri T. L. Palani Kumar
Shri Sharad Sharma
(from 6th September, 2019 onwards)

36.1 Managerial Remuneration

(Rs. in Lacs)

Particulars	Year ended	
	March-20	March-19
Shri Sanjiv Chadha		
Short term employee benefits	27	4
Post employee benefits	4	1
Shri Arun Mehta		
Short term employee benefits	7	-
Post employee benefits	1	-
Smt. Varsha Purandare		
Short term employee benefits	-	32
Post employee benefits	-	4
Shri Biswa Ketan Das		
Short term employee benefits	-	6
Post employee benefits	-	1
Smt. Uma Shanmukhi Sistla		
Short term employee benefits	38	26
Post employee benefits	5	4
Total	83	77

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

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		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Income and Expense items: (For the year ended)								
Income during the year ended								
Issue Management Fees								
SBI Cards and Payment Services Limited	-	-	-	-	643	-	-	-
Arranger Fees	695	831	-	-	-	-	-	-
SBICAP Securities Limited	-	-	-	7	-	-	-	-
SBI Cards and Payment Services Limited	-	-	-	-	25	19	-	-
Advisory fees	7,172	4,662	-	-	-	-	-	-
Interest Income	21	27						
SBI Cards and Payment Services Limited	-	-	-	-	116	-	-	-
Net Profit on sale securities								
SBI Cards and Payment Services Limited	-	-	-	-	65	-	-	-
Rent Income								
SBICAP Securities Limited	-	-	1,239	1,042	-	-	-	-
Dividend received								
SBI DFHI Limited	-	-	-	-	60	-	-	-
Miscellaneous Income								
SBICAP Securities Limited	-	-	2	9	-	-	-	-
Expenses during the year ended								
Deputation of Employees#	288	280						
Ex-gratia paid								
Shri Arun Mehta							4	-
Shri Sanjiv Chadha							12	1
Smt. Varsha Purandare							-	9
Smt. Uma Shanmukhi Sistla							9	7
Shri Biswa Ketan Das							-	2

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associates		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Director's Sitting Fees								
Smt. Bharati Rao							6	4
Shri T. L. Palani Kumar							4	2
Shri Sharad Sharma							2	-
Shri Narayan K Seshadri							7	6
Shri Ananth Narayanan G.							5	1
Smt. Aruna Jayanthi							-	1
Interest Expenses	-	538						
Other Borrowing cost	20	42						
Fees & Commission								
SBICAP Securities Limited			753	215				
Royalty Expense	336	489						
Insurance Expense								
SBI Life Insurance Company Limited					18	23		
SBI General Insurance Company Limited					87	111		
Loss on disposal of subsidiary								
SBICAP (UK) Limited			232	-				
Rent Expense	58	51						
Brokerage Expenses								
SBICAP Securities Limited			13	-				
Contribution towards CSR								
SBI Foundation					470	400		
Bank & Other Charges	5	2						
SBICAP Securities Limited			0*	0*				
SBICAP Trustee Company Limited			0*	-				
Business Promotion Expenses								
SBICAP (UK) Limited			10	-				
SBICAP Singapore Limited			4	2				
Bad Debts written off	103	230						
Other expenses	1	-						
SBICAP Trustee Company Limited			0*	-				

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

(Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associates		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
SBI Cards and Payment Services Limited					0*	-		
Balance Sheet Items:								
(Outstanding As on)								
Share Capital	5,803	5,803						
Balance payable as at								
Payables	-	2						
SBICAP Securities Limited			672	48				
SBICAP Singapore Limited			-	1				
SBICAP UK Limited			-	1				
SBICAP Trustee Company Limited			0*	-				
SBI General Insurance Company Limited					0*	-		
Balance receivable as at								
Bank Balance	1,427	1,995						
Deposit with Banks	5,301	317						
Receivables	643	2,582						
SBICAP Securities Limited			26	21				
SBICAP Trustee Company Limited			1					
SBICAP Ventures Limited			3	-				
SBI Cards and Payment Services Limited			-	-	759	15		
Investments								
SBICAP Securities Limited			12,500	12,500				
SBICAP Ventures Limited			6,038	4,998				
SBICAP Trustee Company Limited			5	5				
SBICAP UK Limited			-	172				
SBICAP Singapore Limited			6,019	6,178				
SBI Pension Funds Private Limited					601	601		
SBI DFHI Limited					2,869	2,754		
SBICAP Home Finance Limited@					-	-		
SBI Foundation					0*	0*		
State Bank of India Servicos Limitada Brazil@					-	0*		

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

(Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries and Associates		Directors and Key Managerial Personnel	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Accured interest on Deposit with Banks	33	33						
Others transactions during the year ended								
Investments in equity shares of subsidiary								
SBICAP Ventures Limited			1,040	1,070				
SBICAP (UK) Limited			177	-				
Winding up of Company								
SBICAP (UK) Limited	-	-	349	-	-	-	-	-
Investment in Bonds								
SBI Cards & Payment Services Private Limited\$	-	-	-	-	82,500	-	-	-
Sale of securities	120,015	-	-	-	-	-	-	-
SBI General Insurance Company Limited	-	-	-	-	50,028	77,886	-	-
SBI DFHI Limited	-	-	-	-	75,202	1,456	-	-
SBI Life Insurance Company Limited	-	-	-	-	89,058	15,521	-	-
SBI Funds Management Private Limited	-	-	-	-	40,015	-	-	-
Guarantees	239	301	-	-	-	-	-	-
Expenses shared	37	82	-	-	-	-	-	-
SBICAP Securities Limited	-	-	127	80	-	-	-	-
SBICAP Ventures Limited	-	-	19	2	-	-	-	-
SBICAP Trustee Company Limited	-	-	2	3	-	-	-	-

Included in expenses relating to deputation of employees are amounts aggregating to ₹ 117 (2018: ₹ 105) pertaining to salaries paid to key management personnel.

* Insignificant amount.

* Insignificant amount.

@Fully provided

\$Outstanding as at 31st March 2020 is Nil.

The Company has contributed ₹ 722 Lacs (March 31, 2019: 542 Lacs) to SBICAPS Employee's Provident Fund during the year.

The Company has sold securities of ₹ 151 Lacs (March 31, 2019: Nil) 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, 2020 (Contd...)

37 Statement of corporate social responsibility expenditure

(Rs. in Lacs)

Particulars	Year ended	
	March-20	March-19
a) Gross amount required to be spent during the year	594	725
b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above - in cash	595	728
Out of the above, contribution made to related party is as below		
SBI Foundation	470	400
(For Inclusive growth)		

38 Micro and small enterprises

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2020. 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.

39 Income taxes

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

(Rs. in Lacs)

Particulars	Year ended	
	March-20	March-19
Current Tax		
In respect of current year	5,177	7,180
In respect of earlier year	(917)	-
Total (A)	4,260	7,180
Deferred tax		
Origination of reversal of temporary differences	1,531	261
Impact of change in tax rate	223	-
Total (B)	1,753	261
Income Tax recognised in the statement of Profit and Loss (A+B)	6,013	7,441
Income tax expenses recognized in OCI		
Income tax relating to items that will not be classified to profit or loss	10,729	3,429
Total	10,729	3,429

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

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

Particulars	Year ended	
	March-20	March-19
Profit before tax	27,556	24,260
Enacted tax rates in India	25.168	34.944
Income tax expenses	6,935	8,478
Income taxable on Receipt basis	917	-
Tax on expenses not tax deductible	374	360
Tax on income from exempt income	(3,049)	(1,658)
Total Tax expenses as per statement of profit and loss	5,177	7,180

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 25.168% and 34.944% respectively. The reduction in corporate statutory tax rate to 25.168% is consequent to Introduction of section 115BAA in Income Tax Act, 1961

C Movement of Deferred tax assets and Liabilities

i) 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	3,212	(1,715)		1,496
Fair value gain/(loss) on investments	(26,386)	(295)	(10,729)	(37,411)
Provision for post retirement benefits	359	(139)		220
Other temporary differences	728	702		1,430
Net deferred tax assets/(Liabilities)	(21,727)	(1,753)	(10,729)	(34,210)

ii) As at March 31, 2019

(Rs. in Lacs)

Movement during the year ended March 31, 2020	As at April 1, 2018	Credit/ (Charge) in the statement of profit and loss	Credit/(Charge) in other comprehensive income	As at March 31, 2019
Difference between book and tax depreciation	410	(50)	-	360
Allowances for doubtful debts and advances	3,412	(200)	-	3,212
Fair value gain/(loss) on investments	(22,957)	-	(3,429)	(26,386)
Provision for post retirement benefits	376	(17)	-	359
Other temporary differences	721	7	-	728
Net deferred tax assets/(Liabilities)	(18,038)	(261)	(3,429)	(21,727)

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

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, 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	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	9,229	-	-	9,229	9,229
Investments excluding Subsidiary and Associate	8,306	15,714	161,176	185,196	185,196
Other Financial Assets	810	-	-	810	810
Total	25,720	98,406	161,176	285,302	285,302
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

The carrying value of financial instruments by categories as of March 31, 2019 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	1,995	-	-	1,995	1,995
Other balances with banks	317	-	-	317	317
Securities for trade	62,659	-	-	62,659	62,659
Trade Receivables	10,904	-	-	10,904	10,904
Investments excluding Subsidiary and Associate	8,306	13,660	75,759	97,724	97,724
Other Financial Assets	4,595	-	-	4,595	4,595
Total	88,776	13,660	75,759	178,195	178,195
LIABILITIES:					
Trade Payables	630	-	-	630	630
Other financial liabilities	2,045	-	-	2,045	2,045
Total	2,675	-	-	2,675	2,675

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.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

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, 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
Sub total	82,683	-	9	82,692
Investments				
- Equity Shares	-	-	161,176	161,176
- Mutual Funds	14,526	-	-	14,526
- AIF Funds	-	-	1,188	1,188
Sub total	14,526	-	162,363	176,890
Total	97,210	-	162,372	259,582

(Rs. in Lacs)				
As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Instruments				
Securities for trade				
- Debt Securities	50,102	-	-	50,102
- Equity Shares	-	-	-	-
- Mutual Funds	12,557	-	-	12,557
Sub total	62,659	-	-	62,659
Investments				
- Equity Shares	-	-	75,759	75,759
- Mutual Funds	13,228	-	-	13,228
- AIF Funds	-	-	432	432
Sub total	13,228	-	76,191	89,419
Total	75,887	-	76,191	152,078

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

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-20	March-19
Opening Balance	76,190	65,997
Add: Purchase	444	431
Less: Sales	-	-
Add: Fair Value Gain/(Loss)	85,737	9,762
Closing Balance	162,372	76,190

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 risk 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 counter party 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.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

Following provides exposures to credit risk for trade receivables, securities for trade and Investments:

(Rs. in Lacs)

Particulars	As at	
	March-20	March-19
Trade Receivables	9,229	10,904
Debt Instruments in Securities for trade and Investment portfolio	9,306	58,407
Total	18,534	69,312

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 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, 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	6,974
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%	677	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

As at March 31, 2019:

(Rs. in Lacs)

Age of Trade Receivables	Expected Credit Loss Rate	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
0-3 Months	5%	6,535	322	6,213
3-6 Months	10%	1,151	115	1,036
6-9 Months	20%	2,215	443	1,772
9-12 Months	30%	966	290	676
12-15 Months	40%	873	349	524
15-18 Months	55%	1,143	629	514
18-21 Months	70%	181	126	55
21-24 Months	90%	442	398	44
24 Months and above	100%	6,603	6,603	-
Total		20,109	9,275	10,834

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

The gross carrying amount of trade receivables is ₹ 15,101 (2019: ₹ 20,109)

During the year company made write off of ₹ 4540 lacs (2019: ₹ 2335 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 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	107,356	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)	103,108	8,537	194,571	306,216

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2019:

(Rs. in Lacs)

Particulars	Less than 1 year	1-5 years	Greater than 5 years	Total
Assets				
Cash and bank balance	2,306	5	-	2,311
Securities for trade	62,659	-	-	62,659
Receivables	10,886	19	-	10,904
Investments	7,103	7,388	107,686	122,178
Other Financial assets	4,183	413	-	4,595
Total	87,137	7,824	107,686	202,648
Liabilities				
Payables	630	-	-	630
Other financial liabilities	1,966	79	-	2,045
Total	2,596	79	-	2,675
Net Excess/(shortfall)	84,542	7,745	107,686	199,973

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.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

(Rs. in Lacs)

Particulars	As at	
	March-20	March-19
Securities for trade	82,692	62,659
Investments	176,890	89,419
Total	259,582	152,078

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-20	March-19
Effect on Profit and loss		
10% increase in prices	7,400	5,130
10% decrease in prices	(7,400)	(5,130)
Effect on Equity		
10% increase in prices	12,430	5,843
10% decrease in prices	(12,430)	(5,843)

41 Leases

41.1 Transition to Ind AS-116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, prospectively. Accordingly, the company has not restated comparative information of the previous year.

41.2 As a Lessee

For transition, the company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to exclusion of the commitments for the leases to which the company has chosen to apply the practical expedient or exemptions as per the standard.

41.3 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.

- 41.4 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 ₹ 609 lacs (2019: 837 lacs) has been debited to statement of profit and loss during the year ended March 31, 2020.

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 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.

The Company has used practical expedient and have not disclosed the amount of remaining performance obligations since its contract with customers have duration of less than one year.

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 amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended	
	March-20	March-19
Revenue from the contracts (as per contract)	31,664	24,923
Adjustment for Contract Liabilities	31	74
Revenue from the Contracts (as per Statement of Profit and Loss)	31,633	24,848

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

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.

(Rs. in Lacs)

	As at March-20	Within 12 months	After 12 months	As at March-19	Within 12 months	After 12 months
ASSETS						
Financial Assets						
Cash and cash equivalents	2,075	2,075	-	1,995	1,995	-
Bank balance other than above	5,301	5,218	83	317	312	5
Securities for trade	82,692	82,692	-	62,659	62,659	-
Receivables	-	-	-	-	-	-
Trade Receivables	9,158	9,158	-	10,834	10,834	-
Other Receivables	71	71	-	70	51	19
Investments	210,358	7,802	202,556	122,178	7,103	115,074
Other Financial assets	810	341	469	4,595	4,183	413
Total Financial Assets	310,465	107,356	203,108	202,648	87,137	115,511
Non-financial Assets						
Deferred tax Assets (Net)	-	-	-	-	-	-
Current tax Asset (Net)	10,044	(0)	10,045	8,535	-	8,535
Investment Property	6,233	-	6,233	6,562	-	6,562
Property, Plant and Equipment	555	-	555	567	-	567
Capital work in progress	-	-	-	-	-	-
Intangible assets	7	-	7	11	-	11
Other non-financial assets	812	812	-	190	145	45
Total Non - Financial Assets	17,651	812	16,839	15,865	145	15,720
TOTAL ASSETS	328,116	108,169	219,947	218,513	87,282	131,230
LIABILITIES						
Financial Liabilities						
Payables	1,222	753	470	531	531	-
Borrowings	-	-	-	-	-	-
Other financial liabilities	3,026	3,026	-	2,045	1,966	79
Total Financial Liability	4,248	3,779	470	2,576	2,497	79
Non-Financial Liabilities						
Deferred tax Liabilities (Net)	34,210	-	34,210	21,727	-	21,727
Provisions	875	391	484	1,035	100	935
Other non-financial Liabilities	875	875	-	1,134	1,134	-
Total non-financial Liability	35,960	1,267	34,693	23,896	1,234	22,663
Total Liabilities	40,208	5,046	35,163	26,472	3,730	22,742
Net	287,907	103,123	184,784	192,041	83,552	108,489

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020 (Contd...)

44 Significant Investment in Subsidiaries and Associates

Name of the Company Principal place of business	Subsidiary/ Associate	% of shares held
SBICAP Securities Ltd., 191, Maker Tower Cuffe Parade, Mumbai - 400 005.	Wholly - Owned Subsidiary	100.00%
SBICAP Trustee Company Ltd., 202, Maker Tower Cuffe Parade Mumbai - 400 005.	Wholly - Owned Subsidiary	100.00%
SBICAP Ventures Ltd., 202, Maker Tower Cuffe Parade Mumbai - 400 005.	Wholly - Owned Subsidiary	100.00%
SBICAP (Singapore) Ltd., 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 Disposal of Subsidiary SBICAP (UK) Limited (SUL)

The Board of Directors of the company in their meeting held on July 19, 2019 have approved the winding up of Wholly owned subsidiary company SUL. Subsequently voluntary winding up proceedings have been initiated for SUL.

During the year under review company has received ₹ 116 lacs (GBP 1,35,065). Consequently the proceeds received from SUL has been considered as proceeds on disposal, and further no proceeds are to be received hence loss of ₹ 232 lacs has been charged to statement of profit and loss for the year ended March 31, 2020.

46 Impairment of Financial Instruments

SBICAP (Singapore) Ltd., the wholly owned subsidiary of the Company has been incurring losses at Earnings Before Interest, Tax and Depreciation and Profit after tax level. The Company had hence reviewed the carrying value of investment in SBICAP (Singapore) Ltd.

Accordingly, the Company has estimated recoverable value of Investment in SBICAP (Singapore) Ltd. at ₹ 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 ₹ 159 lacs is charged in the statement of profit and loss for the year ended March 31, 2020.

47 Impact of COVID-19 (Global Pandemic)

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous Governments and companies, including the Company, have introduced variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced strict 21-day lockdown which was further extended by 19 days across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Company's performance will depend on future developments, which are highly uncertain, including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the company.

Financial instruments carried at fair value as at March 31, 2020 is ₹ 259,582 lacs and financial instruments carried at amortised cost as at March 31, 2020 is ₹ 25,720 lacs. The fair value of these assets is marked to an 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, 2020

Financial assets of ₹ 25,720 lacs as at March 31, 2020 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 ₹ 9229 lacs (net of provision) as at March 31, 2020 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 ₹ 9229 lacs as at March 31, 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹ 5943 lacs as at March 31, 2020 is considered adequate.

48 Events occurring after the balance sheet date

There have been no events after the reporting date that require disclosure in these financial statements.

49 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: Jaipur

Date: 29th April, 2020

For and on behalf of Board of Directors

Sd/-
Dinesh Kumar Khara
Director

Sd/-
Krishnan Kutty Raghavan
Senior Vice President & CFO
Place: Mumbai

Sd/-
Arun Mehta
Managing Director & CEO

Sd/-
Amit Shah
Company Secretary

Contact us

Location	Telephone	Fax	Email
Corporate Office:			
Mumbai	+91 (22) 2217 8300	+91 (22) 2218 8332	corporate.office@sbicaps.com
Regional Offices:			
New Delhi	+91 (11) 23418770 / 23485201	+91 (11) 2341 8773	head.ndro@sbicaps.com
Kolkata	+91 (33) 23023211	+91 (33) 2288 6608	head.calro@sbicaps.com
Chennai	+91 (44) 28601617 / 28602003	+91 (44) 2860 124	head.chenro@sbicaps.com
Hyderabad	+91 (40) 2349 0200	-	head.hro@sbicaps.com
Ahmedabad	+91 (79) 2656 0122	-	dipal.talsania@sbicaps.com
Subsidiaries:			
SBICAP Securities Ltd.	+91 (22) 4227 3300 / 3301	+91 (22) 4227 3472	helpdesk@sbicapsec.com
SBICAP Trustee Co. Ltd.	+91 (22) 4302 5555	+91 (22) 2204 0465	stcl@sbicaptrustee.com
SBICAP (Singapore) Ltd.	+65 6709 8650	+65 6709 8655	singapore@sbicaps.com
SBICAP Ventures Ltd.	+91 (22) 4921 2800	+91 (22) 4921 2816	suresh.k1@sbicapventures.com

NOTES



202, Maker Tower 'E'
Cuffe Parade, Mumbai - 400 005
+ 91 (22) 2217 8300
CIN: U99999MHI986PLC040298
www.sbicans.com

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