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Celebrating
30 years of success

ANNUAL REPORT 2015 - 2016



A Ballad of Excellence



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August 1, 1986 witnessed the birth of a luminary in the Indian Investment Banking scenario. We started our journey as the Investment Banking arm and a wholly owned subsidiary of State Bank of India, the largest commercial bank of the country. With our eyes firm on the summit and our mind open to the new, we kept learning and applying ourselves until we became the leading Investment Banker of the country, offering the entire gamut of Investment Banking and Corporate Advisory services, both onshore and offshore. We are proud to be the only Indian member of M&A International, which operates in over 40 countries. Market scenarios change, but what doesn't change is our penchant for making the best out of any situation, the commitment to explore and improve new business areas and the passion to stay on the road of ever-growing success.



An Insightful Vision

To be the best India based Investment Bank.

A Marvelous Mission

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



ANNUAL REPORT 2015-2016

I N D E X

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Team Extraordinaire

BOARD OF
DIRECTORS



Smt. Arundhati Bhattacharya
Chairman



Shri V. G. Kannan
Director



Dr. Dharmendra Bhandari
Director



Smt. Bharati Rao
Director



Shri Devijit Singh
Director



Shri Narayan K. Seshadri
Director



Smt. Varsha Purandare
MD & CEO



Smt. Aruna Jayanthi
Director



Shri Ashwani Bhatia
Whole-Time Director

IFR ASIA

IFR Asia 'India Loan House of the Year' for 2015

ASIAMONEY

'Best Country Deal- India 2015' for Coal India's Rs. 225.6 bn offer for sale in which SBICAP was one of the book-runners

ASIA INFRASTRUCTURE 2016 AWARDS

For Project Finance House of the Year, Best Telecom Deal and Best Transport Deal, India

AWARDS & RANKINGS

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PRIME DATABASE

SBICAP was ranked No. 3 in IPO/FPO/ Rights Issues/OFS Issues/QIPs/IPPS/IDRs for FY16 with a total of 11 issues raising over Rs 20,000 cr, representing 35.9% of the overall amount raised

Thomson Reuters LPC/Basis Point ASIA PACIFIC 2015 Syndicated Loans

No. 1 South Asia Mandated Arranger with market share of 12.77% (volume - USD 2,206,176,667)

BLOOMBERG

In the Asia Pacific Ex-Japan Ten Largest Deals 2015, ONGC Petro Additins Ltd (OPaL) ranked 4th (only Indian deal listed).

No.1 Indian Borrower Foreign Currency Loans Mandated Lead Arrangers with market share of 31.57% (USD 6687 Mln)

No.1 Local currency loans Mandated Lead Arranger with 58.06% market share (Volume INR 1,093,587 Mln)

No.1 Indian Borrower Loans Mandated Lead Arranger with 46.78% market share (Volume INR 1,514,768 Mln)

**THE ASSET TRIPLE A
REGIONAL AWARDS 2015**

Best rights offering for
Tata Motors US\$ 1.2 bn
rights offering

Best secondary
placement for Indiabulls
Housing Finance's
US\$600 mn QIP

Project Finance House
of the year 2015, India

Best Telecom Deal,
India - Reliance
Communications

Best Transport Deal,
India - Financial adviser
- Krishnapatnam Port
Company

007

DEALOGIC

Ranked No.1 MLA with
6.7% market share (USD
22,304 Mn) in the
Dealogic Global Project
Finance League Loans
rankings 2015

No.1 Financial Adviser
of Global Project
Finance Loans with
14.6% market share
(USD 30,381 million
volume)

No.1 MLA Asia Pacific
Project Finance All
Financial Adviser with
market share of 44.3%
(Volume
USD 28,860 Mln)

No.1 MLA Asia Pacific
Project Finance Loans
with market
share of 18.4%
(USD 21,432 Mln)

No.1 MLA Asian Project
Finance Loans with
27.1% market share
(USD 21,432 Mln)

The
Winning
Streak

A Quick Note

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ABOUT US



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

SBICAP offers the entire bouquet of investment banking and corporate advisory services. The service bouquet includes the full range of financial advisory services under one umbrella covering Project Advisory and Loan Syndication, 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 turn-around phases. SBICAP is a global leader in the area of Project Loan Syndication and has lent crucial support to the Indian infrastructure sector.

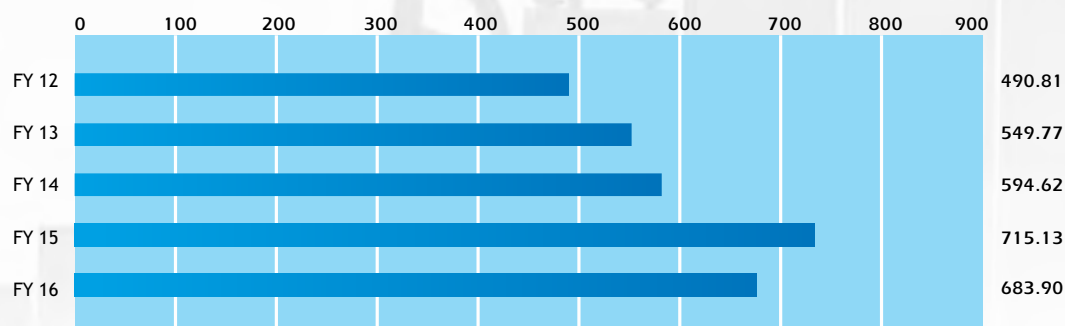
SBICAP is known for its astute professionalism and business ethics. The team of executives consists of qualified and dedicated professionals with vast experience in the fields of Project Advisory, M&A Advisory, Corporate Strategy or Business Restructuring Advisory, arranging of Private Equity/Structured Finance, Equity, Debt and Hybrid Capital raising.

Headquartered in Mumbai, SBICAP has 5 regional offices across India (Ahmedabad, Chennai, Hyderabad, Kolkata and New Delhi), 1 branch office in Pune and 5 subsidiaries - SBICAP Securities Limited, SBICAP Trustee Company Limited, SBICAP Ventures Limited, SBICAP (UK) Limited and SBICAP (Singapore) Limited. The regional offices are located strategically at major business hubs in the country and closely liaise with clients at those and nearby centers.

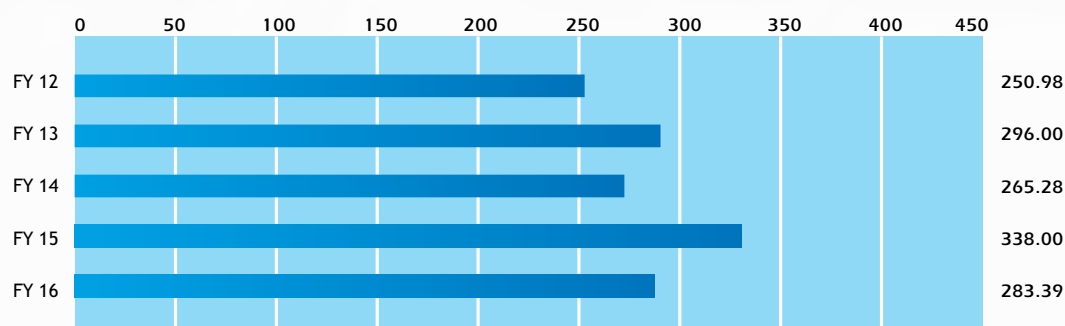
SBICAP also offers services in the areas of Equity Broking & Research, Security Agency & Debenture Trusteeship and Private Equity Investment & Asset Management through its wholly-owned subsidiaries SBICAP Securities Limited, SBICAP Trustee Co. Ltd and SBICAP Ventures Limited, respectively.

FINANCIAL HIGHLIGHTS

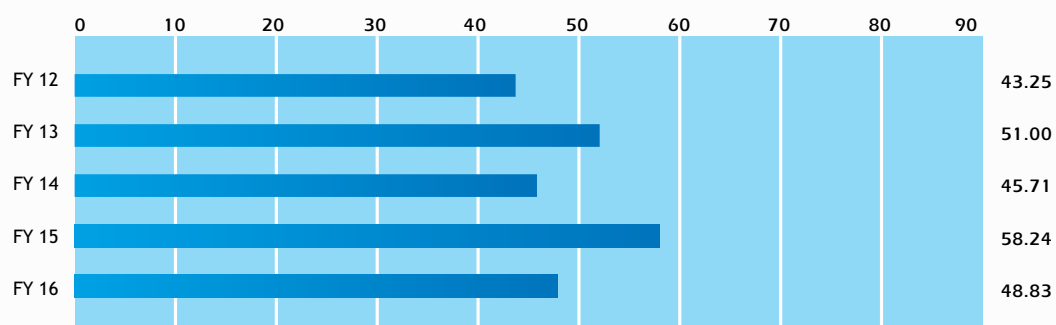
GROSS INCOME (₹ in crores)



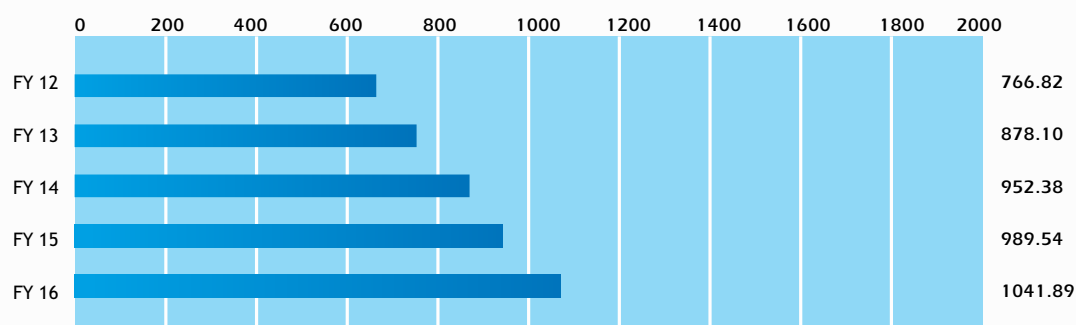
PROFIT AFTER TAX (₹ in crores)



EARNINGS PER SHARE (₹ in crores)



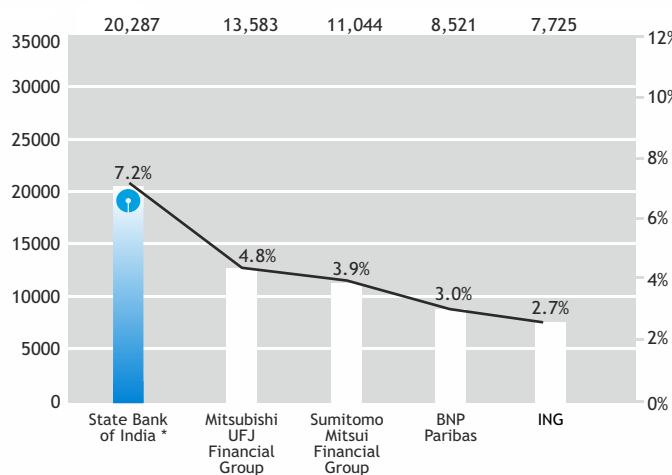
NET WORTH (₹ in crores)



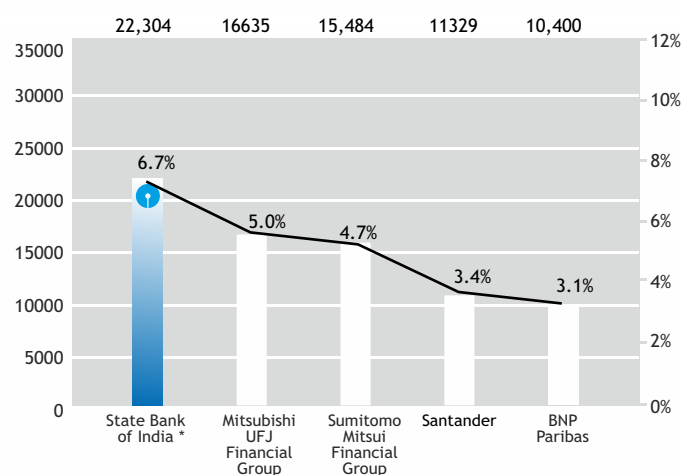


MARKET STANDING

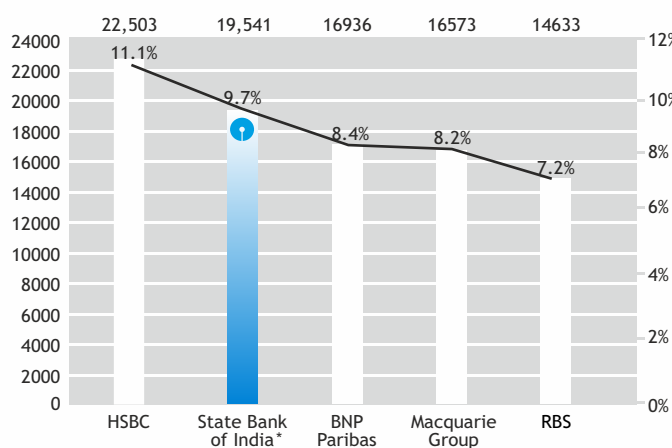
Global Project Finance Loans Ranking (CY 14)
(Value in USD mn; market share in %)



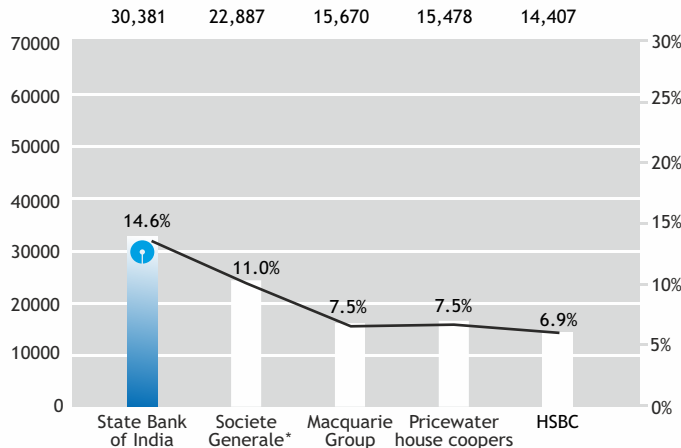
Global Project Finance Loans Ranking (CY 15)
(Value in USD mn; market share in %)



Global Project Finance Adviser Rankings (CY 14)
(Value in USD mn; market share in %)



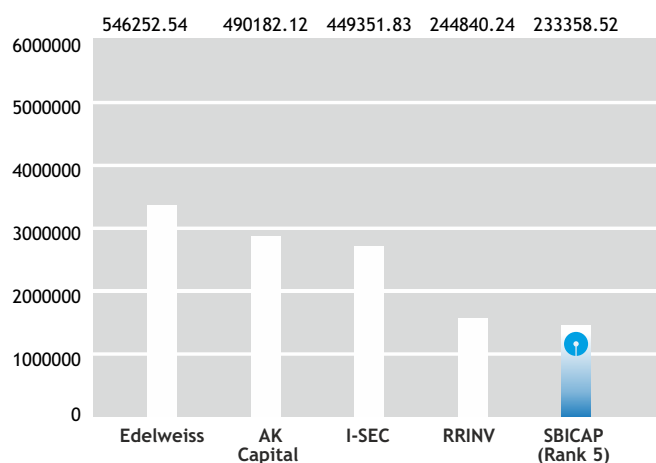
Global Project Finance Adviser Ranking (CY 15)
(Value in USD mn; market share in %)



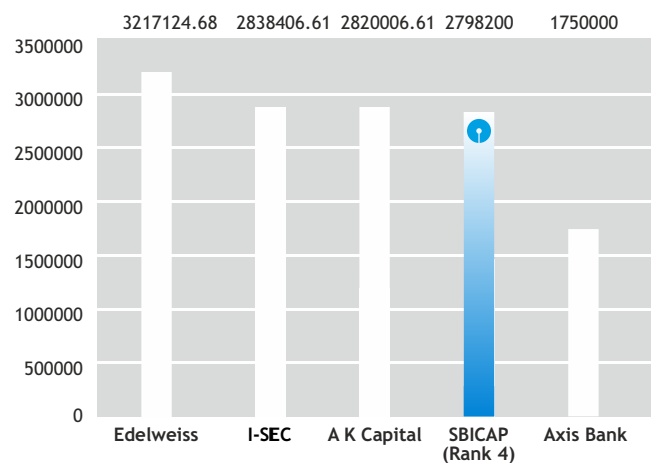
Source: Dealogic Project Finance Review

Source: Dealogic Project Finance Review

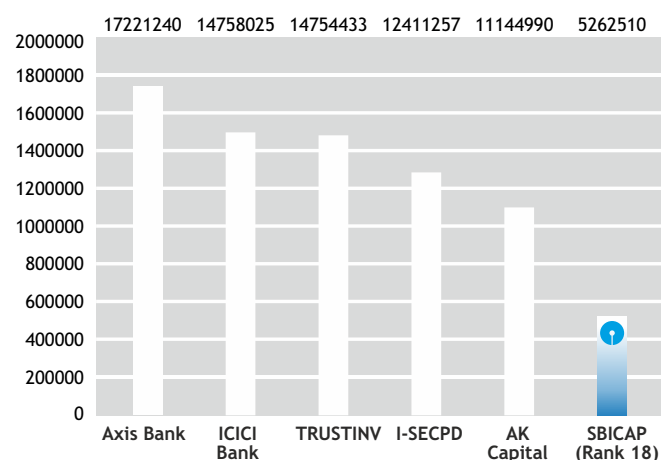
PUBLIC ISSUE OF DEBT (₹ in lakhs) FY 15



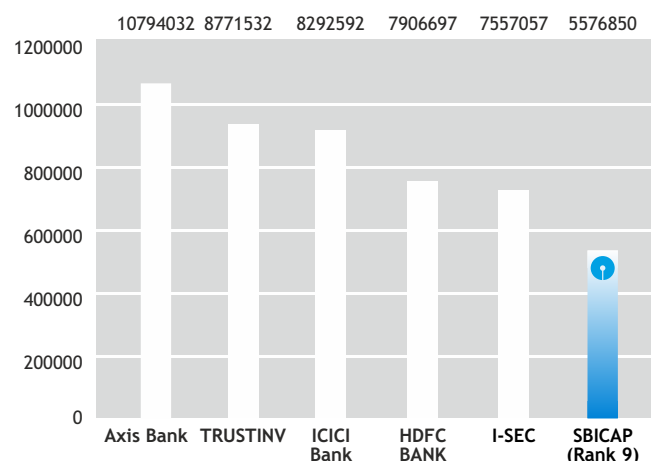
PUBLIC ISSUE OF DEBT (₹ in lakhs) FY 16



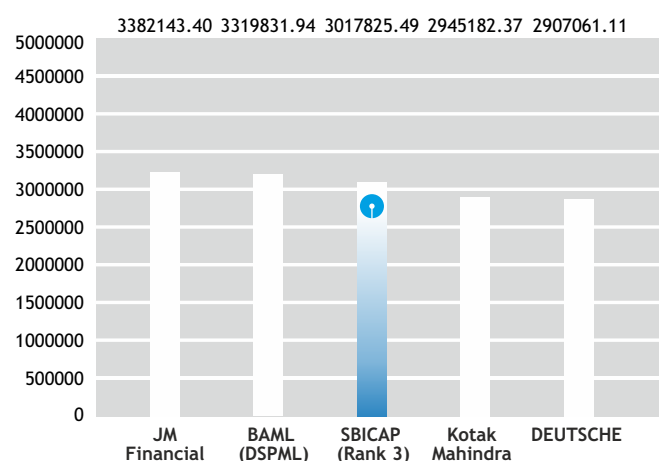
PRIVATE PLACEMENT OF DEBT (₹ in lakhs) FY 15



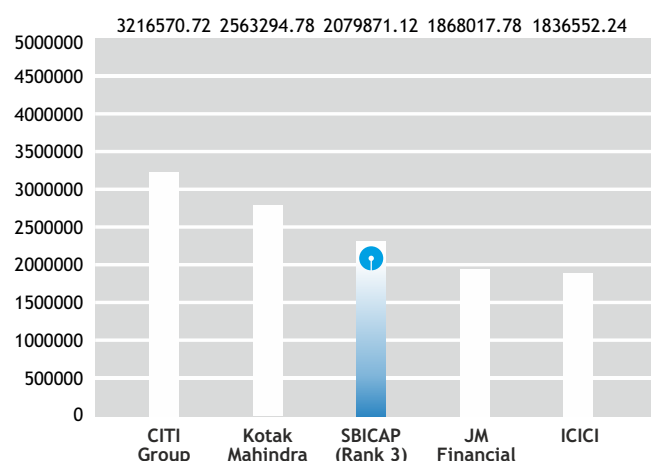
PRIVATE PLACEMENT OF DEBT (₹ in lakhs) FY 16



ALL EQUITIES (₹ in lakhs) FY 15



ALL EQUITIES (₹ in lakhs) FY 16



Source: Prime Database

Attuned to Accomplishment

THE INFRASTRUCTURE GROUP

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

The Group has been the pioneer in advisory services in the country with a comprehensive range of offerings covering the entire life cycle of the 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. On the other hand, its strong relationship with banks and financial institutions - both domestic and overseas, make SBICAP the market leader and first port of call for Debt Syndication services for project finance as well as structured finance transactions, infrastructure Group also provides services like M&A advisory, private equity tie up, restructuring advisory, pre-bid advisory and bid process management services, etc. in this space. The Infrastructure Group has also established itself firmly in the structured finance space by successfully structuring and executing some of the very complex transactions.

This group has a team of more than 300 highly qualified professionals from diversified backgrounds with relevant experience and expertise in respective infrastructure and core industries sub-sectors i.e. Energy, Transportation & Urban Infra, Telecom, Aviation, Mining, Steel etc. With the continued focus of the Indian Government on infrastructure development, the infrastructure Group is well placed to continue its eminence in this sector and to act as a key ally for both the Government and the Private sector in their endeavours towards overall economic development.



THE INFRASTRUCTURE GROUP OFFERINGS



DEBT, M&A AND PRIVATE EQUITY ADVISORY

- Arrange onshore and offshore debt and working capital
- Raise funds from ECA'S and multilateral agencies
- 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
- Valuation Advisory Services

FINANCIAL APPRAISAL, BID ADVISORY

- Financial appraisal of projects
- Due diligence and capital structuring
- Strategy and bid advisory to State / Central Governments and regulatory bodies
- Business valuation and joint venture advisory

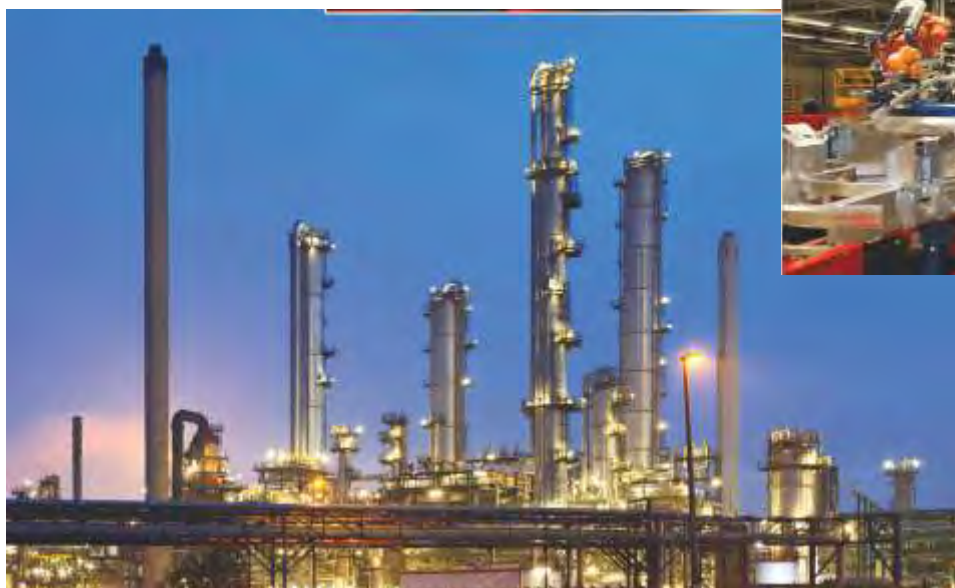
STRUCTURED FINANCE : ACQUISITION, LEVERAGE, MEZZANINE FINANCING AND CONVERTIBLES WITH CUSTOMIZED SOLUTIONS

- Arranging bridge and interim finance for acquisitions
- Structured trade finance for raising funds for overseas companies
- Advising clients for participation in international project syndications
- Structured finance products for off-balance sheet and receivable financing
- Flexible financing scheme under the 5:25 scheme of RBI
- Capital raising for banks through ECA/Multilaterals

CORPORATE RESTRUCTURING OF COMPANIES

- Re-organization and re-capitalization advisory
- Financial viability and business plan advisory
- Debt restructuring both within and outside the CDR/JLF mechanism
- Strategic Debt Restructuring/S4A under the RBI framework

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THE INVESTMENT BANKING GROUP (IBG)



Our Investment Banking team specializes in assisting clients with fund-raising and advisory transaction including private equity and M & A. With over 30 years of experience, we have established our position as a merchant banker of choice by providing customized client solutions. IBG assists our clients (Corporates, Banks, Financial institutions, PSUs, State Government Undertakings, etc.) in fund-raising by way of equity and debt from both Domestic and Foreign Investors. Our investor relationships spanning across corporates, banks, domestic and foreign financial institutions, central and state public sector undertakings, high net-worth individuals and retail individuals have been long-standing and give us an edge in our product and solution offerings both in the equity and debt capital markets space. We are also advisors to regulators and policy makers.

We have experts with in-depth knowledge and experience in both domestic and cross - border mergers and acquisitions, acquisition financing and private equity. The team has handled complex deals and has many successful deal closures to its credit across different industry verticals. SBICAP is also the Indian Member of M&A International Inc. (www.mergers.net). Established in 1985, M&A International Inc. offers unparalleled, global resources of over 600 M&A professionals in every major financial center of the world.

EQUITY PRODUCTS AND SOLUTIONS OFFERED BY IBG INCLUDE:

- Public Issues including Initial and Follow on Public Offerings (IPOs and FPOs) and Rights Issue
- Private Placements including Qualified Institutional Placements (QIPs) and Institutional Placement Program (IPP)
- Capital market advisories including open offers, Buy back and Delisting offers
- Offer for Sale (OFS) on the stock exchange
- Bulk and block trades on exchanges and off-market transactions
- Offerings of convertible securities
- Arranging private equity including growth capital, pre-IPO convertibles, Private Investment in Public Equity (PIPE), mezzanine debt and equity and equity offerings completed as a private placement
- Capital restructuring advisory
- Advisory and arrangement services for products such as AIM listing, Indian Depository Receipts ADR/GDR and other off-shore equity listing options
- Valuation advisory

DEBT PRODUCTS AND SOLUTIONS OFFERED BY IBG INCLUDE:

- Private placement of Non-Convertible Debentures (NCDs) / CPS / Bonds (including tax free bonds)
- Public Issue of Bonds - including Taxable and Tax Free bonds
- Foreign Currency Denominated Bonds / MTNs
- Structured Debt/ Securitization
- Fund Raising Advisory
- Masala Bonds
- REITS & InvITs
- Credit Enhanced Bonds



Directors' Report For The Financial Year 2015-16

To the Members,

Your Directors are pleased to present the 30th Annual Report of the Company together with the audited accounts for the year ended 31st March, 2016.

FINANCIAL PERFORMANCE (Standalone and Consolidated)

The Company's financial performance, for the year ended 31st March, 2016 is summarized below:

(Rs. in Crores)

Financial Year ended March 31	Standalone		Consolidated #
	2016	2015	2016
Operating Results			
Gross Income :			
a) Fee based Income	599.24	601.50	793.67
b) Income from securities, Lease and hire purchase and other Income	84.66	113.63	88.75
Total	683.90	715.13	882.42
Profit before provisions, Depreciation, Interest and Tax	484.60	544.67	510.59
Provisions	49.72	32.11	51.43
Depreciation	9.59	4.66	30.43
Interest	0	0	1.19
Profit before tax	425.29	507.90	427.54
Less: Provision for Tax	141.90	169.90	149.19
Profit after Tax	283.39	338.00	278.45
Add: Balance in Profit and loss Account	527.47	523.08	586.97
SUB-TOTAL	810.86	861.08	865.42
ADD: Share in Profit of Associate upto the end of preceding financial year	-	-	0.72
SUB-TOTAL	810.86	861.08	866.14
LESS: APPROPRIATION			
Transferred to General Reserve	28.34	33.80	29.67
Dividend on Equity Shares	185.71	249.54	185.71
Tax on Dividend	37.80	49.90	37.81
Adjustments, if any*	0	0.37	0
CLOSING BALANCE	559.01	527.47	612.95
Financial Position			
Equity Share Capital	58.03	58.03	58.03
Reserves and Surplus	1020.62	960.74	1083.12
Other Selected Data			
Earnings per share (Rs.)	48.83	58.24	47.98
Return on Equity	26.27%	33.18%	24.40%
Dividend per share (Rs.)	32.00	43.00	-
Book Value per share (Rs.)	185.87	175.55	196.64

*Carrying Amount of the fixed Assets whose remaining useful life was nil as at 01st April, 2014.

This being the first occasion that consolidated financial statements are presented, figures for the previous period are not presented as per Para 30 of Accounting Standard 21 issued by the Institute of Chartered Accountants of India and notified by Companies Act, 2013.

Standalone and Consolidated - Revenues and Profits

On a standalone basis your Company has achieved total income of Rs. 683.90 crores (previous year Rs. 715.13 crores). The Company booked fee based income of Rs. 599.24 crores (previous year Rs. 601.50 crores) a decrease of income by 0.38% in the current year as compared to previous financial year. The Company has reported Profit after Tax (PAT) of Rs. 283.39 crores (previous year Rs. 338 crores) PAT has decreased by 16.16% in the current year as compared to previous financial year.

Directors' Report For The Financial Year 2015-16

On a consolidated basis your Company has achieved a total income of Rs. 882.42 crores and reported PAT of Rs.278.35 crores

DIVIDEND

The Board, in its meeting held on 29th March, 2016 declared Interim Dividend of Rs. 32/- per equity share. The payment of Interim Dividend has resulted in Dividend outflow of Rs. 185.71 crores and Dividend Distribution Tax of Rs. 37.80 crores aggregating to Rs. 223.51 crores. The Directors recommend that the Interim Dividend of Rs.32/- per equity share be declared as the Final Dividend.

TRANSFER TO RESERVES

Out of the current year's profits, the Directors propose that a sum of Rs. 28.34 crores be transferred to the General Reserve. An amount of Rs. 1,020 crores is proposed to be retained in the surplus at the standalone level.

REVIEW OF BUSINESS PERFORMANCE OF THE COMPANY

The performance of your Company during the financial year 2015-2016 in respect of various activities is as under:

(I) Merchant Banking & Advisory Fees

(a) Investment Banking Group - Equity Capital Markets (ECM)

Your company was ranked No. 3 in Equity Issuances during the financial year 2015-2016, raising over Rs. 20,800 crores and representing 36% of the overall amount raised in the market. We have provided service across the spectrum of equity products such as IPO, Offer for Sale, Rights Issue, QIP, Mergers & Acquisitions, Open Offer and Advisory during the year. SBICAP was one of the Book Running Lead Managers (BRLM) in the IPO of Navkar Corporation Ltd., Prabhat Dairy Ltd., Precision Camshafts Ltd. and Infibeam Corporation Ltd. The Company was the BRLM in the Rs. 450 crore landmark IPO of Infibeam Corporation Ltd., the nation's first IPO of an e-commerce company. The Company was the BRLM in the Rs. 410 crores IPO of Precision Camshafts Ltd, which was the first IPO from Auto component sector in the last five years. ECM has achieved gross fee income of approx. Rs. 48 crores in FY 2015-2016, which is 300% of the income achieved in FY 2014-2015. SBICAP was accredited for two deals from renowned agencies - 'Best Country Deal – India' for the OFS issue of Coal India in 2015 (Rs. 22,558 crores) by Asia money Awards and 'Best Deals – Equity' for the rights issue of Tata Motors in 2015 (Rs. 7,500 crores) for being the first rights offering by an Indian corporate to ADR holders in US by Asset Triple AAwards.

It was also a landmark year for the ECM in terms of the variety of transactions. SBICAP was advisor to Kesoram Industries Limited for selling their Laksar Tyres Division (Birla Tyres) to JK Tyres for approx. Rs. 2,170 crores. SBICAP was the sole manager for the open offer to the shareholders of Tide Water Oil Co (India) Ltd by Standard Grease for Rs. 400 crores. SBICAP had successfully concluded the Sale of Vishnupriya Hotels ("Four Points by Sheraton" in Vizag) to SAMHI Hotels.

SBICAP was also ranked no. 1 in the OFS Issues in terms of the number of issues in the market and were the Lead Managers in the OFS of Dredging Corporation of India, Power Finance Corporation, Engineers India and NTPC Ltd. SBICAP had also managed the ~Rs. 7,500 crores Rights issue of Tata Motors Ltd., Rs. 1,418 crores, Rights issue of GMR Infrastructure, Rs. 4,000 crores QIP of Indiabulls Home Loans and the QIP of Insecticides India. With the increasing appetite for equity in the market, the group is aggressively pursuing opportunities across geographies and products and has a strong pipeline of over Rs. 30,000 crores of Equity issuances for the forthcoming year.

(b) Debt Capital Markets – (DCM)

During FY 2015-2016, the Company had handled debt issues (both Private and Public Issues) aggregating to Rs.95,493 crores. On the private placement side, SBICAP placed debt issues aggregating Rs. 67,511 crores. SBICAP has improved its Prime ranking in private placement category (including private placement of Tax Free bonds) from 18th position in FY 2014-2015 to 8th position in FY 2015-2016. As per Bloomberg league table, SBICAP has also improved its ranking from 14th position in FY 2014-2015 to 2nd position in FY 2015-2016. Some of the large issues successfully executed on private placement basis during the year include Nuclear Power Corporation of India Ltd., Reliance Jio, LIC Housing Finance and Piramal Enterprises among others.

SBICAP handled 8 public issues aggregating Rs. 27,982 crores. SBICAP was ranked no. 4 in Prime ranking for debt public issue category. Some of the large public issues successfully completed during the year include National Highway Authority of India Limited, Indian Railway Finance Corporation and National Bank for Agriculture and Rural Development among others.

Directors' Report For The Financial Year 2015-16

Further, SBICAP has executed two Foreign Currency Bond transactions aggregating in excess of USD 1 Billion. This included USD 650 Million by Adani Ports and Special Economic Zone (APSEZ) and USD 500 Million by NTPC Limited. The Company has been ranked amongst top 10 arrangers in current financial year in Bloomberg for India domiciled foreign currency bond category. The Company continues to be the only Indian Investment Bank helping corporates in raising Foreign Currency Bonds. SBICAP has also been mandated by NTPC and IRFC for their proposed off-shore rupee denominated bonds (Masala Bonds).

(c) Infrastructure Group

The Infrastructure Group has been able to maintain its leadership position in the country with a market share of 46.78% (as reported by Bloomberg) and syndicated loans worth Rs. 1,514,768 million through 109 deals. With this, the Group's fee income in the Financial Year 2015-2016 amounted to Rs. 547.79 crores (Previous Year Rs. 564.58 crores).

The Company continued to be the forerunner of advisory and syndication services (which aggregated to Rs.454.47 crores in income) affirming the company's strength and leadership in the field. Refinancing advisory also made its mark this year (contributing Rs. 10.24 crores in income). The Mergers & Acquisitions & Private Equity mandates achieved a notable income (Rs. 49.72 crores) for the year which included fee received due to sharing of services from other groups (Rs. 6.47 crores). Your company also continued to be the industry leader in terms of Debt Restructuring Advisory (CDR Advisory and Debt Restructuring Advisory contributed Rs. 26.89 crore) and has been able to secure mandates across a wide spectrum of industries, which is expected to continue in future.

Through the rankings by various publications, it is visible that your company's numero uno status was maintained this year as well. Your company was ranked and retained the no. 1 position of Global Project Finance Loans Mandated Lead Arranger as well as the no. 1 position of Financial Adviser of Global Project Finance Loans in the 2015 Rankings of the Dealogic League Tables. The Company was also conferred with IFR Asia 'India Loan House of the Year' for 2015. These rankings and awards showcase our strength which is globally acknowledged.

Your company was also able to execute a series of complex/cross border transactions which include Tangsibji Hydro Energy Limited (in Bhutan which was co-financed with ADB), Meenakshi Energy Private Limited, DA Toll Roads Private Limited.

During the year, Infrastructure Group handled some marquee deals and received accolades from the league tables which include:

1. Aircel Group's refinancing of their project loan which was accorded 'The Asia Telecom Deal of the Year', 'India Telecom Deal of the Year' and also 'India Project Finance Deal of the Year', the awards were conferred by The Asset Triple A Asia Infrastructure Awards 2015;
2. Sterling Global Oil Resources Private Limited, Mauritius which was accorded the 'India Oil and Gas deal of the year', the award was conferred by The Asset Triple A Asia Infrastructure Awards 2015 and;
3. ONGC Petro Additions Limited Project Finance facility which was ranked as the 4th largest Project Finance deal in Asia Pacific excluding-Japan.

(d) Income from Securities-Treasury & Investments

The treasury income for the year ended March 2016 was Rs. 35.99 crores as against Rs. 48.12 crores last year as average (income contributing) funds during the financial year 2015-2016 have come down to Rs 400 crores as against Rs 521 crores during the financial year 2014-2015. However, returns from investments were maintained at around 9.22% despite fall in interest rates. Your company has continued with the strategy of increasing portfolio of Fixed Maturity Plans/Debt Mutual Funds for steady income in falling interest rates scenario.

(II) Qualitative Performance

(a) Human Resources

Your company's mission to provide credible, professional and customer focused world class investment banking solutions has been endorsed by the several awards & recognitions received.

Your company believes that "Human Resources" are the critical resource for achieving its objectives and values the resources as

Directors' Report For The Financial Year 2015-16

"Intellectual Capital". The Human Resources function in the Company focuses on transformational rather than transactional processes and continuously strives to align and benchmark its HR policies/practices to the best industry practices. Accordingly, we have implemented ERP systems to automate all HR activities and integrate with the business functions.

The organization is growing rapidly and to keep pace and fuel the growth, experienced professionals were hired from the market and through campus recruitments from the premier B-schools. Our people integration model ensures minimum process time to board people in the Company for faster time to productivity.

Diverse set of professionals are integrated within the Company and by fostering performance behaviour. In order to imbibe collaborative and cohesive culture across functions, the performance of officials is also measured on Cross Selling of diverse products being offered by the Company to achieve the Organizational Objectives. The performance driven culture is well ingrained in the Company. Performances of individuals are differentiated and "High Performers" who have contributed significantly to the business goals of the Company are recognized.

The HR initiatives for talent development through learning and development programmes have ensured that the Company has the right competencies and skill sets in its workforce to meet the challenging business objectives. The employees are rewarded monetarily as well as by investing in them for their skills development. During the year 2015-16, 38 officials attended Overseas Training/ Conferences/ Seminars/ Forums/ Summits.

Focus on Talent Management, Competency Development, Career Progression, Market Related Compensation and Benefits has helped the Company to attract, motivate and retain the talent as well as build a robust pipeline of future leaders for the Company.

We are an employer providing equal opportunity to all the employees.

(b) Information Technology

The Information Technology group implements and operate solutions to bring operational efficiency. IT Group was able to stabilise the newly implemented ERP platform and bring changes in the process to align with the best practises in Industry. During the financial year 2015-2016, it had implemented new software for Code Of Conduct for Share Dealings. The group has performed a restructuring of the Wide Area Network (WAN) for improved connectivity. The Disaster Recovery Datacentre has co-located to a managed Datacentre for efficient management.

AWARDS & RECOGNITION

Awards

- Asiamoney 'Best Country Deal - India 2015' for Coal India's Rs. 225.6 bn offer for sale in which SBICAP was one of the book-runners
- IFR Asia 'India Loan House of the Year' for 2015
- Best rights offering for Tata Motors US\$ 1.2 bn rights offering, in which SBICAP was one of the joint lead managers at the Asset Triple A Regional Awards 2015
- Best secondary placement for Indiabulls Housing Finance's US\$600 mn OIP, in which SBICAP was one of the joint global coordinators and book running lead managers at the Asset Triple A Regional Awards 2015.
- Asia Infrastructure 2016 Awards for Project Finance House of the Year, Best Telecom Deal and Best Transport Deal, India

Rankings

The Company has received top rankings from many ranking agencies. Significant among them are:

- Dealogic
 - Ranked No.1 Mandated Lead Arranger with 6.7% market share (USD 22,304 Million) in the Dealogic Global Project Finance League Loans rankings 2015
 - No.1 Financial Adviser of Global Project Finance Loans with 14.6% market share (USD 30,381 million volume)
 - No. 2 Mandated Lead Arranger Global PFI/PPP Project Finance Loans with 4.0% market share (Volume USD 2,474 Million)

Directors' Report For The Financial Year 2015-16

- No. 1 Mandated Lead Arranger Asia Pacific Project Finance Loans with market share of 18.4% (USD 21,432 Million)
- No. 1 Asian Project Finance Loans with 27.1% market share (USD 21,432 Million)
- No. 1 Asia Pacific Project Finance All Financial Adviser with market share of 44.3% (Volume USD 28,860 Million)
- Bloomberg League Tables
 - No. 2 Mandated Lead Arranger in Asia-Pac Ex-Japan Loans League Tables 2015, with market share of 5.42% (USD 23,896 Million)
 - In the Asia Pacific Ex-Japan Ten Largest Deals 2015, ONGC Petro Additions Ltd (OPAL) ranked 4th (only Indian deal listed).
 - No. 2 Mandated Lead Arranger with market share of 6.87% (Volume USD 23,896 Million) for Asia ex-Japan Loans
 - No. 1 Indian Borrower Loans Mandated Lead Arranger with 46.78% market share (Volume INR 1,514,768 Million)
 - No. 1 Local currency loans Mandated Lead Arranger with 58.06% market share (Volume INR 1,093,587 Million)
 - No. 1 Indian Borrower Foreign Currency Loans Mandated Lead Arrangers with market share of 31.57% (USD 6687 Million)
- Thomson Reuters LPC/Basis Point ASIA PACIFIC 2015 Syndicated Loans
 - Thomson Reuters 2015 South Asia Mandated Arranger - SBI Ranked No. 1 with market share of 12.77% (Volume - USD 2,206,176,667)
- Thomson Reuters-PFI
 - Ranked No. 4 in Global Project Finance Loans (market share 3.9% /volume USD 10,854.60 Million)
 - No. 2 in Asia Pacific Project Finance Loans (market share 14.2%)
- Prime Database
 - SBICAP was ranked No. 3 in IPO/FPO/Rights Issues/OFS Issues/QIPs/IPPS/IDRs for FY16 with a total of 11 issues raising over Rs 20,000 crores, representing 35.9% of the overall amount raised

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National Investment and Infrastructure Fund (NIIF)

SBICAP had organized "NIIF Infrastructure Summit" at New Delhi during February 2016. It was inaugurated by Finance Minister Shri Arun Jaitley and addressed by Chairman, SBI, Secretary (Economic Affairs) and many Union Cabinet Ministers. NIIF fund logo was unveiled by **Honourable Finance Minister Shri. Arun Jaitley**. Summit had active participation from all the States. The summit was attended by Sovereign Wealth Fund, Multilateral's, ECA's Pension Funds and delegates from various central ministries. It had provided opportunities to States to show case the investment opportunities in the State.

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

There are no material changes and commitments affecting the financial position of the Company that occurred between the end of the financial year and the date of the report.

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

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. However, one order has been passed by SEBI on March 31, 2016 against three merchant bankers (including the Company) who were involved in one IPO. The order imposed an aggregate penalty of Rs. 1 Crore on all the three merchant bankers of which our share of penalty is Rs. 33.33 Lacs, which has been considered as contingent liability in our financials. All the three merchant bankers have filed an appeal with Securities Appellate Tribunal which is pending for hearing.

Directors' Report For The Financial Year 2015-16

CONSOLIDATED FINANCIAL STATEMENT

During the financial year 2015-16, the Board of Directors of the Company reviewed the 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 positions of each of the subsidiaries.

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 its 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, 2016 your Company has five subsidiaries of which three are domestic and two are foreign subsidiaries, namely:

- (i) SBICAP Securities Ltd;
- (ii) SBICAP Trustee Company Ltd;
- (iii) SBICAP Ventures Ltd;
- (iv) SBICAP (UK) Ltd;
- (v) SBICAP (Singapore) Ltd.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The performance of the five subsidiaries during the year 2015-16 is as follows :-

1. SBICAP Securities Limited (SSL)

Summary of the financial highlights for the year 2015-16 and 2014-15 are as under:-

(Rs.in Crores)

Particulars	FY 2015-16	FY 2014-15
Total Income	160.82	114.02
Expenses	176.39	131.03
Profit Before Tax	(15.57)	(17.57)
Profit after Tax	(15.00)	(17.55)

Institutional Broking:

The institutional broking vertical achieved annual revenue of Rs 16.88 crores during financial year 2015-2016 against Rs. 15.57 crores during financial year 2014-15. The YoY growth achieved was 11.5%. The slow growth was due to poor performance of the benchmark indices & sell-off by FIIs.

The share of SBI group entities in total institutional revenues slipped from 40.9% (Rs 6.48 crores) in 2014-2015 to 30.6% (Rs 5.42 crores) in 2015-2016. The non- SBI institutional clients grew by 4.4% YoY to Rs 7.74 crores. Moreover, the income from institutional research and other fees rose 131% YoY to Rs 4.52 crores thanks to contributions coming from soft dollars, IPOs and other fee-based activities.

Retail Broking :

1. Retail Broking income increased from Rs 57.12 crores to Rs 68.84 crores (+20 % YoY) during 2015-16 including collection of Rs 6.12 crores of prepaid subscription under special basket products.
2. The mobile app versions of the trading platform were well accepted by our clients with more than 100,000+ app downloads. Our app download number is on par with industry leaders like ICICI Securities Ltd and HDFC Securities Ltd.

Directors' Report For The Financial Year 2015-16

- Currently over 30 % of all online trading transactions takes place through our mobile applications.
- Retail broking volumes registered an increase in market share from 0.88 % in March 2015 to 2.24 % in March 2016 in the cash market segment with annual client traded volumes going up by 46% from Rs 27,556 crores during 2014-15 to Rs 40,343 crores during 2015-2016.

Debt Vertical:

	FY 2015-16	FY 2014-15
Revenue (Amount Rs. in Crores)	1.21	0.66
Prime Ranking	9	18
Bloomberg Ranking	2	14

Sales & Distribution :

- Sales & Distribution top line jumped from Rs 20.69 crores to Rs 37.71 crores (+82 % YoY) during 2015-2016. Excellent performance witnessed under 7 tax free issues, 4 IPOs and also by the newly launched business vertical for contribution of Home Loan & Car Loan. The company sourced Rs 3,524 crores in Home Loans and Rs 708 crores in car loan for SBI till 31st March, 2016.
- SSL achieved No. 1 position under issue ranking in 5 year Tax Free Bonds issuances.
- Despite tough market conditions, SSL achieved the following share of total procurements in the IPOs during 2015-16.

Issuer Company	Total Procurement (%)
Prabhat Dairy	34%
Navkar Corporation	23%
Precision Camshaft	17%
Infibeam	15%

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Back Office - Demat Accounts :

- SSL crossed an important benchmark of 1 million client accounts during January 2016 with client base reaching 1,078,349 accounts as on 31st March, 2016.
- On a base of 765,869 on 31st March, 2015, SSL added 312,480 new accounts till 31st March, 2016.
- SSL received awards from (a) CDSL for becoming largest DP of CDSL and (b) NSDL for "Top Performer Active Accounts – Rising DPs" during 2015-2016.

2. SBICAP Trustee Company Limited (SBICTCL)

SBICAP Trustee Company Ltd during the financial year 2015-2016, has registered gross income of Rs.30.78 crores and profit after tax of Rs.13.35 crores as against gross income of Rs.26.69 crores and profit after tax of Rs.11.15 crores for the financial year 2014-2015.

Company's operations are being streamlined and poised to improve the market share during the financial year 2016 – 2017. Presently, the Company is undertaking various Corporate Trusteeship activities viz. Security Trusteeship, Security Agent and Safe Custody of Documents, Debenture/Bond Trusteeship, Escrow Agent, Escrow Trusteeship, Share Pledge Trusteeship, Will management and Will related Trusteeship, Alternate Investment Fund Trusteeship etc

It proposes to undertake various other activities like Role of Facility Agent, SPV management etc.

Directors' Report For The Financial Year 2015-16

SBICTCL is fully automated trustee Company in the country with "Trustee Enterprise Management System (TEMS) an end-to-end Business Automation System encompassing modules which are currently in use viz. Lead Management, Mandate Management, Accounts & Billing Generation, Alerts Generation, CERSAI etc.

As on 31st March, 2016, SBICTCL has five branches viz. Delhi, Kolkata, Bangalore, Hyderabad and Chennai and also representative offices in Pune and Ahmedabad. SBICTCL may also explore new business opportunities in cities like Jaipur, Ludhiana, Raipur and Indore during the next financial year.

Summary of the financial highlights for the year 2015-2016 and 2014-2015 are as under:-

(Rs. in Crores)

Particulars	FY 2015-16	FY 2014-15
Operating Result		
Gross Income		
(a) Fee based – Trustee Remuneration Fees	27.32	24.09
(b) Other Income	3.46	2.60
Total	30.78	26.69
Expenses	10.70	9.49
Profit before Tax	20.08	17.20
Profit after Tax	13.35	11.15

During the year the Company received 344 nos. of new assignments against corresponding period of previous year i.e. 264 nos. of new assignments. Though the Company registered encouraging growth in business volume of 30.30% but due to market conditions the per assignment income reduced drastically. It resulted growth in gross income of 15.32% and has also registered growth in profit after tax of 19.73% as compared to previous year.

3. SBICAP Ventures Limited (SVL)

A brief summary of the major financial highlights is as under:

(Rs. in Crores)

Particulars	FY 2015-16	FY 2014-15
Fee Income	6.87	0.00
Other Income	2.70	0.35
Gross Income	9.57	0.35
Expenses	5.09	2.20
Profit/(Loss) Before Tax	4.47	(1.85)
Profit/(Loss) After Tax	3.64	(1.85)

SVL booked a gross income of Rs. 9.57 crores as against Rs. 0.35 crores during the corresponding period last year and booked profit of Rs. 3.64 crores as against loss of Rs. 1.85 crores booked during the previous financial year.

SVL is managing the Neev Fund, an AIF Category I Infrastructure Fund, with DFID as one of the contributor alongwith State Bank of India group. The Fund made its first investment during the year, as a result of the Fund's initial close, the Company is now receiving management fees.

Directors' Report For The Financial Year 2015-16

4. SBICAP (UK) Limited (SUL)

A brief summary of the major financial highlights is as under:

(Rs. in Crores)

Particulars	FY 2015-16	FY 2014-15
Fee Income	0.54	0.03
Other Income	0.31	0.50
Gross Income	0.85	0.53
Expenses	6.52	4.34
Profit/(Loss) Before Tax	(5.67)	(3.81)
Profit/(Loss) After Tax	(5.67)	(3.81)

SUL booked a gross income of Rs. 0.85 crores as against Rs. 0.53 crores during the corresponding period last year and booked loss of Rs. 5.67 crores as against loss of Rs. 3.81 crores booked during the previous financial year.

5. SBICAP (Singapore) Limited (SSGL)

A brief summary of the major financial highlights is as under :

(Rs. in Crores)

Particulars	FY 2015-16	FY 2014-15
Fee Income	4.31	10.45
Other Income *	(0.36)	1.64
Gross Income	3.95	12.09
Expenses	5.03	4.45
Profit/(Loss) Before Tax	(1.08)	7.64
Profit/(Loss) After Tax	(1.08)	7.51

*Comprising loss from exchange translation on non-SGD balances, trading/settlement and interest income

A synopsis of the non-INR bonds underwriting mandates executed by SSGL this year is, as under:

Sr. No	Issuer	CUR	Tenor	Amount (mio)	Role	Announced	Fee earned SGD '000	INR equivalent @ 49.24 (Amt. Rs. in Crores)
1.	Adani Ports & SEZ (APSEZ)	USD	5Y	650	Underwriter	July 2015	740	3.64
2.	NTPC	USD	10Y	500	Underwriter	February 2016	136	0.67

SSGL has developed a close connect with both the equity and debt capital markets institutional investors/funds, particularly in Singapore, enabling SSGL to always efficiently conduct the non-deal and/or placement roadshows, and for ensuring the strong book buildup and a flow of major proportion of orders to them for the overseas-bonds underwriting mandates.

A total of 10 capital markets institutional empanelment, comprising 1 equity and 9 debt, were completed for secondary trade / sole-placements in FY2016.

DIRECTORS

As on March 31, 2016 the Board of Directors of the Company comprised of Nine (9) Directors out of whom four 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) Smt. Arundhati Bhattacharya, Chairman;
- 2) Shri V.G. Kannan, Non-Executive Nominee Director;
- 3) Smt. Bharati Rao, Non-Executive Nominee Director;

Directors' Report For The Financial Year 2015-16

- 4) Shri Narayan K. Seshadri, Non-Executive Independent Director;
- 5) Smt. Aruna Jayanthi, Non-Executive Independent Director;
- 6) Shri Devijit Singh, Non-Executive Independent Director;
- 7) Dr. Dharmendra Bhandari, Non-Executive Independent Director;
- 8) Shri Ashok Kini, Non-Executive Director;
- 9) Smt. Varsha Purandare, Managing Director & Chief Executive Officer.

Appointments / Resignations Changes from the Board of Directors:

During the year under review, the following changes took place among the Directors of the Company :-

- Shri P. K. Sarkar retired by rotation at the 29th Annual General Meeting of the Company held on 28th September, 2015.
- Smt. Aruna Jayanthi retired as Independent Director consequent to end of her 1st term as Independent Director on 28th September, 2015.
- Smt. Aruna Jayanthi was appointed as Independent Director for the 2nd consecutive term w.e.f. 28th September, 2015 for a period of 3 years.
- Shri Rajnish Kumar resigned as Managing Director & CEO of the Company with effect from 26th May, 2015 consequent to his promotion as Managing Director, State Bank of India.
- Shri P. K. Gupta was appointed as Managing Director & CEO of the Company with effect from 15th July, 2015.
- Shri P. K. Gupta resigned as Managing Director & CEO of the Company with effect from 2nd November, 2015 consequent to his promotion as Managing Director, State Bank of India.
- Smt. Varsha Purandare appointed as Managing Director & CEO with effect from 1st December, 2015.

Subsequent to the financial year end, the following changes took place among the Directors of the Company :-

- Shri Ashok Kini resigned from the position of Non-Executive Director with effect from 6th June, 2016.
- Shri Ashwani Bhatia appointed as Whole Time Director of the Company with effect from 25th July, 2016.

The Board extends hearty welcome to Smt. Aruna Jayanthi, Independent Director, Smt. Varsha Purandare, Managing Director & CEO and Shri Ashwani Bhatia, Whole Time Director and places on record its deep appreciation to Shri Rajnish Kumar, MD & CEO, Shri P. K. Gupta, MD & CEO, Shri P. K. Sarkar and Shri Ashok Kini, Non-Executive Directors for their valuable contributions made during their tenure as Managing Director & CEO/Director of the Company.

Directors retiring by rotation

The Board of Directors of your company comprises of four Non-Executive Independent Directors and four nominee Directors who are nominees of SBI.

- Pursuant to Section 149(13) and Section 152 of the Companies Act, 2013, Independent Directors appointed under the Act are not liable to retire by rotation;
- In accordance with the applicable provisions of the Companies Act, 2013, Nominee Directors are not counted for determining the number of Directors liable to retire by rotation (as they are appointed by the respective Shareholding Bank, and further the tenure of appointment of such Nominee Director is solely at the discretion of the respective Shareholding Bank).

None of the Directors are liable to retire by rotation.

KEY MANAGERIAL PERSONNEL

During the year under review following Key Managerial Personnel (KMP) were appointed:

- (i) Smt. Varsha Purandare was appointed as Managing Director & CEO and KMP of the Company with effect from 1st December, 2015.
- (ii) Shri P. K. Gupta was appointed as Managing Director & CEO and KMP of the Company with effect from 15th July, 2015.
- (iii) Shri Amit Shah was appointed as Company Secretary and KMP with effect from 15th July, 2015.

Directors' Report For The Financial Year 2015-16

During the year under review following KMP had resigned / retired:

- (i) Shri Rajnish Kumar resigned as Managing Director & CEO and KMP of the Company with effect from 26th May, 2015 consequent to his promotion as Managing Director, State Bank of India.
- (ii) Shri P. K. Gupta resigned as Managing Director & CEO and KMP of the Company with effect from 2nd November, 2015 consequent to his promotion as Managing Director, State Bank of India.
- (iii) Shri Nilesh Shah, VP & Company Secretary resigned as Company Secretary and Key Managerial Personnel consequent to his superannuation as at the close of business hours on 30th June, 2015.

Subsequent to the financial year end, the following changes took place among the Key Managerial Personnel :

- (i) Shri P. Karthikeyan, Sr. Vice President & Chief Financial Officer resigned as Chief Financial Officer and Key Managerial Personnel consequent to his superannuation as at the close of business hours on 31st May, 2016.
- (ii) Shri Ashwani Bhatia, Whole Time Director appointed as Whole-Time Key Managerial Personnel of the Company with effect from 25th July, 2016.
- (iii) Shri Navinchandra Amin, Sr. Vice President & Chief Financial Officer appointed as Chief Financial Officer and Key Managerial Personnel with effect from 25th July, 2016.

NUMBER OF MEETINGS OF THE BOARD

The Board met eight (8) times during the financial year 2015-16. 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 (5) times during the year.

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Committees of the Board

Your Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Committee of Directors
- Risk Management Committee
- Nomination and Remuneration Committee
- Human Resources Committee
- Corporate Social Responsibility Committee.

The composition and Terms of Reference of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee 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 recommendations of the Audit Committee were accepted by the Board of Directors.

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 as approved by the Board of Directors forms part of 'Report of Corporate Governance'.

Directors' Report For The Financial Year 2015-16

Performance Evaluation of the Board and Board Committees

The Nomination and Remuneration Committee and the Board of Directors at its meeting held on 30th March, 2015, had approved the 'Performance Evaluation Parameters' for evaluation of the performance of the Board, its Committees, individual Directors and the Chairman.

The summary of the performance of the Board, its Committees, individual Directors and the Chairman was placed before the Nomination and Remuneration Committee at its meeting held on 17th May, 2016 for noting and recommending to the Board to take note of the same. The Board noted the summary of the performance of the Board, its Committees, individual Directors and the Chairman at its meeting held on 17th May, 2016.

CORPORATE GOVERNANCE

The Directors' Report on Corporate Governance for the year 2015-16 is attached (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.

Foreign Exchange Earnings and Outgo

During the year under review, the Company earned foreign exchange equivalent to Rs. 61.66 crores (previous year Rs.70.51 crores) towards advisory & syndication fees from overseas clients and reimbursement of expenses. The total foreign exchange expended amounted to Rs.4.47 crores (previous year Rs.3.14 crores) on account of foreign travel and other expenses.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEE

The Company has not given any loans or guarantee except various performance guarantees aggregating to Rs. 48.73 lacs (previous year Rs. 29 lacs) issued by the banks in favour of Clients.

For the details of investments made by the Company, your Directors draw attention of the members to refer to Note 2.8 of the Financial Statements as on 31st March, 2016.

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, your Company has established Corporate Social Responsibility Committee and statutory disclosures with respect to CSR Committee and an Annual Report on CSR activities forms part of this Report.

Your Company being conscious of its obligation to society at large had undertaken a host of activities, in different geographical areas, across the country. Healthcare and education was the focus of the CSR programme for the year.

Some of the notable activities undertaken during the year are as listed below:

- SBICAP in association with SBI made a joint donation of a mobile cancer detection van to the Indian Cancer Society (ICS) - a premier NGO, which is India's first voluntary, non-profit, national organization for awareness, detection, cure and survivorship of those affected with cancer. Both the companies donated Rs 1 Crore each towards the provision of the mobile van which will be utilized during ICS's cancer detection camps in West India.
- The company donated an amount of Rs 1 Crore to the Tamil Nadu Chief Minister's Relief Fund as a contribution towards the relief efforts in the aftermath of the floods in the State in 2015.

Directors' Report For The Financial Year 2015-16

- SBICAP provided a CSR grant of Rs 77,49,487/- to Pragati Pratishthan - a renowned, non-governmental, not for profit organization that has been working in the tribal areas of Palghar district, Maharashtra over the past 43 years. The grant is to be utilised towards requirement for the NGO's deaf & mute school, deaf & mute students' hostel and drinking water supply scheme for 5 tribal villages of Jawhar & Mokhada in the Palghar district.
- The company provided a CSR grant of Rs 58,12,250/- to the renowned Ramakrishna Mission Vidyalaya - a unit of Ramakrishna Mission Ashrama, Narendrapur, Kolkata (a premier residential, educational institution) to install a 72 KW solar plant in the institution's campus

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. Shah & Taparia, Chartered Accountants, were appointed as the Statutory Auditors of the Company for the financial year 2015-16, by the Comptroller & Auditor General of India (CAG), under the provisions of Section 139(5) of the Companies Act 2013. They will hold office till the ensuing 30th Annual General Meeting of the Company.

In terms of Section 139(5) of the Companies Act 2013, CAG vide their letter dated 11th July, 2016 have appointed M/s. Shah & Taparia, Chartered Accountants, as the Statutory Auditors of the Company for the financial year 2016-2017.

(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, your Company had appointed M/s D.A. Kamat & Co., Practicing Company Secretaries, Mumbai as its Secretarial Auditors to conduct the secretarial audit of the Company for the FY 2015-2016. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY 2015-16 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 22nd July, 2016, submitted under Section 143(6) 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, 2016 is enclosed. The CAG has given a clean report and has inter-alia advised as follows:

"On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report."

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, the statement containing particulars of employees as required under is annexed hereby and forms part of the Directors report. Annexure 'V'.

EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at 31st March, 2016 forms part of this report and annexed as Annexure 'VI'.

Directors' Report For The Financial Year 2015-16

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.

ACKNOWLEDGEMENT

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 the State Bank of India and its group companies 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

Sd/-

(Arundhati Bhattacharya)

Chairman

Place : Mumbai

Date : 25th July 2016

Form AOC - 1
(Pursuant To First Proviso To sub-section (3)
Of Section 129 read With Rule 5 Of
Companies (Accounts) Rules, 2014)
Annexure I



Statement Containing Salient Features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(As on year ended 31st March, 2016)

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 share holding
1.	SBICAP Securities Limited	INR	-	9,687.50	1,909.62	21,142.89	9,545.77	-	16,082.48	(1,557.09)	(56.43)	(1,500.66)	-	100.00
2.	SBICAP Trustee Company Limited	INR	-	100.00	5,167.01	5,427.28	160.27	793.28	3,077.74	2,008.11	672.81	1,335.30	-	100.00
3.	SBICAP Ventures Limited	INR	-	2,427.79	296.55	2,888.55	164.21	-	707.03	474.22	110.45	363.77	-	100.00
4.	SBICAP (UK) Limited	GBP	95.09	190.18	1,369.51	1,571.13	11.45	-	51.78	(542.26)	-	(542.26)	-	100.00
5.	SBICAP (Singapore) Limited	SGD	49.24	6,401.20	(49.45)	6,405.77	54.02	-	395.70	(108.62)	-	(108.62)	-	100.00

Part "B": Associates and Joint Ventures

Sl. No.	Name of associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end	No.	Amount of Investment in Associates/Joint Venture	Extend of Holding %	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 (Rs. in lacs)	Profit/Loss for the year (Rs. in lacs)	Considered in Consolidation	Not Considered in Consolidation
1	SBI Pension Funds Pvt Ltd	31.03.2016	60,00,000	Nil	20%	Control of 20% of total Voting power	Nil	Nil	3,408.00	50.56	Nil	Nil

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 your 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, 2016, the Board of Directors comprised of Nine Directors out of whom four are Non-Executive Independent Directors. Given hereunder is the composition of the Board of Directors along with the brief profiles of the Directors :

1. Smt. Arundhati Bhattacharya, Chairman [SBI Nominee]: Smt. Bhattacharya is the Chairman of State Bank of India (SBI) and is also Head of the entire State Bank Group. Earlier she was MD & CFO of SBI. Prior to this, she was MD & CEO of SBI Capital Markets Ltd. from 21st August, 2012 to 2nd August, 2013. Before her assignment in SBICAP, she was Deputy Managing Director and Corporate Development Officer of SBI. She joined the Bank in the year 1977 and since then has held various assignments spanning Credit, Forex, Treasury and Retail Operations. She has also had a stint in the Bank's New York office where she was in charge of monitoring branch performance, overseeing External Audit and Correspondent Relations. In her extensive service in the Bank she has had the opportunity of working in Metro, Urban and Rural areas, crisscrossing the length and breadth of the country. She has handled large Corporate Credit as well as initiatives like Financial Inclusion and financing of Self Help Groups. She was involved in setting up several new companies/initiatives of the Bank including SBI General Insurance, SBI Macquarie Infrastructure Fund, SBI SG Global Securities Services, etc., as well as the launch of new IT platforms such as Mobile Banking and Financial Planning in the Bank.

2. Shri V. G. Kannan, Non-Executive Director [SBI Nominee]: Shri V. G. Kannan is the Managing Director & GE (A&S), State Bank of India. He has been appointed as SBI Nominee Director on the Board of the Company with effect from 23rd July, 2014. Prior to this, Shri V.G. Kannan was holding charge as MD & CEO of SBI Capital Markets Ltd. from 8th October, 2013 till 17th July 2014. Earlier, he was President & COO of SBICAP from 27th August, 2012. Prior to his assignment in SBICAP, he was CGM (Mid Corporate Group), SBI Corporate Office at Mumbai. He joined SBI in the year 1978, and since then, he has held various assignments spanning Credit, Forex and Investments and Retail Banking. He has considerable experience of over 10 years in credit and over 16 years in various aspects of Treasury and was actively involved in the setting up of the first Integrated Forex and Treasury Module of the Bank. He was head of the Bank's Forex Department and later on moved back to credit. His assignments included heading the Delhi Mid Corporate Region as General Manager and DGM Commercial Banking, Hyderabad. He had a stint in Retail Banking having served as General Manager of Bank's Retail Network in Chennai for 2 years. He also worked in Hong Kong as Chief Manager Money and Treasury desk.

3. Smt. Bharati Rao, Non-Executive Director [SBI Nominee]: Smt. Bharati Rao has over 40 years of experience in the banking sector. She retired from State Bank of India in October, 2008. During her tenure with the Bank, she had held various responsible positions. Her 36 years in the Bank have seen a range of assignments both in India and abroad in areas like Commercial Banking, Project Finance, and International Banking. She was Dy. Managing Director & Chief Credit Officer, SBI, Corporate Centre, Mumbai with an additional charge as Dy. Managing Director and Group Executive (Associate Banks) and Dy. Managing Director & CDO at the time of retiring from the Bank's service.

4. Shri 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 31 years in Finance, Accounts, Audit, Advisory and Management Services. His experience ranges across industries in different countries.

5. Shri Ashok Kini, Non-Executive Director: Shri Kini has over 42 years of experience in the Banking Sector. He joined State Bank of India (SBI) in December 1967 and retired in December 2005. During his tenure with SBI, he had held various responsible positions, including those of Managing Director & GE (National Banking), Dy. Managing Director-Information Technology Dept., Chief General Manager-Information Technology Dept., Chief General Manager-Technology Planning, General Manager (Commercial Banking), General Manager (Development & Personal Banking), Dy. General Manager-Industrial Finance-I Dept., and Dy. General Manager-Computer Planning & Services.

6. Smt. Aruna Jayanthi, Non-Executive Independent Director: Smt. Jayanthi is the Global BPO Head of Capgemini India. Capgemini India is the Capgemini Group's largest delivery centre and main innovation hub. As the Global BPO Head of Capgemini, Smt. Jayanthi oversees' business which has a robust footprint in areas like finance and accounting, procurement and supply chain and leads workforce of over 1 lakh employees. She has over 29 years of experience in the IT services industry and has worked in key roles in multinational and Indian system integrator companies. She holds Masters in Management Studies in Finance from Narsee Monjee Institute of Management Studies (NMIMS). She has been featured as one of the 'Most Powerful Women' in India Inc. by India's leading business magazine 'Business Today' in its eighth annual list (2011). She is also ranked 4th in the List of 50 Most Powerful Indian Women by Fortune India magazine.

7. Shri Devinjit Singh, Non-Executive Independent Director: Shri Devinjit Singh is Managing Director of The Carlyle Group, based in Mumbai. He is focused on significant sized growth capital and buyout opportunities across sectors in India. Since joining Carlyle in 2008, Shri. Singh has been involved with investments in HDFC (NSE: HDFC), India Infoline (NSE: IIFL) and PNB Housing Finance Ltd. Prior to joining Carlyle, Shri. Singh was Managing Director and Head of Citigroup's Mergers & Acquisitions business in India where he advised on several landscape changing transactions across India's corporate sector. In previous assignments over ~18 years at Citigroup, Shri. Singh led several capital raisings for India's leading corporates, and worked across various functional areas including corporate banking, risk management, cash management and operations. Shri. Singh is a member of the Regional Advisory Board of The Fuqua School of Business, Duke University. He received his MBA from The Fuqua School of Business, Duke University, and has a B.A. (Honours) in Mathematics from University of Delhi.

8. Dr. Dharmendra Bhandari, Non-Executive Independent Director: Dr. Dharmendra Bhandari is a Chartered Accountant and was awarded Ph.D. by the University of Rajasthan for his thesis on "Taxation of Non-Residents in India". He retired as an Associate Professor, Department of Accountancy, University of Rajasthan, Jaipur. He was on deputation as Consultant to Joint Parliamentary Committee (JPC) constituted to enquire into irregularities in banking and securities transactions during the year 1992, and was also on deputation with Reserve Bank of India as Officer on Special Duty with Department of Supervision during the year 1994-95. He has written several papers and lectured extensively.

9. Smt. Varsha Purandare, Managing Director & CEO: Smt. Varsha Purandare assumed charge as Managing Director & Chief Executive Officer of SBI Capital Markets Limited on 1st December, 2015. Prior to this, Smt. Purandare was the Deputy Managing Director and Chief Credit Officer (DMD & CCO) of the State Bank of India. Smt. Purandare has been with the State Bank of India for over three decades, having joined the Bank as a Probationary Officer in 1982. During her long career of 33 years in the Bank, she has held many challenging assignments, both in India and abroad, which include Branch Banking, Large Credit, Forex and other assignments.

ii) Tenure

The Chairman has been appointed by State Bank of India (SBI) in terms of Articles 139(ii) & 157 of the Articles of Association of the Company.

The Non-Executive Nominee Directors have been appointed by SBI in terms of Articles 139 and 140 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.

The Managing Director & CEO has been appointed by SBI in terms of Article 168 of the Articles of Association of the Company.

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.

Annexure II

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.

v) Board Meetings

During the year under review, Eight (8) Board Meetings were held on 29th April, 2015, 15th July, 2015, 31st July, 2015, 28th August, 2015, 23rd October 2015, 1st December, 2015, 22nd January, 2016 and 29th March, 2016.

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

Name of the Director	Number of Board Meetings attended
Smt. Arundhati Bhattacharya, Chairman, Non-Executive Nominee Director	2
Shri V. G. Kannan, Non-Executive Nominee Director	6
Smt. Bharati Rao, Non-Executive Nominee Director	4
Shri Narayan K. Seshadri, Non-Executive Independent Director	7
Shri Ashok Kini, Non-Executive Director, resigned w.e.f. 06th June, 2016	5
Shri P.K. Sarkar, Non-Executive Director – retired by rotation at 29th AGM held on 29th September, 2016	1
Smt. Aruna Jayanthi, Non-Executive Independent Director	2
Shri Devinjit Singh, Non- Executive Independent Director	8
Dr. Dharmendra Bhandari, Non-Executive Independent Director	7
Shri Rajnish Kumar, Managing Director & CEO, (SBI Nominee) resigned w.e.f. 26th May, 2015	1
Shri P.K. Gupta, Managing Director & CEO, (SBI Nominee) appointed w.e.f. 15th July 2015 and resigned w.e.f. 2nd November, 2015	4
Smt. Varsha Purandare, Managing Director & CEO, (SBI Nominee) appointed w.e.f. 1st December, 2015	3

vi) Details of Remuneration paid to Directors during the financial year 2015-16

(Amount in Rs.)

Elements of remuneration	Salary / Sitting fees	Benefits	Stock options	Performance linked incentive	Notice period	Severance fees	Total
Name of the Director							
Smt. Varsha Purandare MD & CEO	10,62,285.00	65,150.00	-	-	-	-	11,27,435.00
Shri P. K. Gupta, former MD & CEO	8,08,101.20	52,555.00	-	-	-	-	8,60,656.20
Shri Rajnish Kumar, former MD & CEO	1,64,670.00	7,660.00	-	4,65,291.00	-	-	6,37,621.00
Shri Narayan K. Seshadri	4,45,000.00	-	-	-	-	-	4,45,000.00
Smt. Bharati Rao	1,30,000.00	-	-	-	-	-	1,30,000.00
Smt. Aruna Jayanthi	1,10,000.00	-	-	-	-	-	1,10,000.00
Shri Devijit Singh	3,20,000.00	-	-	-	-	-	3,20,000.00
Dr. Dharmendra Bhandari	2,80,000.00	-	-	-	-	-	2,80,000.00
Shri Ashok Kini	2,15,000.00	-	-	-	-	-	2,15,000.00
Shri P. K. Sarkar	25,000.00	-	-	-	-	-	25,000.00

vii) Details of Remuneration paid to Key Managerial Personnel during the financial year 2015-16.

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary		CFO	Total
			Amit Shah	Nilesh Shah		
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	Details as provided in the table above	16.00	30.00	20.37	66.37
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total		16.00	30.00	20.37	66.37

viii) Composition and Terms of Reference of the Audit Committee

The composition of the Audit Committee as well as its role and functions are broadly in conformity with the stipulations of the Kumar Mangalam Birla Committee Report on Corporate Governance, and Section 177 of the Companies Act, 2013. The composition of the Audit Committee as on 31st March, 2016 and Terms of Reference of the Audit Committee are as follows:

Annexure II

(a) Composition:

Sr. No.	Name of the Director	Designation
1.	Shri Narayan Seshadri, Non-Executive Independent Director	Chairman
2.	Shri Devijit Singh, Non-Executive Independent Director	Member
3.	Dr. Dharmendra Bhandari, Non-Executive Independent Director	Member
4.	Smt. Aruna Jayanthi, Non-Executive Independent Director	Member
5.	Shri V.G. Kannan, 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. Scrutinise 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 statement is correct, sufficient and credible.
12. Review with the management, the annual financial statements before submission to the Board for approval, with particular reference to :-
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of all related party transactions.
 - g) Qualifications in the draft audit report.
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.

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.

The Audit Committee shall have the powers and authority to:-

- Investigate any activity within its terms of reference, or referred to it by the Board
- Obtain legal or professional advice from external sources
- Have full access to information contained in the records of the Company
- Seek information from any employee
- Secure attendance of outside experts, if it considers necessary.

ix) Composition and Terms of Reference of the 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.	Smt. Aruna Jayanthi, Non-Executive Independent Director	Member
3.	Smt. Bharati Rao, Non-Executive Director	Member
4.	Shri V.G. Kannan, Non-Executive Director	Member
5.	Shri Devinjit Singh, Non-Executive Independent Director	Member
6.	Dr. Dharmendra Bhandari, Non-Executive Independent Director	Member

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b. Terms of Reference of Nomination and Remuneration Committee:

- i) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down,
- ii) Recommend to the Board their appointment and removal,
- iii) Carry out evaluation of every Director,
- iv) Formulate the criteria for determining qualifications, positive attributes and Independence of a Director,
- v) Recommend to the Board, a Policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees,
- vi) While formulating the Policy, ensure that :
 - a) 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,
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - c) 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.

c. Nomination and Remuneration Policy

The Nomination and Remuneration Policy as approved by the Board of Directors at its meeting held on 30th March, 2015 forms part of this report and annexed as Annexure 'VII' to the Annual report.

Annexure II

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. V.G. Kannan, Non-Executive Director	Member
3.	Smt. Aruna Jayanthi, Non-Executive Independent Director	Member
4.	Smt. Varsha Purandare, Managing Director & CEO.	Member

b. Terms of Reference of Corporate Social Responsibility Committee

- To formulate the CSR Policy for the Company, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII, and recommend the CSR Policy for approval to the Board.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the CSR Policy of the Company from time to time.

c. Corporate Social Responsibility Policy

The Corporate Social Responsibility Policy as approved by the Board of Directors at its meeting held on 21st January, 2015 forms part of this report and annexed as Annexure 'VIII'.

CSR Report to be 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 the CSR policy and projects or programs	As per CSR Policy enclosed as Annexure 'VIII'
2. The Composition of the CSR Committee.	Details as stated above
3. Average net profit of the company for last three financial years	Rs. 438.33 crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs. 8.77 crores
5. Details of CSR spent during the financial year.	Rs 4.45 crores
(a) Total amount to be spent for the financial year;	Rs.8.77 crores
(b) Amount unspent, if any;	Rs.4.32 crores
(c) Manner in which the amount spent during the financial year.	As per the table provided 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 and district where projects or program was undertaken.	Amount outlay (budget) project or programs wise (Amount in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Amount in Rs.)	Cumulative expenditure up to the reporting period. (Amount in Rs.)	Amount spent: Direct or through implementing agency
1	Joint donation of a mobile cancer detection van to the Indian Cancer Society (ICS) along with SBI.	Healthcare	Local Area – Mumbai	1,00,00,000/-	Direct Expenditure - 1,00,00,000/-	1,00,00,000/-	Direct
2	Organisation of a tree plantation drive in association with NDMC	Environment	New Delhi	10,00,000/-	Direct expenditure - 10,00,000/-	10,00,000/-	Direct
3	Donation to the Prime Minister's National Relief Fund (PMNRF) towards relief measure for the earthquake in Nepal	Prime Minister's National Relief Fund	National	20,00,000/-	Direct Expenditure - 20,00,000/-	20,00,000/-	PMNRF
4	Donation towards a cultural programme organised by the Shahana Centre for Tagore Music and Culture	Promotion of Arts & Culture	Local Area - Mumbai	1,00,000/-	Direct Expenditure - 1,00,000/-	1,00,000/-	Direct
5	Donation of an ambulance vehicle to the Calcutta Heart Clinic & Hospital Society	Healthcare	Kolkata, West Bengal	8,40,000/-	Direct Expenditure - 8,40,000/-	8,40,000/-	Direct
6	Provision of equipment and infrastructural facilities for Vivekananda Educational Society for Children (VESC)	Education	Kolkata, West Bengal	11,83,000/-	Direct Expenditure - 11,83,000/-	11,83,000/-	Direct
7	Donation to Shirdi Sai Baba Temple Society's school at Faridabad, NCR towards purchase of requisite equipment for setting up a computer lab	Education	New Delhi	7,64,446/-	Direct Expenditure - 7,64,446/-	7,64,446/-	Direct

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 and district where projects or program was undertaken.	Amount outlay (budget) project or programs wise (Amount in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Amount in Rs.)	Cumulative expenditure up to the reporting period. (Amount in Rs.)	Amount spent: Direct or through implementing agency
8	Donation to the Bombay Institution for Deaf & Mute towards painting of school and purchase of CCTV cameras	Education	Local Area - Mumbai	2,86,560/-	Direct Expenditure- 2,86,560/-	2,86,560/-	Direct
9	Donation to the Fine Arts Society, Mumbai towards its Academy Height project – a social responsibility initiative to promote Indian Art and Culture.	Promotion of Arts & Culture	Local Area - Mumbai	5,00,000/-	Direct Expenditure - 5,00,000/-	5,00,000/-	Direct
10	CSR grant to the Ramakrishna Mission Vidyalaya, Kolkata to install a 72 KW solar plant in the institution's campus	Education	Kolkata, West Bengal	58,12,250/-	Direct Expenditure - 58,12,250/-	58,12,250/-	Direct
11	Donation to the Tamil Nadu Chief Minister's Relief Fund towards the relief efforts for the floods in the state.	Tamil Nadu Chief Minister's Relief Fund	Chennai, Tamil Nadu	1,00,00,000/-	Direct Expenditure	1,00,00,000/-	TNCMRF
12	Donation to Eureka Forbes Institute towards the project cost for setting up a community drinking water project	Sanitation	Local Area - Mumbai	4,82,500/-	Direct Expenditure- 4,82,500/-	4,82,500/-	Eureka Forbes Institute (EFI) & EKAM Foundation
13	Extension of support towards the care of 100 under-privileged juvenile diabetics at the diabetes clinic run at Jehangir Hospital, Pune by the Hirabai Cowasji Jehangir Medical Research Institute (HJMIRI)	Healthcare	Pune, Maharashtra	38,00,000/-	Medical support for 100 juvenile diabetics - Rs 24,00,000 Project Overheads- 14,00,000	38,00,000/-	Direct
14	CSR grant to Pragati Pratishthan towards requirement for the NGO's deaf & mute school, deaf & mute students hostel and drinking water supply scheme for 5 tribal villages	Education & Sanitation	Palghar district, Maharashtra	77,49,487/-	Direct Expenditure - 77,49,487/-	77,49,487/-	Direct

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 mentioned in its Board report.

As against the CSR Budget of Rs 8.77 crores, allocated for the current financial year, the CSR Working Group (CWG) has shortlisted 14 projects and allocated Rs 4.45 crores as on 31st March, 2016. The above spent amount is nearly thrice of the amount spent in the last financial year which stood at Rs 1.61 crores for financial year 2014-2015 and sees a substantial increase in utilisation of allocated CSR funds.

As per the Company's CSR Policy, the CWG has been focusing on judicious due-diligence, rigorous monitoring mechanisms and satisfactory end usage of funds while screening and implementing applicable CSR projects. Also monitoring of projects implemented during the past financial year has been done on a continuous basis. As such, the Company has been able to sanction and undertake a few high value projects, adhering to the various stated criteria. Going forward, an increased and more optimum utilization of the available CSR funds is expected so as to undertake projects/activities in line with the Company's CSR Policy and focus. Apart from this, we are also in the process of acquiring 1001 shares in SBI Foundation, which being a section 8 company, will help SBICAP in identifying and jointly collaborating on executing suitable CSR projects and activities.

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.

We have obtained the said responsibility statement from CSR Committee.

Sd/-
(Varsha Purandare)
Managing Director & CEO

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



xii) 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.

xiii) 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.

xiv) 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 risk management into the culture of the organization.

xv) Disclosure of Vigil Mechanism

In terms of Section 177(9) of the Companies Act 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the establishment of vigil mechanisms and disclosures required thereunder for directors and employees are not applicable to the Company for the financial year 2015-2016. However, the Company as a part of good corporate governance has put in place the Code of Conduct, which governs the principles and actions of the employees of our Companies. Further the Company has also voluntarily laid down, Policy on Fraud Risk Management and the Whistle Blower Policy with a view to provide a formal mechanism to all the employees of the Company to approach the management of the Company and the Audit Committee of Board, as detailed in respective policies.

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

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

xvii) 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.

xviii) Policy on Sexual Harassment of Women at Workplace

The Company has put in place a Policy as mandated under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2011. There are no cases filed during the financial year 2015-16, under the said Policy 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, 2016.

sd/-

(Varsha Purandare)

Managing Director & CEO

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 AS-18, Related Party Disclosure:

Name of the Party	Relationship
State Bank of India	Holding Company

The following is the list of parties related due to significant influence criteria as per AS-18 with whom the transactions have taken place during the year:

Name of the Party	Relationship
State Bank of Bikaner & Jaipur	Fellow Subsidiary
State Bank of Hyderabad	Fellow Subsidiary
State Bank of Mysore	Fellow Subsidiary
State Bank of Patiala	Fellow Subsidiary
State Bank of Travancore	Fellow Subsidiary
SBI DFHI Limited	Fellow Subsidiary
SBI Funds Management Private Limited	Fellow Subsidiary
SBI Life Insurance Company Limited	Fellow Subsidiary
SBI Pension Funds Private Limited	Fellow Subsidiary
SBI General Insurance Co Limited	Fellow Subsidiary
SBI Mauritius Limited	Fellow Subsidiary
SBI Home Finance Limited	Associate of SBI
SBICAP Securities Limited	Subsidiary
SBICAP Ventures Limited	Subsidiary
SBICAP Trustee Company Limited	Subsidiary
SBICAP (UK) Limited	Subsidiary
SBICAP Singapore Ltd	Subsidiary
Shri Rajnish Kumar, Managing Director & Chief Executive Officer from 31st July 2014 to 26th May 2015	Key Management Personnel
Shri Parveen Kumar Gupta, Managing Director & Chief Executive Officer from 15th July 2015 to 02nd November 2015	Key Management Personnel
Smt. Varsha Purandare, Managing Director & Chief Executive Officer from 01st December 2015	Key Management Personnel
Shri P Karthikeyan, Senior Vice President & Chief Financial Officer	Key Management Personnel
Shri Nilesh Shah, Company Secretary Upto 30th June 2015	Key Management Personnel
Shri Amit Shah, Company Secretary from 15th July 2015	Key Management Personnel

(b) Particulars with regard to points (b) to (f) are as follows:

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

(Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries		Key Managerial Personnel	
	Mar-2016	Mar-2015	Mar-2016	Mar-2015	Mar-2016	Mar-2015	Mar-2016	Mar-2015
Expenses during the year ended								
<i>Deputation of Employees</i>	270	219	-	-	-	-	-	-
<i>Salaries & Allowances</i>	-	-	-	-	-	-	16	-
Shri Amit Shah	-	-	-	-	-	-	30	50
Shri Nilesh Shah								
<i>Interest Expenses</i>	-	-	-	-	-	-	-	-
<i>Rent</i>	48	42	-	-	-	-	-	-
<i>Bank & Other Charges</i>	6	3	-	-	-	-	-	-
SBI DFHI Ltd	-	-	-	-	-	-	-	-
SBICAP Securities Ltd.	-	-	-	-	-	-	-	-
<i>Royalty Expense</i>	567	676	-	-	-	-	-	-
<i>Insurance Expense</i>								
SBI Life Insurance Company Limited	-	-	-	-	37	26	-	-
SBI General Insurance Co Ltd	-	-	-	-	109	122	-	-
<i>Office Maintenance</i>	1	1	-	-	-	-	-	-
<i>Filing Fees & Other Charges</i>	-	-	-	-	-	-	-	-
SBICAP Securities Ltd.	-	-	-	-	-	-	-	-
Income during the year ended								
<i>Issue Management Fees</i>	-	-	-	-	-	-	-	-
SBICAP Securities Ltd.	-	-	71	19	-	-	-	-
State Bank of Travancore	-	-	-	-	15	-	-	-
<i>Private Placement Fees</i>	1,746							
SBICAP Securities Ltd.	-	-	-	5	-	-	-	-
<i>Arranger's Fees</i>								
SBICAP Securities Ltd.	-	-	-	1	-	-	-	-
<i>Advisory Fees</i>	1,349	2,982	-	-	-	-	-	-
State Bank of Patiala	-	-	-	-	10	-	-	-

Annexure III

(Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries		Key Managerial Personnel	
	Mar-2016	Mar-2015	Mar-2016	Mar-2015	Mar-2016	Mar-2015	Mar-2016	Mar-2015
State Bank of Travancore	-	-	-	-	-	7	-	-
SBI (Mauritius) Ltd	-	-	-	-	-	21	-	-
Bank Interest	394	447	-	-	-	-	-	-
State Bank of Patiala	-	-	-	-	-	64	-	-
Rent								
SBICAP Securities Ltd.	-	-	409	-	-	-	-	-
Dividend								
SBI DFHI Limited	-	-	-	-	259	94	-	-
SBICAP Trustee Company Ltd.	-	-	-	13	-	-	-	-
Balance receivable as at								
Debtors	1,117	80	-	-	-	-	-	-
State Bank of Patiala	-	-	-	-	-	9	-	-
SBICAP Securities Ltd.	-	-	82	24	-	-	-	-
Cash at Bank	770	468	-	-	-	-	-	-
Deposit with Bank	5,750	3,252	-	-	-	-	-	-
Loans & Advances	44	6	-	-	-	-	-	-
SBICAP Securities Ltd.	-	-	120	-	-	-	-	-
SBICAP Trustee Company Ltd.	-	-	1	10	-	-	-	-
SBICAP Ventures Ltd	-	-	18	-	-	-	-	-
SBICAP Singapore Ltd	-	-	5	-	-	-	-	-
SBICAP UK Ltd	-	-	-	-	-	-	-	-
Other Current Assets	411	76	-	-	-	-	-	-
Investments								
SBI Pension Funds Pvt. Ltd	-	-	-	-	601	601	-	-
SBI DFHI Limited	-	-	-	-	750	750	-	-
SBICAP Securities Ltd.	-	-	12,500	12,500	-	-	-	-
SBICAP Ventures Ltd	-	-	2,428	416	-	-	-	-
SBICAP Trustee Company Ltd.	-	-	5	5	-	-	-	-

Annexure III

(Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries		Key Managerial Personnel	
	Mar-2016	Mar-2015	Mar-2016	Mar-2015	Mar-2016	Mar-2015	Mar-2016	Mar-2015
SBICAP (UK) Ltd	-	-	172	172	-	-	-	-
SBICAP (Singapore) Ltd	-	-	6,178	6,178	-	-	-	-
SBICAP Home Finance Limited*	-	-	-	-	-	-	-	-
<i>Inventories</i>								
State Bank of Travancore	-	-	-	-	4,500	-	-	-
Balance payable as at								
<i>Creditors</i>								
SBICAP Securities Ltd.	530	614	-	-	-	-	-	-
SBICAP (UK) Ltd			727	45	-	-	-	-
SBICAP (Singapore) Ltd	-	-	53	-	-	-	-	-
Bank Overdraft	-	-	2	-	-	-	-	-
	-	-	-	-	-	-	-	-
Others transactions during the year ended								
<i>Dividend paid</i>	18,571	24,954	-	-	-	-	-	-
Fees Shared (netted from Income)	75	-	-	-	-	-	-	-
SBICAP Securities Ltd.	-	-	1,063	1,139	-	-	-	-
SBI DFHI Limited	-	-	-	-	-	-	-	-
SBICAP UK Ltd	-	-	53	-	-	-	-	-
<i>Expenses shared</i>								
SBICAP Securities Ltd.	-	-	4	4	-	-	-	-
<i>Investments made</i>								
SBICAP Ventures Ltd	-	-	2,012	-	-	-	-	-
Guarantees	50	29	-	-	-	-	-	-

I. Included in expenses relating to deputation of employees are amounts aggregating to Rs.61 (2015: Rs.52) pertaining to salaries paid to key management personnel.

II. * - Fully provided for

For and on behalf of the Board of Directors

Sd/-
(Arundhati Bhattacharya)
Chairman

Place : Mumbai
Date : 25th July 2016

Secretarial Audit Report For the Financial Year Ended 31st March, 2016



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

To,
The Members,
SBI Capital Markets Limited,
Mumbai

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"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised 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, 2016 complied with the statutory provisions listed hereunder and to the extent stated in this report and also that the Company has the proper Board-Processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory compliances and expressing our opinion thereon.

- I. We have examined the books, papers, minute books, forms and returns filed, reports issued by various fellow professionals and other applicable records and registers maintained by the Company for the Financial Year ended on 31st March, 2016 and stated in Annexure II according to the provisions of :
 1. The Companies Act, 2013 (the Act) and the rules made there under;
 2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 3. 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 Foreign Exchange Management Act, 1999;
 4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
 - b. SEBI (Prohibition of Insider trading) Regulation 2015 to the extent applicable to market participant.
 During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent stated in this Report.
- II. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company, by virtue of not being listed on any Stock Exchanges of the Company under the financial year 2015-16 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 (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

Secretarial Audit Report For the Financial Year Ended 31st March, 2016

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board (Buyback of Securities) Regulations, 1998;

III. We have reviewed the information, documents, records, filings and other Certificates or confirmations received from fellow professionals for the period under review and the representations made by the company and its officers for the systems, records and compliances for other laws applicable specifically to the company. The list of major laws and acts applicable specifically to the company are stated in Annexure III to this Report.

IV. We have examined the compliances of the applicable provisions of Secretarial Standards I and II issued by the Institute of Company Secretaries, India and notified by the MCA u/s 118(10) as issued under the Companies Act, 2013.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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, the Company has undertaken following event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc referred to above viz.

1. There are pending litigations and Scam/ Non Scam related Law Suits/ Proceedings filed by/ being defended by the Company and the matter being sub-judice, we do not comment on the same.
2. The Company has provided PSU Bonds of Rs. 50 Crore as Additional Security on behalf of SBI Cap Securities Limited

Place: Mumbai

Date: 06/06/2016

Sd/-

Signature

Name of the Firm: D. A. Kamat & Co

Partner

FCS No. 3843

CP No: 4965

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

Annex I – Notes on the Secretarial Audit Report of SBI Capital Markets Limited dated for the Financial Year ended 31st March, 2016



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

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

Place: Mumbai

Date: 06/06/2016

Sd/-

Signature

Name of the Firm: D. A. Kamat & Co

Partner

FCS No. 3843

CP No: 4965

Annexure IV

Annex II – List of Documents maintained and perused for the purpose of the Secretarial Audit Report for the Financial Year ended 31st March, 2016

No. List of Documents

1. Minutes of the Board of Directors Meetings, including Committee Meetings (mandatory and non-mandatory)
2. Notices issued to the Directors and the Agenda Papers sent thereof
3. Attendance Registers for the Meetings of the Board of Directors and Shareholders
4. Notices and Minutes of the General Meetings of the Company
5. Statutory Registers maintained by the Company
6. Internal Audit Reports issued by the Internal Auditors
7. Compliance Certificates issued by the Management towards the Board of Directors of the Company
8. Annual Performance Reports (APR) and Overseas Direct Investment (ODI) Reports sent under the Foreign Exchange Management Act, 1999
9. License Agreement with SBI towards the usage of the SBI Logo
10. Half-Yearly Reports issued and submitted to The Securities and Exchange Board of India for the Merchant Banking Operations of the Company
11. General and Specific Disclosures of Interest issued by the Directors and maintained by the Company as per the provisions of Section 184 of the Companies Act, 2013
12. Legal Opinion from Advocate with regards to the financial impact of the cases against the company.
13. Summary related to the pending litigations filed by the company & against the Company.
14. Draft of the Financial Statements prepared in respect to the Companies Act, 2013

Registered Office: No.202, Maker Tower, 'E', 20th Floor, Cuffe Parade, Colaba, Mumbai, Maharashtra, 400005.

Branch Offices: Ahmedabad, Chennai, Hyderabad, Kolkata, New Delhi, Pune

Major Acts applicable to the Company:

1. Shop and Establishments Act as applicable to the Registered Office and the branch offices
2. Employees Provident Fund and Miscellaneous Provisions Act, 1952
3. Employees State Insurance Act, 1948
4. Equal Remuneration Act, 1976
5. Acts as prescribed under the Direct Taxes and Indirect Taxes
6. All Acts applicable to the Merchant Banking Institutions
7. Payment of Gratuity Act, 1972
8. Micro, Small & Medium Enterprise Act, 2006
9. The Bombay Shops & Establishments Act, 1948
10. Employees Superannuation Scheme
11. Prevention of Money Laundering Act
12. Registration Act, 1908

Annex III – List of other Acts specifically applicable to the Company and its branches as on the date of the Secretarial Audit Report for the Financial Year ended 31st March, 2016



13. Indian Stamp Act, 1899
14. Local laws as applicable to various offices of the company

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Extract Of Annual Return As On The Financial Year Ended 31st March 2016

[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	2nd 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 400005. Tel 22178300
vi) Whether listed company Yes/No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent	-

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:-

Sr. 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	-	91.30%

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.	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)

Extract Of Annual Return As On The Financial Year Ended 31st March 2016



IV. Shareholding pattern (equity share capital breakup as Percentage of total equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. as on 1st April, 2015				No. of Shares held at the end of the year i.e. as on 31st March 2016				% change during the year 2015-16
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) *Individuals / HUF	-	24	24	0.00	-	24	24	0.00	Nil
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI	5,80,33,687	-	5,80,33,687	100%	5,80,33,687	-	5,80,33,687	100%	Nil
f) Any Other.... – Public Ltd.Co.									
Sub-total (A) (1)	5,80,33,687	24	5,80,33,711	100%	5,80,33,687	24	5,80,33,711	100%	Nil
*Held as nominees of SBI									
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other– Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any Other....									
Sub-total (A)(2)									
Total share holding of Promoter(A)= (A)(1)+(A)(2)	5,80,33,687	24	5,80,33,711	100%	5,80,33,687	24	5,80,33,711	100%	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)		-		-				-	
e) Venture Capital Funds									

Extract Of Annual Return As On The Financial Year Ended 31st March 2016

Category of Shareholders	No. of Shares held at the beginning of the year i.e. as on 1st April, 2015				No. of Shares held at the end of the year i.e. as on 31st March 2016				% change during the year 2015-16
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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 Rs1 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	5,80,33,687	24	5,80,33,711	100%	5,80,33,687	24	5,80,33,711	100%	Nil

Extract Of Annual Return As On The Financial Year Ended 31st March 2016

**(ii) Share holding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 2015-16			Share holding at the end of the year 2015-16			% change in share holding 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.		Shareholding at the beginning of the year 2015-16		Cumulative Shareholding during the year 2015-16	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	No Change		No Change	
2	Datewise 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	
3	At the End of the year	No Change		No Change	

Extract Of Annual Return As On The Financial Year Ended 31st March 2016

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

Sl. No.		Shareholding at the beginning of the year 2015-16		Cumulative Shareholding during the year 2015-16	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	NIL	NIL	NIL	NIL
2	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
3	At the End of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

Extract Of Annual Return As On The Financial Year Ended 31st March 2016

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares (Equity)	% of total shares of the company	No. of Shares (Equity)	% of total shares of the company
1	For Each of the Directors and KMP				
	At the beginning of the year				
	Shri Rajnish Kumar as MD &CEO	6	0.00%	6	0.00%
	Shri P. K. Gupta as MD &CEO – on transfer from Shri Rajnish Kumar	6	0.00%	6	0.00%
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	a) Transfer of 6 Equity Shares from Shri Rajnish Kumar to Shri P. K. Gupta made on 15th July, 2015	6	0.00%	6	0.00%
	b) Transfer of 6 Equity Shares from Shri P. K. Gupta to Smt. Varsha Purandare made on 1st December, 2015	6	0.00%	6	0.00%
3	At the End of the year 2015-16 Smt. Varsha Purandare as MD &CEO	6	0.00%	6	0.00%

Extract Of Annual Return As On The Financial Year Ended 31st March 2016

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2015-16				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year 2015-16				
▪ Addition	NIL	NIL	NIL	NIL
▪ Reduction				
Net Change				
Indebtedness at the end of the financial year 2015-16				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

Extract Of Annual Return As On The Financial Year Ended 31st March 2016



VI. Remuneration of directors and key managerial personnel

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

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total
		Shri Rajnish Kumar	Shri P. K. Gupta	Smt. Varsha Purandare	
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	1.64	8.08	10.62	20.34
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit - others, specify...	-	-	-	-
	Others, please specify	-	-	-	-
5.	Total (A)	1.64	8.08	10.62	20.34
	Ceiling as per the Act				2126.45

Extract Of Annual Return As On The Financial Year Ended 31st March 2016

B. Remuneration to other directors:

(Amount in Rs.)

Sr. no	Particulars of Remuneration	Name of Directors				Total
1.	Independent Directors	Shri Narayan K. Seshadri	Smt. Aruna Jayanthi	Shri Devijit Singh	Dr. Dharmendra Bhandari	
	a. Fee for attending board / committee meetings	4,45,000/-	1,10,000/-	3,20,000/-	2,80,000/-	11,55,000/-
	b. Commission	-	-	-	-	-
	c. Others, please specify	-	-	-	-	-
	Total (1)	4,45,000/-	1,10,000/-	3,20,000/-	2,80,000/-	11,55,000/-
2.	Other Non-Executive Directors	Shri Ashok Kini	Shri P. K. Sarkar	Smt. Bharati Rao		
	▪ Fee for attending board committee meetings	2,15,000/-	25,000/-	1,30,000/-	-	3,70,000/-
	▪ Commission	-	-	-	-	-
	▪ Others, please specify	-	-	-	-	-
	Total (2)	2,15,000/-	25,000/-	1,30,000/-	-	3,70,000/-
	Total B (1+2)	6,60,000/-	1,35,000/-	4,50,000/-	2,80,000/-	15,25,000/-
	Total Managerial Remuneration					15,25,000/-
	Overall Ceiling as per the Act					1,00,000 per Director per meeting

Extract Of Annual Return As On The Financial Year Ended 31st March 2016



C. Remuneration to key managerial personnel other than MD/Manager/WTD

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary Amit Shah	Company Secretary Nilesh Shah	CFO	Total
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Please refer table VI A for details as MD is also holding CEO Position	16	30	20.37	66.37
2.	Stock Option	Same as above	-	-	-	-
3.	Sweat Equity	Same as above	-	-	-	-
4.	Commission - as % of profit - others, specify...	Same as above	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total		16	30	20.37	66.37

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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	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
c. Other Officer in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Nomination and Remuneration Policy

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

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

1. Objective and purpose:

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

2. Definitions:

2.1 Key Managerial Personnel: Key Managerial Personnel means—

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

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

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

3. Applicability:

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

4. Constitution, Composition, Quorum of the Committee

4.1 Number of Members

- i. The Committee shall consist of a minimum 3 (Three) non-executive directors, 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.

Nomination and Remuneration Policy

- v. The Chairman of the Committee or in his absence any other member of the Committee authorised by him in this behalf, shall attend the general meetings of the Company.
- vi. Membership of the Committee shall be disclosed in the Annual Report.

4.2 Meetings and Invitees to 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 Vice President & Group Head (HR) shall be the convener of the Committee meetings.
- iv. The Company Secretary shall act as Secretary of the Committee and provide assistance to it.

5. Role and functions of the Committee related to Nomination

5.1 Appointment criteria and qualifications:

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

5.2 Tenure of appointment:

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

5.3 Evaluation:

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

5.4 Removal:

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

Nomination and Remuneration Policy

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.

6. Role and functions of the Committee related to Remuneration

6.1 Remuneration for the Managing Director / Whole-time Director

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

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

6.2 Remuneration to KMPs and SMPs:

6.2.1 Regular Pay:

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

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

6.2.2 Profit related ex-gratia / performance based remuneration :

Managing Director / Whole-time Director:

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

Other KMPs and 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.

6.2.3 Minimum remuneration:

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

6.3 Remuneration to Independent Director:

6.3.1 Sitting Fees:

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

Nomination and Remuneration Policy

6.3.2 Stock Options:

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

7. Appointment and remuneration of other Employees of the Company

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

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.

Amendment

This policy may be amended, altered or modified by the Committee, if it deemed necessary, subject to approval of the Board.

Corporate Social Responsibility (CSR) Policy

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 (The related definitions & clauses with respect to Sec 135 are appended in Annexure A).

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.

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, VP – HR, Manager – 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 CSR Strategy document will be updated every corresponding financial year to reflect the Company's focus areas and CSR budget for the year.

Corporate Social Responsibility (CSR) Policy

- b) The CWG will present and take approval for areas of work and corresponding estimates on expenditure planned for the full financial year from the CSR Committee at the beginning of every financial year.
- c) 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.
- d) The CWG shall prepare an overview document for every project that it propose to undertake including but not limited to activity definition, expected local impact areas, budgeted investments, expected benefits (Re- value wherever possible) and success parameters.
- e) The CWG will take decisions on day to day activities of the CSR activities.
- f) 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.
- g) 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.
- h) 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

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.

The CSR Budget for the corresponding financial year, will be updated, with due consideration, in the CSR Strategy document & revised each financial year.

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 Operating Officer	Rs 50,00,000/- (Rupees Fifty Lakhs Only)	MD & CEO
3.	Senior Vice President & Chief Financial Officer	Rs 25,00,000/- (Rupees Twenty Five Lakhs)	MD & CEO

7. CSR Activities

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. Promoting health care including preventive health care and sanitation including undertaking of activities related to the Government's Swachh Bharat Abhiyaan programme & contribution to the Swachh Bharat Kosh set-up by the Central Government for promotion of sanitation and making available safe drinking water
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled, and livelihood enhancement projects;
3. 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;
4. 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;
5. Contribution to the Prime Minister's National Relief 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. This is subject to the condition that contribution to such funds would not exceed 25% of the CSR Budget for the corresponding FY.

Corporate Social Responsibility (CSR) Policy

6. 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).

The above focus areas may be re-aligned and new focus areas incorporated, as and when deemed necessary, by the Company's CSR Committee.

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 & Empanelment Process

The empanelment process for any partner /vendor, working in the focus areas listed in Section 7 will follow processes and methods as may be outlined by SBICAP's sourcing policy & compliance requirements and shall be in accordance with the Section 135 of the Act and Rules made thereunder. 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

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.

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)

The CWG will be responsible for the Implementation Process.

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 Section 7. 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 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. Finalizing agreements with the implementing agencies
9. Project Implementation
10. Documentation, Monitoring (at Board and CSR Committee level)
11. Evaluation (Concurrent, Final & if possible, by an Independent Third Party)
12. Project impact assessment
13. Preparation of reporting format and placement in public domain

Corporate Social Responsibility (CSR) Policy

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.

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, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

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.

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 centers.

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 quarterly basis. This meeting may include the relevant NGO/Partners, if required by the CSR Committee. The CSR Committee will present the quarterly progress 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) :

Corporate Social Responsibility (CSR) Policy

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.

Corporate Social Responsibility (CSR) Policy

Annexure 'A'

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;
7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

Corporate Social Responsibility (CSR) Policy

8. Contribution to the Prime Minister's National Relief 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. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
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).

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 fulfilment 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.

Corporate Social Responsibility (CSR) Policy

Annexure B

Corporate Social Responsibility (CSR) Association Form

Please fill in the below form in brief to help us evaluate and understand your requirement

Name of the organisation	
Registration Type	
Address	
Website	
Tax exemption details	
References	
Contact Person	
Short description of the cause/activity	
Specific area of expertise (if any)	
Scale of operations (City/Zonal/National)	
Team Strength	
Awards/Recognition	
Request/proposal for SBI Capital Markets Ltd	
Any other details	

Independent Auditors' Report on Consolidated Financial Statements

To the Members of SBI Capitals Markets Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SBI Capitals Markets Limited ("the Holding Company") and its subsidiaries and associate (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Independent Auditors' Report on Consolidated Financial Statements



Other Matters

We did not audit the financial statements of five subsidiaries and one associate whose financial statements reflect total assets of Rs 151.20 Crores as at 31st March, 2016, total revenue of Rs 193.82 Crores and net cash flows of Rs 10.61 Crores for the year ended on that date. These financial statements 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 associates and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, 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.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the 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 of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit reports on the standalone financial statements of each subsidiary and associated company incorporated in India, none of the Directors of the Group is disqualified as on 31 March 2016 from being appointed as a Director of that company 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - (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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 2.23(I) and 2.24 to the consolidated financial statements.
 - ii. The Holding Company, its subsidiaries and associate company incorporated in India 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 subsidiaries and associate company incorporated in India.



Independent Auditors' Report on Consolidated Financial Statements

2. As required by Section 143(5) of the Companies Act, 2013 we give in "Annexure B" the comments on the directions/sub-directions issued by the Comptroller and Auditor General of India in respect of the holding company and subsidiaries and associate company incorporated in India, wherever these provisions are applicable.

For SHAH & TAPARIA

Chartered Accountants

Firm's registration number: 109463W

RAMESH PIPALAWA

Partner

Membership number: 103840

Place: Mumbai

Date: 17th May, 2016

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of SBI Capital Markets Ltd ("the Holding Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of the Holding company, its subsidiary companies and associate company 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 company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies and associate company, which are companies incorporated in India, 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 Holding Company's, its subsidiary companies' and associate company's, which are companies incorporated in India, 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") issued by ICAI 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 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 and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the on the Holding Company's, its subsidiary companies' and associate company's, which are companies incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure - A to the Auditors' Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, and associate company, 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 31 March 2016, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies, and associate company, which are companies incorporated in India, 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

We did not audit the Internal Financial Control over Financial Reporting of five subsidiaries and one associate whose financial statements reflect total assets of Rs 151.20 Crores as at 31st March, 2016, total revenue of Rs 193.82 Crores and net cash flows of Rs 10.61 Crores for the year ended on that date. The Internal Financial Control over Financial Reporting of three subsidiaries and one associate, which are companies 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 the 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 SHAH & TAPARIA

Chartered Accountants

Firm's registration number: 109463W

RAMESH PIPALAWA

Partner

Membership number: 103840

Place: Mumbai

Date: 17th May, 2016

Annexure - B to the Independent Auditors' Report

Report on directions and sub-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.

A. Directions

1. Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?
 - According to the information and explanations given to us and based on our examination of the records of the Holding Company, out of five immovable properties of the Holding Company, the title deeds of four immovable properties are not available for verification as the same are deposited with the Registrar so we are unable to comment on the same, however we have verified the Share Certificates in respect of these properties which are in the Holding Company's name. The title deed of the remaining one immovable property is held in the name of the Holding Company.
 - In respect of the subsidiaries and associate company incorporated in India, these companies have clear title/lease deeds for its properties.
 - Neither the Holding Company nor the subsidiaries and associate company incorporated in India have freehold/leasehold land.
2. Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons therefore and the amount involved?
 - During the FY 2015-16 Sundry Debtors/debts aggregating to Rs 36,57,84,672/- were written off in 104 cases in the case of the holding company and one subsidiary incorporated in India. There were no cases of waiver/write off of debts/loans/interest etc. in the case of other two subsidiaries and associate company incorporated in India. Accordingly the profit of the Group for the FY 2015-16 has been reduced to this extent. A summary of sundry debtors/debts written off during the FY 2015-16 along with the reasons for write off is given below:

Reasons	Write-offs	
	No of Cases	Amount
Liquidity Crisis faced by client	71	32,72,71,194
Deal did not Materialise	15	1,21,19,688
Disputed Services	7	72,99,949
Disputed OPE Amount	6	2,56,562
Wrongly Billed	3	1,85,00,384
Renegotiation of Fees	1	3,24,480
Closure of Assignment	1	12,415
TOTAL	104	36,57,84,672

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.
 - There have been no instances either with the holding company or any of the subsidiaries and associate company incorporated in India, where inventories were lying with third parties or assets were received as gift from Govt. or other authorities.

Annexure - B to the Independent Auditors' Report

3. Sub-directions

1. Whether there are any cases of waiver of fees/reversal of accounted fees which was due but not received/written off. If yes, the reasons therefor and the amount involved – case wise.
 - During the FY 2015-16 in case of the holding company fees aggregating to Rs 2,91,41,215 was reversed/de-accrued in 9 cases and service charges in case of one subsidiary incorporated in India aggregating to Rs 48,69,685/- was reversed in 23 cases. There were no cases of waiver of fees/reversals of accounted fees in the case of other two subsidiaries and associate company incorporated in India. Accordingly the profit of the Group for the FY 2015-16 has been reduced to this extent. A summary of reversed/de-accrued cases during the FY 2015-16 along with the reasons for reversal of fees/de-accruals is given below:

Reasons	Reversal of fees / De-accruals	
	No of Cases	Amount
Liquidity Crisis faced by client	14	2,53,46,133
Disputed Services	1	59,00,000
Deal did not materialize	3	3,00,000
Due to closure of assignment	14	24,64,767
TOTAL	32	3,40,10,900

For SHAH & TAPARIA

Chartered Accountants

Firm's registration number: 109463W

RAMESH PIPALAWA

Partner

Membership number: 103840

Place: Mumbai

Date: 17th May, 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SBI CAPITAL MARKETS LIMITED FOR YEAR ENDED 31 MARCH 2016

The preparation or consolidated Financial Statements of SBI Capital Markets Limited for the year ended 31 March 2016 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 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 17th May 2016.

I, on behalf, of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated Financial Statements of SBI Capital Markets Limited for the year ended 31 March 2016. We conducted a supplementary audit of the financial statement of SBI Capital Markets Limited, SBICAP Securities Limited, SBICAP Ventures Limited & SBICAP Trustee Company Limited, but did not conduct supplementary audit of the financial statements of SBICAP (UK) Limited & SBICAP (Singapore) Limited for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to SBICAP (UK) Limited and SBICAP (Singapore) Limited being entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor not for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors, nor conducted the supplementary audit of these companies. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquires of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

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

(Roop Rashi)

Principal Director of Commercial Audit and ex-officio Member,
Audit Board-I, Mumbai

Place : Mumbai

Date : 22nd July 2016

Consolidated Balance Sheet As At 31st March 2016

(Rupees in lacs unless otherwise stated)

	Notes	As at 31st Mar-16
EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS		
Share capital	2.1	5,803
Reserves and surplus	2.2	1,08,312
		1,14,115
NON-CURRENT LIABILITIES		
Other long-term liabilities	2.3	139
Long-term provisions	2.4	1,322
		1,461
CURRENT LIABILITIES		
Short-term Borrowings	2.5	1,498
Trade payables	2.6	8,539
Other current liabilities	2.7	4,447
Short-term provisions	2.4	3,988
		18,472
TOTAL		1,34,048
ASSETS		
NON-CURRENT ASSETS		
Fixed Assets	2.8	
Tangible Assets		10,584
Intangible Assets		1,034
Capital work-in-progress		14
Intangible assets under development		104
Non-current investments	2.9	13,598
Deferred tax assets (net)	2.21	3,772
Long-term loans and advances	2.9	7,888
Trade receivables	2.11	37
Other non-current assets	2.12	2,568
		39,599
CURRENT ASSETS		
Inventories	2.13	24,208
Trade receivables	2.11	42,512
Cash and cash equivalents	2.14	25,403
Short-term loans and advances	2.9	1,346
Other current assets	2.12	980
		94,449
TOTAL		1,34,048

NOTES TO FINANCIAL STATEMENTS

1 & 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For SHAH & TAPARIA
Firm Registration No. 109463W
Chartered Accountants

For and on behalf of Board of Directors

Ramesh Pipalawa
Partner
Membership No.: 103840

V.G.Kannan
Director

Varsha Purandare
Managing Director & CEO

Mumbai
May 17, 2016

P.Karthikeyan
Senior Vice President & CFO

Amit Shah
Company Secretary

Consolidated Statement of Profit And Loss For The Year Ended 31st March 2016



(Rupees in lacs unless otherwise stated)

	Notes	For the year ended 31st Mar-16
INCOME		
Revenue from operations	2.15	84,410
Other income	2.16	3,832
		88,242
EXPENDITURE		
Employee benefit expenses	2.17	17,446
Finance Cost	2.18	119
Depreciation and amortisation expense	2.8	3,043
Other expenses	2.19	19,996
Provisions	2.20	5,143
		45,747
Profit Before Exceptional & Extraordinary Item & Tax		42,495
Reversal/Reimbursement of Establishment Expenses (Refer Note 2.34)		249
Profit Before Tax		42,744
Provision for current income-tax		(15,919)
Provision for taxation of earlier year		(12)
Deferred tax credit	2.21	1,022
Profit Before share in net profit of Associate		27,835
Share in net profit of associate		10
PROFIT FOR THE YEAR		27,845
Earning per share (Basic and Diluted in Rs.) (Face value Rs. 10/- per share)		47.98

NOTES TO ACCOUNTS

1 & 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For SHAH & TAPARIA

Firm Registration No. 109463W
Chartered Accountants

For and on behalf of Board of Directors

Ramesh Pipalawa
Partner

Membership No.: 103840

V.G.Kannan
Director

Varsha Purandare
Managing Director & CEO

Mumbai
May 17, 2016

P.Karthikeyan
Senior Vice President & CFO

Amit Shah
Company Secretary

Consolidated Cash Flow Statement

(Rupees in lacs unless otherwise stated)

	For the year ended 31st Mar-16	
Cash flow from operating activities :-		
Net profit before taxation		42,744
Adjustments for -		
(Profit) / Loss on sale of assets(net)	-	
Interest on long term investments	(1,802)	
Dividend income	(1,928)	
Interest expenses	46	
Depreciation	3,043	
Provision on investments (net of write-back)	214	
Provision on stock-in-trade (net of write-back)	(13)	
Provision for doubtful debts (net of write-back)	2,783	
Adjustments for Foreign Currency Translation Reserve	571	
		2,914
Operating profit before working capital changes		45,658
Decrease /(increase) in trade receivables - current	(10,067)	
Decrease /(increase) in trade receivables - Non-current	(1)	
Decrease /(increase) in interest / dividend accrued	486	
Decrease /(increase) in short-term loans & advances	(582)	
Decrease /(increase) in long-term loans & advances	342	
Decrease /(increase) in Other non current assts	(64)	
Decrease /(increase) in Margin Money Deposit	(639)	
Decrease /(increase) in Balance in Escrow accounts	(2)	
Decrease/(increase) in stock-in-trade	6,717	
(Decrease)/increase in current liabilities	2,576	
(Decrease)/increase in long-term liabilities	17	
(Decrease)/increase in provision for gratuity	(28)	
(Decrease)/increase in Provision for compensated absences	27	
		(1,218)
Cash generated from operations		44,440
Income tax paid	(18,158)	
		(18,158)
I. Net cash from operating activities		26,282
Cash flow from investing activities :-		
Purchase of fixed assets	(2,603)	
Sale of fixed assets	23	
Interest on long term investments	1,802	
Dividend income	1,928	
Purchase of investments	(1,484)	
II. Net cash from investing activities		(334)

Consolidated Cash Flow Statement (Contd.)

(Rupees in lacs unless otherwise stated)

	For the year ended 31st Mar-16	
Cash flow from financing activities :-		
Bank borrowing availed	1,498	
Interest expenses	(46)	
Dividend payment	(18,571)	
Tax on dividend payment	(4,989)	
III. Net cash used in financing activities		(22,108)
Net change in cash & cash equivalents (I+II+III)		3,840
Cash & cash equivalents at the beginning of the year		19,407
Cash & cash equivalents at the end of the year		23,247

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

	As at 31st Mar-16
Cash on hand	-
Balances with scheduled banks (current & deposit accounts)	23,247
Bank Overdraft (Book Overdraft shown under Current Liabilities)	
	23,247
(Excludes amounts placed as deposits with scheduled banks and lien marked with them)	4,493

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

As per our report of even date

For SHAH & TAPARIA
 Firm Registration No. 109463W
 Chartered Accountants

For and on behalf of Board of Directors

Ramesh Pipalawa
Partner
 Membership No.: 103840

V.G.Kannan
Director

Varsha Purandare
Managing Director & CEO

Mumbai
 May 17, 2016

P.Karthikeyan
Senior Vice President & CFO

Amit Shah
Company Secretary

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016

1. Significant Accounting Policy

A. Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to SBI Capital Markets Limited ('the Company') and its subsidiary companies and associates. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- In case of foreign subsidiaries, being non-integral foreign operations, 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 Exchange Fluctuation Reserve.
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information.
- The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

C. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

D. Other significant accounting policies, these are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

2. OTHER NOTES

NOTE - 2.1

	As at 31st Mar-16
SHARE CAPITAL	
Authorised	
100,000,000	
Equity shares of Rs.10/- each	10,000
1,000,000	
Redeemable preference shares of Rs. 100/- each	1,000
	11,000
Issued, subscribed and paid up	
58,033,711	
Equity shares of Rs.10/- each fully paid up	5,803

The Company is wholly owned subsidiary of State Bank of India ('SBI') along with its nominees and shareholders are eligible for one vote per share held.

There has been no movement in the number of shares outstanding at the beginning of the period and at the end of period, consequently the reconciliation of the number of the shares outstanding at the beginning and at the end of the reporting period is not applicable.

NOTE - 2.2

	As at 31st Mar-16
RESERVES AND SURPLUS	
Capital Redemption Reserve	
Balance as per the last Financial Statements	94
Add : amount transferred from surplus balance in the statement of profit and loss	-
Closing Balance	94
Foreign Currency Translation Reserve	
Foreign Currency Translation Reserve- Opening Balance	(369)
Add: Foreign Currency Translation during the year	571
Foreign Currency Translation Reserve- Closing Balance	202
Securities premium Account	
Balance as per the last financial statements	6,347
Add: premium on issue of shares received during the year	-
Closing Balance	6,347
General reserve	
Balance as per the last financial statements	37,407
Add : amount transferred from surplus balance in the statement of profit and loss	2,967
Closing Balance	40,374

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

	As at 31st Mar-16
Surplus/(deficit) in the statement of profit and loss	
Balance as per the last financial statements	58,697
Profit for the year	27,845
Add: Share in Profit of Associate upto the end of preceding financial year	72
Less : Appropriations	
Interim dividend	18,571
Dividend distribution tax	3,781
Transfer to general reserve	2,967
Adjustment for Depreciation*	-
Total Appropriations	25,319
Net Surplus in the statement of profit and loss	61,295
TOTAL RESERVES AND SURPLUS	1,08,312

NOTE - 2.3

	As at 31st Mar-16
Other Long Term Liabilities	
Trade payables other than dues to Micro, Medium and Small Enterprises	78
Lease Deposits	46
Other Deposits	2
Franchisee Security Deposits	3
Trust Settlement Fees	10
	139

NOTE - 2.4

	As at 31st Mar-16	
PROVISIONS	Long-term	Short-term
Provision for employee benefits		
Provision for gratuity	260	-
Provision for compensated absences	1,062	207
Other provisions		
Provision for dividend distribution tax	-	3,781
	1,322	3,988

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.5

	As at 31st Mar-16
Short Term Borrowings	
Bank overdraft- Repayable on Demand from a Bank	1,498
	1,498

Rate of Interest

Bank Overdraft carry interest rates of 9.65% per annum.

NOTE - 2.6

	As at 31st Mar-16
Trade Payables	
Trade Payables other than Micro, Medium and Small Enterprises	8,539
	8,539

NOTE - 2.7

	As at 31st Mar-16
Other Current Liabilities	
Bonus payable	3,729
Advance received from customers	19
Income Received in Advance	227
TDS Payable	372
STT Payable	47
Professional Tax Payable	4
Provident fund payable	39
ESIC Payable	5
Others	5
	4,447

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE 2.8

		TANGIBLE ASSETS							INTANGIBLE ASSETS		Total
		Building (Refer Note I)	Computers	Furniture & Fixtures	Office Equipments	Vehicles	Lease hold Improvement	Plant, Machinery & Equipments	Leased Assets	Software	
GROSS BLOCK	Balance As at 1st April 15	1,600	3,400	662	619	49	121	4,020	4,342		14,813
	Additions/ Adjustments	7,916	1,291	489	430	-	34	-	160		10,321
	Deductions/Transfers	-	162	9	29	-	2	-	-		202
	Balance As at 31st March 16	9,516	4,529	1,142	1,020	49	153	4,020	4,502		24,932
ACCUMULATED DEPRECIATION / AMORTISATION	Balance As at 1st April 15	1,173	1,937	573	450	21	109	4,020	2,167		10,451
	Additions/ Adjustments	285	1,009	169	255	12	10	-	1,301		3,042
	Deductions/Transfers	-	146	9	21	-	2	-	-		179
	Balance As at 31st March 16	1,458	2,800	733	684	33	117	4,020	3,468		13,314
NET BLOCK											
	As at 31st March 16	8,058	1,729	409	336	16	36	-	1,034		11,618

Note :

I. Building includes cost of 15 shares of Rs.100/- each held by the Company in a co-operative housing society.

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.9

	As at 31st Mar-16
NON-CURRENT INVESTMENTS	
(Long term, non trade, at cost unless otherwise stated)	
Investment in Equity Instruments (quoted)	
2,94,000 shares of Re.1/- each fully paid in Indian Hotels Ltd	291
(At cost less provision other than temporary diminution in value Rs. 50	
Sub-total	291
Bonds (quoted)	
54,876 8.20% bonds of National Highway Authority of India Ltd (Taxfree) of Rs. 1,000/- each fully paid	549
71,197 bonds of 8.20% Power Finance Corporation Ltd (Taxfree) of Rs. 1,000/- each fully paid	712
3,04,510 8.10% bonds of India Railways Finance Corporation Ltd (Taxfree) of Rs. 1,000/- each fully paid	3,045
1,00,000 bonds of 7.38% Rural Electrification Corporation Ltd (Taxfree) of Rs. 1,000/- each fully paid	1,000
1,00,000 bonds of 7.34 % Indian Railways Finance Corporation Ltd (Taxfree) of Rs. 1,000/- each fully paid	1,000
1,00,000 bonds of 8.63% Rural Electrification Corporation Ltd (Taxfree) of Rs. 1000/- each fully paid	1,000
1,00,000 bonds of 8.55% India Infrastructure Finance Company Ltd (Taxfree) of Rs. 1000/- each fully paid	1,000
15,000 @8.01% tax free bonds of India Infrastructure Finance Company Ltd of Rs.1,000/- each fully paid-up	150
	8,456
Debentures (quoted)	
NIL, 0% compulsory convertible debentures of Indian Hotels of Rs. 55/- each fully paid	-
Sub-total	-
Total quoted investments	8,747

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.9

	As at 31st Mar-16
NON - CURRENT INVESTMENTS	
Investment in Equity Instruments (unquoted)	
19,50,000 shares of Rs.10/- each fully paid in National Stock Exchange of India Ltd	341
11,00,000 shares of Rs.10/- each fully paid in OTC Exchange of India (At cost less provision other than temporary diminution in value Rs. 110	*_
5,35,768 shares of Rs.10/- each fully paid in Investor Services of India Ltd (company under liquidation)	-
10,00,000 shares of Rs.39.63/- each fully paid in ONGC Mittal Energy Ltd (At cost less provision other than temporary diminution in value Rs.396	*_
Sub-total	341
Investment in Equity Instruments - Parents Subsidiaries	
6,81,818 shares of FV Rs. 100/- each fully paid in SBI DFHI Ltd (formerly SBI Gilts Ltd) (Percentage holding in the Company is 3.12%)	750
10,32,500 shares of Rs.10/- each fully paid in SBI Home Finance Ltd (At cost less provision other than temporary diminution in value Rs.103	*_
	750
Investment in Equity Instruments - Associates (unquoted)	
60,00,000 shares of Rs. 10/- each fully paid in SBI Pension Funds Pvt. Ltd -Original Cost (Percentage holding in the Company is 20%	601
Add: Accumulated income from associate upto the end of preceding financial Year	72
Add: Accumulated income from associate for the Current year	10
Total	682

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.9

	As at 31st Mar-16
NON - CURRENT INVESTMENTS	
Investment in Alternative Investment Fund (Unquoted)	
82419.306 of Rs. 1000 each fully paid in Neev Fund	824
1000 of Rs. 1000 each fully paid in SBI Pipe Fund	100
Sub-total	924
Investment in Mutual Funds (unquoted)	
35,39,410 units of Rs. 10/- each fully paid FT India Balance Fund Dividend Payout (At cost less provision other than temporary diminution in value Rs. 238)	762
1,00,00,000 units of Rs. 10/- each fully paid SBI PSU Fund Growth (At cost less provision other than temporary diminution in value Rs. 168)	832
56,00,000 units of Rs 10/- each fully paid SBI Debt Fund Series B-31(1200 Days)-Direct Growth Plan (At cost less provision other than temporary diminution in value Rs. NIL)	560
Sub-total	2,154
Total unquoted investments	4,852
Total investments	13,598
Aggregate of quoted investments:	
(i) Cost	8,797
(ii) Market Value	10,133
(iii) Book Value	8,747
Aggregate of unquoted investments:	
(i) Cost	5,785
(ii) Book Value	4,852
Aggregate of provision for diminution in value of investments	1,066
* Fully provided for.	

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.10

	As at 31st Mar-16	As at 31st Mar-16
LOANS AND ADVANCES	Non-current	Current
(Unsecured and considered good unless otherwise stated)		
Capital Advances (Unsecured, considered good)	-	-
Security Deposits	899	22
Loans and advances to related parties	-	44
Advances recoverable in cash or in kind or for value to be received		
Considered good	129	44
Considered doubtful	-	-
	129	44
Less: Provision for doubtful advances		
	129	44
Other loans and advances		
Advance tax and tax deducted at source [net of provision for income-tax Rs 81,665]	6,246	-
Advance tax FBT [net of provision for FBT Rs 184]	-	-
Advance interest tax [net of provision for interest tax Rs 139]	152	-
Advance Service Tax	-	-
Deposits with stock exchanges/clearing house	279	-
Arbitration Deposit	1	-
Less: Provision for Arbitration Deposit	(1)	-
Prepaid Expenses	183	222
Loans to Employees	-	101
Advances for Expenses	-	98
Balances with statutory/Government authorities	-	815
Total	7,888	1,346

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.11

	As at 31st Mar-16	As at 31st Mar-16
Trade Receivables	Non-current	Current
Secured, Considered good		
Debts outstanding for a period exceeding six months from the date they are due for payment	-	30
Other debts	-	5,031
Considered good unless stated otherwise		
Debts outstanding for a period exceeding six months from the date they are due for payment	19	4,532
Other debts	18	32,919
	37	42,512
Considered doubtful		
Debts outstanding for a period exceeding six months from the date they are due for payment	121	6,675
Other debts	-	49
	121	6,724
Less: Provision for doubtful debts	121	6,724
	-	-
	37	42,512

NOTE - 2.12

	As at 31st Mar-16	As at 31st Mar-16
Other Assets	Non-current	Current
Non-current Bank Balances	2,355	-
Others		
Interest accrued on fixed deposits	208	657
Interest accrued on investments	5	252
Interest Accrued - Downselling	-	71
	2,568	980

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.13

	As at 31st Mar-16
STOCK-IN-TRADE	
Stock in trade for Downselling (quoted)	
250 10.38% Jindal Saw Ltd. 9 yrs series-2 Debentures of FV Rs.10,00,000 each (At cost less provision for temporary diminution in value Rs. Nil)	2,500
450 (2015:Nil) 8.45% State Bank of Travancore bonds FV Rs.10,00,000/- each (At cost less provision for temporary diminution in value Rs.Nil)	4,500
Sub Total	7,000
Total quoted stock-in-trade	7,000
Investment in Equity Instruments (unquoted)	
15,400 shares of Rs.10/- each fully paid in Cremica Agro Foods Ltd (At cost less provision for Rs. 3)	*-
Sub-total	-
Preference Shares (unquoted)	
1,40,000 0.0001% shares of Rs.10/- each fully paid in Pasupati Fabrics Ltd (At cost less provision Rs. 14)	*-
Sub Total	-

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.13

	As at 31st Mar-16
Mutual Funds (unquoted)	
2,50,00,000 Units of HDFC FMP 372 D 14 Feb 2014 Series 29 Regular Growth	2,500
1,00,00,000 Units of HDFC FMP 370 D June 2014 Series 31 Regular Growth	1,000
1,00,00,000 Units of 'HDFC FMP 1167 Days FMP - January 2016 Growth	1,000
2,00,00,000 Units of SBI Debt Fund Series A -14 380 days - Direct- Growth	2,000
2,00,00,000 Units of SBI Debt Fund Series B-34 1131 days - Direct- Growth	1,500
66,12,751 Units of SBI Magnum Gilt Fund Long Term - Direct	2,000
66,942 Units of HDFC Liquid Fund - DIRECT - Growth Plan	2,000
1,95,24,386 Units of ICICI Prudential Ultra Short Fund - Growth Option	3,000
89,367 Units of SBI-Premier Liquid Fund - Growth Option	2,125
8,302 units of SBI Premier Liquid Fund Daily Dividend Reinvestment Option	83
Sub-total	17,208
Total unquoted stock-in-trade	17,208
Total stock-in-trade	24,208
Aggregate of quoted stock-in-trade:	
(i) Cost	7,000
(ii) Market/realisable value	7,084
(iii) Book Value	7,000
Aggregate of unquoted stock-in-trade:	
(i) Cost	17,225
(ii) Book Value	17,208
Aggregate provision for diminution in value of investments	17

* Fully provided for.

** Inventories includes Rs. 83 lacs investment in liquid funds which has been classified under Current Investment by SBICAP Trustee Company Limited in their financial statements.

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.14

	As at 31st Mar-16	As at 31st Mar-16
CASH AND BANK BALANCES		
Cash and cash equivalents	Non-Current	Current
On Current Accounts	-	7,631
On Current Accounts-Escrow Accounts	-	17
Deposits with original maturity of less than three months	-	5,322
Cash on hand	-	-
Other Bank Balances		
Deposits with original maturity of more than twelve months	2,355	6,809
Deposits with original maturity of more than three months but less than twelve months	-	1,130
Margin money deposit	-	4,493
Less : Amount disclosed under non-current assets	(2,355)	-
	-	25,402

Deposit accounts with scheduled banks amounting to Rs.4493 are towards the cash margin for various guarantees issued by banks on behalf of the Company and Deposits on lien with Stock exchanges and banks.

NOTE - 2.15

	For the year ended 31st Mar-16
REVENUE FROM OPERATIONS	
Merchant Banking and Advisory Fees	
Issue management	1,992
Underwriting commission	175
Arranger's fees	2,526
Advisory fees	55,620
Trusteeship Acceptance Fees	569
Trusteeship Service Charges	2,147
Trusteeship Income From Will Services	1
Brokerage	7,581
Selling & Distribution commission	4,139
Depository Service Income	928
Base Management Fees	687
Other Operating Revenue	3,002
Sub-total	79,367
Other Operations (Income from Securities)	
Interest Income	1,802
Trading profits/(loss) on stock-in-trade (net)	1,313
Dividend	1,928
Sub-total	5,043
Total	84,410

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.16

	For the year ended 31st Mar-16
OTHER INCOME	
Bad debts recovered	149
Foreign exchange fluctuation (net)	80
Interest on deposit with Banks	1,175
Others	118
Write-back of provision on:	
Stock-in-trade	13
Bonus	6
Contribution to Gratuity	86
Compensated Absences	37
Doubtful debts	2,145
S&D sub-commission payable	21
Others	2
	3,832

NOTE - 2.17

	For the year ended 31st Mar-16
EMPLOYEE BENEFIT EXPENSES	
Salaries, wages and bonus	15,901
Contribution to provident and pension funds	588
Contribution to Gratuity	164
Contribution to Superannuation	272
Compensated Absences	-
Staff welfare	521
	17,446

NOTE - 2.18

	For the year ended 31st Mar-16
INTEREST EXPENSE	
Short Term Borrowings	46
Bank and others	73
	119

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.19

	For the year ended 31st Mar-16
OTHER EXPENSES	
Selling and distribution sub-commission	2,035
Stamp duty	175
Transaction charges	22
Depository charges	10
Insurance Charges-stock brokers Indemnity	6
Cost of outsourced staff	2,623
Other operating expenses	1,009
Business Promotion Expenses	98
Legal and professional fees	982
Conveyance and travelling	1,214
Rent	1,726
Hiring Charges	338
Rates and taxes	46
Royalty	590
Bad debts written off	3,658
Postage, telephone and telex	933
Advertisement	316
Printing and stationery	394
Electricity	347
Repairs and maintenance:	
Building	124
Others	829
Insurance	173
Directors' sitting fees	19
Office Maintenance	243
Training Charges	526
Membership and Subscription	511
Filing Fees and other Charges	54
Prior Period Expenses	-
Contribution towards CSR	463
Miscellaneous expenses	532
	19,996

NOTE - 2.20

	For the year ended 31st Mar-16
PROVISIONS (Expense)	
Provision for:	
Diminution in value of investments	214
Doubtful debts	4,929
	5,143

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.21

	For the year ended 31st Mar-16
Earnings per equity share (EPS)	
I Basic and diluted EPS (Rs.)	47.98
II Nominal value per share (Rs.)	10

EPS has been calculated based on the net profit after taxation of Rs.27,845 and the weighted average number of equity shares outstanding during the year of 5,803.

Basic and diluted EPS has been computed by dividing net profit after tax by weighted average number of equity shares outstanding during the year. There are no dilutive potential equity shares outstanding during the year.

NOTE - 2.22

	For the year ended 31st Mar-16
Deferred taxes	
Tax Assets/(Liabilities) due to temporary timing difference in respect of:	
Deferred tax liabilities	
Depreciation on fixed assets	104
Total (A)	104
Deferred tax assets	
Provision for Bonus	32
Provision on Gratuity	83
Provision on compensated leave	434
Provision for doubtful debts	2,358
Carryforward of Losses	968
Provision for Arbitrage Deposit	-
Deferred tax assets (B)	3,875
Deferred tax assets/ (liability) (A-B)	3,771
Net deferred tax liability as of the year end	-
Less : Opening Deferred Tax Asset	2,750
Deferred tax credit / (expense) for the year	1,022

NOTE - 2.23

	For the year ended 31st Mar-16
CONTINGENT LIABILITIES AND COMMITMENTS	
(i) Claims against the Company not acknowledged as debts	503
(ii) Guarantees issued	139
(iii) Capital Commitments	85
(iv) Underwriting Commitments	8,640

Guarantees issued includes Rs. 90 represents our share of guarantees issued by SBI Pension Funds Ltd (Associate)

NOTE - 2.24

Based on the legal advice and favourable legal decisions by various authorities, no provision has been made in respect of income tax demands aggregating to Rs.7,123 in excess of provision held. These demands have been contested by the Company at various appellate authorities.

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.25

	For the year ended 31st Mar-16
SUPPLEMENTARY PROFIT AND LOSS DATA	
(a) Managerial remuneration	
(i) The Managing Director & Chief Executive Officer is on secondment from SBI and their remuneration, which is in accordance with the service rules of SBI, has been charged in the books of accounts.	
(ii) Remuneration to Managing Director & CEO	
Salary and bonus	30
Contribution to provident and pension funds	4
Perquisites	7
	<u>41</u>
As the future liability for Gratuity and Compensated leave absences is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and therefore not included above.	
There is no commission payable to any director of the Company. Consequently, the computation of profits as required under Section 197 of the Companies Act, 2013 has not been included.	
(b) Payments to auditors (excluding service tax) (included in Legal and professional fees)	
As auditors	52
For tax audit	3
For other matters	13
For out-of-pocket expenses	2
	<u>71</u>
(c) Expenditure in foreign currency	
Travel and other expenses	<u>479</u>
(d) Earnings in foreign currency	
Advisory fees from overseas clients and reimbursement of expenses	<u>6,202</u>

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.26

RELATED PARTIES

The following is the list of parties related due to control criteria as per AS-18, Related Party Disclosure:

Name of the Party	Relationship
State Bank of India	Holding Company

The following is the list of parties related due to significant influence criteria as per AS-18 with whom the transactions have taken place during the year:

Name of the Party	Relationship
State Bank of Bikaner & Jaipur	Fellow Subsidiary
State Bank of Hyderabad	Fellow Subsidiary
State Bank of Mysore	Fellow Subsidiary
State Bank of Patiala	Fellow Subsidiary
State Bank of Travancore	Fellow Subsidiary
SBI DFHI Limited	Fellow Subsidiary
SBI Fund Management Ltd.	Fellow Subsidiary
SBI Life Insurance Company Limited	Fellow Subsidiary
SBI Cards & Payment Services Pvt. Limited	Fellow Subsidiary
SBI Global Factors Ltd.	Fellow Subsidiary
SBI Pension Funds Pvt. Ltd	Associate & Fellow Subsidiary
SBI General Insurance Co Ltd	Fellow Subsidiary
SBI Mauritius Ltd	Fellow Subsidiary
SBI Macquarie Infrastructure Investment Pte Ltd	Associate of SBI
SBI Macquarie Infrastructure Trust	Associate of SBI
SBI Home Finance Limited	Associate of SBI
SBI Mutual Funds	Fellow Subsidiary
SBI Cards & Payment Services Pvt. Ltd.	Fellow Subsidiary
Straits Law Practice	Enterprise over which Key Managerial personnel are able to exercise significant Influence
Shri V.G.Kannan, Managing Director & Chief Executive Officer upto 17th July 2014	Key Management Personnel
Shri Rajnish Kumar, Managing Director & Chief Executive Officer from 31st July 2014 to 26th May 2015	Key Management Personnel
Shri Praveen Gupta, Managing Director & Chief Executive Officer from 15th July 2015 to 02nd November 2015	Key Management Personnel
Shrimati Varsha Purandare, Managing Director & Chief Executive Officer from 01st December 2015	Key Management Personnel
Shri P Karthikeyan, Senior Vice President & Chief Financial Officer	Key Management Personnel
Shri Nilesh Shah, Company Secretary Upto 30th June 2015	Key Management Personnel
Shri Amit Shah, Company Secretary from 15th July 2015	Key Management Personnel

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

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

Particulars	Holding Company	Fellow Subsidiaries	Key Managerial Personnel
	Mar-16	Mar-16	Mar-16
Expenses during the year ended			
Deputation of Employees	483		
Salaries & Allowances			
Shri Amit Shah			16
Shri Nilesh Shah			30
Interest Expenses	46	-	-
Referral Fees	131		
Rent	50		
Bank & Other Charges	61		
SBI DFHI Limited	-		
Royalty Expense	590		
Insurance Expense			
SBI Life Insurance Company Limited		37	
SBI General Insurance Co Ltd		110	
Office Maintenance	1	-	-
Income during the year ended			
Issue Management Fees	-		
State Bank of Travancore		15	
Private Placement Fees	1,746		
Advisory Fees	1,349		
SBI Global Factors Ltd			
State Bank of Patiala		10	
Trusteeship Service Charges			
SBI Cards & Payment Services Pvt. Ltd.		1	
SBI Global Factors Ltd		-	
Brokerage Income	249		
State Bank of Bikaner and Jaipur		-	
State Bank of Hyderabad		-	
State Bank of Travancore		-	
State Bank of Patiala		-	

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

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

Particulars	Holding Company	Fellow Subsidiaries	Key Managerial Personnel
	Mar-16	Mar-16	Mar-16
State Bank of Mysore		-	
SBI Life Insurance Company Limited		165	
SBI Mutual Funds		116	
Selling & Distribution Income	3,210		
Referral Fees	244		
Bank Interest	888		
State Bank of Bikaner & Jaipur		12	
State Bank of Patiala		88	
State Bank of Mysore		187	
Interest from Gratuity Fund			
SBI Life Insurance Company Limited		10	
Dividend			
SBI DFHI Limited	259		
Balance receivable as at			
Trade Receivables	2,361		
SBI Life Insurance Company Limited		13	
SBI Mutual Fund		13	
Cash at Bank	5,449		
State Bank of Bikaner & Jaipur		256	
State Bank of Hyderabad		239	
State Bank of Travancore		117	
State Bank of Patiala		182	
State Bank of Mysore		22	
Deposit with Bank	16,349		
State Bank of Patiala		694	
State Bank of Mysore		1,585	
State Bank of Travancore		-	
Loans & Advances	44		
SBI General Insurance Co Ltd		1	
Other Current Assets	854		
State Bank of Patiala		7	
State Bank of Mysore		6	

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

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

Particulars	Holding Company	Fellow Subsidiaries	Key Managerial Personnel
	Mar-16	Mar-16	Mar-16
Investments			
SBI Pension Funds Pvt. Ltd		601	
SBI DFHI Limited		750	
SBI Home Finance Limited*		-	
Inventories			
State Bank of Travancore		4,500	
Balance payable as at			
Creditors	533		
Short Term Borrowings	1,498		
Others transactions during the year ended			
Dividend paid	18,571		
Fees Shared (netted from Income)	75		
Guarantees	50		

I. Included in expenses relating to deputation of employees are amounts aggregating to Rs.61 (2015: Rs.52) pertaining to salaries paid to key management personnel.

II. * - Fully provided for

III. # - Excludes fees shared by way of pass through arrangement.

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.27

Segmental Reporting

	Fund Based Segment	Fee Based Segment	Corporate & Others	Total
For the year ending	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
REVENUE				
External sales	5,447	81,765	1,030	88,242
Inter-segment sales	-	-	-	-
Total revenue	5,447	81,765	1,030	88,242
RESULT				
Segment result	5,203	52,254	1,030	58,487
Unallocated Revenue	-	-	-	-
Unallocated corporate expenses	-	-	-	15,873
Operating profit	-	-	-	42,614
Interest expense	-	-	-	119
Income tax	-	-	-	14,909
Profit from ordinary activities	-	-	-	27,586
Extraordinary item, net	-	-	-	249
Net profit	-	-	-	27,835

	Fund Based Segment	Fee Based Segment	Corporate & Others	Total
As at	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
Segment assets	54,422	47,794	-	1,02,216
Unallocated corporate assets	-	-	-	31,832
Total assets	-	-	-	1,34,048
Segment liabilities	50	8,784	-	8,834
Unallocated corporate liabilities	-	-	-	11,099
Total liabilities	-	-	-	19,933
Capital expenditures	-	-	-	2,603
Depreciation	-	-	-	3,043

Identification of direct cost to each segment, allocation of common cost and unallocable cost are based on management's judgment.

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.28

Gratuity and other post-employment benefit plans: (AS 15 120(b))

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.

Profit and Loss account

Net employee benefit expense (recognised in Employee Cost)

[AS15 Revised (c) (i) to (x)]

	Gratuity
	2016
Current service cost	119
Interest cost on benefit obligation	76
Expected return on plan assets	(49)
Net actuarial(gain) / loss recognised in the year	(62)
Past service cost	-
Net benefit expense	84
Actual return on plan assets	38

Balance sheet

Details of Provision for gratuity

	Gratuity
	2016
Defined benefit obligation	909
Fair value of plan assets	(648)
Less: Unrecognised past service cost	-
Plan asset / (liability)	(261)

Changes in the present value of the defined benefit obligation are as follows:

[AS15 Revised 120(e) (i) to (viii)]

SBICAPS

	Gratuity
	2016
Opening defined benefit obligation	878
Interest cost	76
Current service cost	119
Benefits paid	(92)
Actuarial (gains) / losses on obligation	(72)
Past Service Cost	-
Closing defined benefit obligation	909

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

Changes in the fair value of plan assets are as follows:

	2016
Opening fair value of plan assets	590
Expected return	49
Contributions by employer	112
Benefits paid	92
Actuarial gains / (losses)	(10)
Closing fair value of plan assets	648

The Company expects to contribute Rs.140 to gratuity in 2016-17.

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

[AS15 Revised Para (h)]

	2016
	%
Investments with insurer	100

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

{AS15 Revised 120 (I) (i) to (v)}

	2016
	%
Discount rate	7.75
Expected rate of return on assets	8.00
Salary Escalation Rate	8.10

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current period are as follows: [AS15 Revised 120(n)]

	2016
	%
Defined benefit obligation	909
Plan assets	648
Surplus / (deficit)	(261)
Experience adjustments on plan liabilities	(21)
Experience adjustments on plan assets	(10)

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

Changes in the fair value of plan assets are as follows:

	2016
Opening fair value of plan assets	590
Expected return	49
Contributions by employer	112
Benefits paid	92
Actuarial gains / (losses)	(10)
Closing fair value of plan assets	648

The Company expects to contribute Rs.140 to gratuity in 2016-17.

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

[AS15 Revised Para (h)]

	2016
	%
Investments with insurer	100

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

{AS15 Revised 120 (I) (i) to (v)}

	2016
	%
Discount rate	7.75
Expected rate of return on assets	8.00
Salary Escalation Rate	8.10

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current period are as follows: [AS15 Revised 120(n)]

	2016
	%
Defined benefit obligation	909
Plan assets	648
Surplus / (deficit)	(261)
Experience adjustments on plan liabilities	(21)
Experience adjustments on plan assets	(10)

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.29

Details of transactions under Stock-in-Trade during the period 1st April, 2015 to 31st March, 2016

Particulars	Opening Stock		Additional Purchases		Adjustments**		Sales/Redemption		Closing Stock	
	Nos.	Amt.	Nos.	Amt.	Nos.	Amt.	Nos.	Amt.	Nos.	Amt.
Stock-In-Trade										
Preference Shares	1,40,000	*-	-	-	-	-	-	-	1,40,000	*-
Debentures	-	-	-	-	-	-	-	-	-	-
Equity Shares	15,400	-	-	-	-	-	-	-	15,400	*-
Units of Mutual Fund	7,18,24,046	13,425	11,44,23,591	1,66,074	-	-	7,99,45,890	1,62,291	10,63,01,747	17,208
Stock in Trade for Downselling	1,750	17,487	8,720	77,100	-	-	9,770	87,600	700	7,000
Commercial Paper	-	-	-	-	-	-	-	-	-	-
Total		30,912		2,43,174				2,49,890		24,208

* - Fully provided for

** - Adjustment shown is on account of change in FV of units of Mutual Funds

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

Note - 2.30

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2016.

Note - 2.31

Office premises obtained on operating lease are cancellable and no restrictions are imposed by the lease agreement, hence no disclosure is required. Lease rent paid during the year is disclosed in Note 2.18 to the Financial Statements.

Note - 2.32

Company has purchased a property for the purpose of giving it on lease to its wholly owned subsidiary. The same is shown as Long term Investments as defined in Para 3 of Accounting Standard 13 issued by Institute of Chartered Accountants of India and notified by Companies Act, 2013. Hence depreciation on Investment Property is not charged to Statement of Profit & Loss Account. During the year FY 2015-16 the said property has been leased out to wholly owned subsidiary. The same is shown as Fixed Assets as per Para 39 of Accounting Standard 19 issued by the Institute of Chartered Accountants of India and notified by Companies Act, 2013.

Note - 2.33

Company has received an amount of Rs. 54 lacs from liquidator of Investor Services of India Limited representing full cost of investment in Financial Year 2013-14 and Rs. 1 lacs in the year financial year 2015-16 representing surplus money distributed to shareholders. The same is recognized as dividend income for the year.

Note - 2.34

Reimbursements of Establishment Expenses

The Establishment Expenses such as Legal & Professional fees, Salary & allowance, Rates & Taxes, Travelling Expenses and other Administrative expenses were debited to Profit & Loss A/C in the F.Y 2013-14 and F.Y 2014-15. As per contribution Agreement dated 4th March, 2015, clause 6.14 with Neev Fund (Trust), the said above expenses are reversed/reimbursed and credited to Profit & Loss A/C under the head Income, totalling to Rs 2,49,25,000/- (i.e INR equivalent of GBP 2,50,000 maximum allowable as calculated at the exchange rate as applicable on the date of remittance of the first drawdown) and same are recoverable from Neev Fund (Trust).

Note - 2.35

Comparative Figures

This being the first occasion that consolidated financial statements are presented, figures for the previous period are not presented as per Para 30 of Accounting standard 21 issued by Institute of Chartered Accountants of India and notified by Companies Act, 2013.

Notes To Consolidated Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

Note - 2.36

Enterprises consolidated as subsidiary in accordance with Accounting Standard 21 - Consolidated Financial Statements and as associates in accordance with Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements respectively:

Name of Enterprise	Relationship	Country of Incorporation	Proportion of Ownership interest
SBICAP Securities Limited	Subsidiary	India	100%
SBICAP Trustee Company Limited	Subsidiary	India	100%
SBICAP Ventures Ltd	Subsidiary	India	100%
SBICAP (UK) Ltd	Subsidiary	UK	100%
SBICAP (Singapore) Ltd	Subsidiary	Singapore	100%
SBI Pension Funds Private Ltd	Associate	India	20%

Note 2.37

Additional Information, as required under schedule III to the Companies Act, 2013 of enterprise consolidated as Subsidiary/Associates:

(Rs. in Lacs)

Name of the Enterprises	Net Assets*		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
SBI Capital Markets Ltd	76.36	87138	101.63	28304
Subsidiaries				
Indian				
SBICAP Securities Limited	9.67	11038	(5.39)	(1501)
SBICAP Trustee Company Limited	4.62	5268	4.80	1335
SBICAP Ventures Ltd	2.40	2742	1.31	364
Foreign				
SBICAP (UK) Ltd	1.32	1506	(2.02)	(563)
SBICAP (Singapore) Ltd	5.56	6341	(0.37)	(104)
Associates				
India				
SBI Pension Funds Private Ltd	0.07	82	0.04	10

*total assets minus total liabilities

As per our report of even date

For SHAH & TAPARIA
Firm Registration No. 109463W
Chartered Accountants

For and on behalf of Board of Directors

Ramesh Pipalawa
Partner
Membership No. 103840

V.G.Kannan
Director

Varsha Purandare
Managing Director & CEO

Mumbai
May 17, 2016

P.Karthikeyan
Senior Vice President & CFO

Amit Shah
Company Secretary

Standalone Financial Statements

Independent Auditors' Report

To the Members of SBI CAPITAL MARKETS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of SBI CAPITAL MARKETS LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government 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 according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditors' Report

2. As required by section 143 (3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. on the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 B".
- 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 financial statements – Refer Note 2.22 (i) and 2.23 to the 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.

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

For SHAH & TAPARIA

Chartered Accountants

Firm's registration number: 109463W

RAMESH PIPALAWA

Partner

Membership number: 103840

Place: Mumbai

Date: 17th May, 2016

Annexure A To The Independent Auditor's Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the stand alone financial statements of the Company for the year ended March 31, 2016:

1) 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 immovable properties are not available for verification as the same are deposited with the Registrar so we are unable to comment on the same, however we have verified the Share Certificates in respect of these properties which are in the Company's name. The title deed of the remaining one immovable property is held in the name of the company.

2) 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.

- 3) 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.
- 4) 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.
- 5) The Company has not accepted any deposits from the public. Hence this para of the Order is not applicable to the Company.
- 6) 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.

7) 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, Cess and any other statutory dues applicable to it with the appropriate authorities. As explained to us the provisions of customs and excise are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, outstanding on account of any dispute except as under:

Annexure A To The Independent Auditor's Report

Name of the statute	Nature of dues	Amount (Rs. In lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Issue relating to disallowance of expenses	1932	AY 2013-14	Commissioner of Income Tax (Appeals)
		3829	AY 1989-1990, 1991-92 to 1992-93, AY 1996-97 to 1999-00, AY 2001-02, AY 2003-04, AY 2006-07, AY 2009-2010 and AY 2011-12	Income Tax Appellate Tribunal (ITAT)
Sales Tax (Central and State)	Issues relating to lease tax	23.13	1991-96	Commissioner Sales Tax

- 8) The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures. Hence this para of the Order is not applicable to the Company.
- 9) 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.
- 10) According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- 11) 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;
- 12) 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 4 (xii) of the Order are not applicable to the Company.
- 13) 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 Accounting Standards.
- 14) 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.
- 15) 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.

Annexure A To The Independent Auditor's Report

16) 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 SHAH & TAPARIA

Chartered Accountants

Firm's registration number: 109463W

RAMESH PIPALAWA

Partner

Membership number: 103840

Place: Mumbai

Date: 17th May, 2016

Annexure B To The Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SBI Capital Markets Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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.

Annexure B To The Independent Auditor's Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 SHAH & TAPARIA

Chartered Accountants

Firm's registration number: 109463W

RAMESH PIPALAWA

Partner

Membership number: 103840

Place: Mumbai

Date: 17th May, 2016

Annexure C To The Independent Auditor's Report

Report on directions and sub-directions issued by the Comptroller and Auditor General of India under section 143(5) of Companies Act, 2013

A. Directions

1. Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?
 - 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 immovable properties are not available for verification as the same are deposited with the Registrar so we are unable to comment on the same, however we have verified the Share Certificates in respect of these properties which are in the Company's name. The title deed of the remaining one immovable property is held in the name of the company.
 - The company does not have any freehold/leasehold land.
2. Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons therefore and the amount involved?
 - During the FY 2015-16 Sundry Debtors aggregating to Rs 35,52,62,767/- were written off in 88 cases. Accordingly the profit of the Company for the FY 2015-16 has been reduced to this extent. A summary of sundry debtors written off during the FY 2015-16 along with the reasons for write off is given below:

Reasons	Write-offs of Debtors	
	No of Cases	Amount
Liquidity Crisis faced by clients	60	32,02,95,425
Deal did not Materialise	11	85,85,966
Disputed Services	7	72,99,949
Disputed OPE Amount	6	2,56,562
Wrongly Billed	3	1,85,00,384
Renegotiation of Fees	1	3,24,480
TOTAL	88	35,52,62,767

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.
 - According to the information and explanations given to us and based on our examination of the records of the company, there have been no instances where inventories were lying with third parties or assets were received as gift from Govt. or other authorities

B. Sub-directions

1. Whether there are any cases of waiver of fees/reversal of accounted fees which was due but not received/written off. If yes, the reasons therefor and the amount involved – case wise.
2. During the FY 2015-16 fees aggregating to Rs 2,91,41,215 was reversed/de-accrued in 9 cases. Accordingly the profit of the Company for the FY 2015-16 has been reduced to this extent. A summary of reversed/de-accrued cases during the FY 2015-16 along with the reasons for reversal of fees/de-accruals is given below:

Annexure C To The Independent Auditor's Report

Reasons	Reversal of fees / De-accruals	
	No of Cases	Amount
Liquidity Crisis faced by clients	8	232,41,215
Disputed Services	1	59,00,000
TOTAL	9	2,91,41,215

For SHAH & TAPARIA

Chartered Accountants

Firm's registration number: 109463W

RAMESH PIPALAWA

Partner

Membership number: 103840

Place: Mumbai

Date: 17th May, 2016

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 2016

The preparation of Financial Statements of SBI Capital Markets Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent audit in accordance with 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 17th May 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6)(a) of the Act of the Financial Statement of SBI Capital Markets Limited for the year ended 31 March 2016. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

For and on the behalf of the

Comptroller and Auditor General of India

(Roop Rashi)

**Principal Director of Commercial Audit and ex-officio Member,
Audit Board-I, Mumbai**

Place : Mumbai

Date : 22nd July, 2016

Balance Sheet As At 31st March 2016

(Rupees in lacs unless otherwise stated)

	Notes	As at 31st Mar-16	As at 31st Mar-15
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.1	5,803	5,803
Reserves and surplus	2.2	1,02,062	96,074
		1,07,865	1,01,877
NON-CURRENT LIABILITIES			
Other long-term liabilities	2.3	70	72
Long-term provisions	2.4	1,049	1,188
		1,119	1,260
CURRENT LIABILITIES			
Trade payables	2.5	2,750	2,310
Other current liabilities	2.6	3,288	3,192
Short-term provisions	2.4	3,906	5,098
		9,944	10,600
TOTAL		1,18,928	1,13,737
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	2.7		
Tangible Assets		8,920	860
Intangible Assets		253	415
Capital work-in-progress		10	249
Non-current investments	2.8	33,166	38,783
Deferred tax assets (net)		3,422	2,507
Long-term loans and advances	2.9	6,276	4,118
Trade receivables	2.10	19	19
Other non-current assets	2.11	-	3,200
		52,066	50,151
CURRENT ASSETS			
Inventories	2.12	24,125	30,912
Trade receivables	2.10	34,253	30,362
Cash and cash equivalents	2.13	6,520	520
Short-term loans and advances	2.9	1,230	541
Other current assets	2.11	734	1,251
		66,862	63,586
TOTAL		1,18,928	1,13,737

NOTES TO FINANCIAL STATEMENTS

1 & 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For SHAH & TAPARIA

Firm Registration No. 109463W
Chartered Accountants

For and on behalf of Board of Directors

Ramesh Pipalawa
Partner
Membership No.: 103840

V.G.Kannan
Director

Varsha Purandare
Managing Director & CEO

Mumbai
May 17, 2016

P.Karthikeyan
Senior Vice President & CFO

Amit Shah
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2016

(Rupees in lacs unless otherwise stated)

	Notes	For the year ended 31st Mar-16	For the year ended 31st Mar-15
INCOME			
Revenue from operations	2.14	64,951	65,885
Other income	2.15	3,439	5,628
		68,390	71,513
EXPENDITURE			
Employee benefit expenses	2.16	10,816	9,613
Interest expense	2.17	-	-
Depreciation and amortisation expense	2.7	959	466
Other expenses	2.18	9,114	7,433
Provisions	2.19	4,972	3,211
		25,861	20,723
PROFIT BEFORE TAX		42,529	50,790
Provision for current income-tax		(15,105)	(16,055)
Provision for taxation of earlier year		-	(686)
Deferred tax credit		915	(249)
PROFIT FOR THE YEAR		28,339	33,800
Earning per share (Basic and Diluted in Rs.) (Face value Rs.10/- per share)		48.83	58.24

NOTES TO FINANCIAL STATEMENTS

1 & 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For SHAH & TAPARIA
Firm Registration No. 109463W/
Chartered Accountants

For and on behalf of Board of Directors

Ramesh Pipalawa
Partner
Membership No.: 103840

V.G.Kannan
Director

Varsha Purandare
Managing Director & CEO

Mumbai
May 17, 2016

P.Karthikeyan
Senior Vice President & CFO

Amit Shah
Company Secretary

Cash Flow Statement

(Rupees in lacs unless otherwise stated)

	For the year ended 31st March 2016		For the year ended 31st March 2015	
Cash flow from operating activities :-				
Net profit before taxation		42,529	50,790	
Adjustments for -				
(Profit) / Loss on sale of assets(net)	-		(3)	
Profit on sale of long term investments	-		(120)	
Interest on long term investments	(1,790)		(2,325)	
Dividend income	(1,924)		(2,404)	
Depreciation	959		466	
Provision on investments (net of write-back)	214		(439)	
Provision on stock-in-trade (net of write-back)	(13)		(9)	
Provision for doubtful debts (net of write-back)	2,642		(1,151)	
		88		(5,985)
Operating profit before working capital changes		42,617		44,805
Decrease /(increase) in trade receivables - current	(6,533)		(6,310)	
Decrease /(increase) in trade receivables - Non-current	-		-	
Decrease /(increase) in interest / dividend accrued	(356)		81	
Decrease /(increase) in short-term loans & advances	1,404		(2,784)	
Decrease /(increase) in long-term loans & advances	(2,159)		2,389	
Decrease in Stock-on-Hire	-		-	
Decrease/(increase) in stock-in-trade	6,799		(30)	
(Decrease)/increase in current liabilities	537		405	
(Decrease)/increase in long-term liabilities	(2)		(211)	
(Decrease)/increase in long-term provisions	-		-	
(Decrease)/increase in short-term provisions	-		-	
(Decrease)/increase in provision for gratuity	(85)		35	
(Decrease)/increase in Provision for compensated absences	(37)		240	
		(432)		(6,185)
Cash generated from operations		42,185		38,620
Income tax paid	(17,197)		(14,121)	
		(17,197)		(14,121)
I. Net cash from operating activities		24,988		24,499
Cash flow from investing activities :-				
Purchase of fixed assets	(1,463)		(720)	
Capital Work in progress	239		(249)	
Sale of fixed assets	21		38	
Interest on long term investments	2,643		2,260	
Dividend income	1,924		2,404	
Purchase of investments	(2,012)		(6,352)	
Sale of investments	-		465	
II. Net cash from investing activities		1,352		(2,154)
Cash flow from financing activities :-				
Dividend payment (18,571)		(24,954)		
Tax on dividend payment	(4,989)		(2,564)	

Cash Flow Statement

(Rupees in lacs unless otherwise stated)

	For the year ended 31st March 2016		For the year ended 31st March 2015	
III. Net cash used in financing activities		(23,560)		(27,518)
Net change in cash & cash equivalents (I+II+III)		2,779		(5,173)
Cash & cash equivalents at the beginning of the year		3,691		8,864
Cash & cash equivalents at the end of the year		6,470		3,691

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

	As at 31st March 2016	As at 31st March 2015
Cash on hand	-	-
Balances with scheduled banks (current & deposit accounts)	6,470	3,691
Bank Overdraft (Book Overdraft shown under Current Liabilities)		
	6,470	3,691
(Excludes amounts placed as deposits with scheduled banks and lien marked with them)	50	29

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

As per our report of even date

For SHAH & TAPARIA
Firm Registration No. 109463W
Chartered Accountants

For and on behalf of Board of Directors

Ramesh Pipalawa
Partner
Membership No.: 103840

V.G.Kannan
Director

Varsha Purandare
Managing Director & CEO

Mumbai
May 17, 2016

P.Karthikeyan
Senior Vice President & CFO

Amit Shah
Company Secretary

Notes to Financial Statements for the year ended 31st March 2016



(Rupees in lacs unless otherwise stated)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on fixed assets, other than leased fixed assets, software, computers, mobile phones, hand held devices and Building is provided using the written down value method as per useful life defined in Schedule II to the Companies Act, 2013, on a pro-rata basis. Buildings are depreciated over a period of 58 years at the rate of 5% using the written down value method, on a pro rata basis. Computers, mobile phones and hand held devices are depreciated over a period of three years on straight line basis. The rates applied for all assets are equal to or higher than the rates based on the useful lives.

In case of fixed assets leased prior to April 1, 2001, depreciation is provided using the straight-line method as per useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis, or amount worked out in the ratio of lease rentals accrued as per the agreement to the lease rentals for the entire primary period of lease, whichever is higher (on a cumulative basis). This method is followed in preference to the recommendations made by the Institute of Chartered Accountants of India, in its Guidance Note, 'Accounting for Lease'. This Guidance Note is recommendatory in nature.

The leasehold Improvements have been written off over the balance period of lease.

d) Intangible Assets

Software is amortized over a period of 3 years on a straight line basis.

e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life

f) Investments

Investments include equity shares, preference shares, debt instruments and units of mutual funds, which are intended to be held to maturity or for a period of not less than one year are classified as long term investments. All other investments are classified as Current investments.

Notes to Financial Statements for the year ended 31st March 2016

Long-term investments are carried at cost arrived at on a weighted average basis and are stated net of provision. Cost comprises purchase price, brokerage and stamp duty. Appropriate provision is made for, other than temporary diminution in the value of investments.

Investment in Immovable property is valued at cost. Appropriate provision is made for, other than temporary diminution in the value of investments.

g) Stock-in-trade

Securities acquired and held, principally for the purpose of selling them in the near term, are classified as stock-in-trade.

Quoted securities are valued at lower of cost and market value. Unquoted equity shares are valued at the lower of cost and break-up value. Unquoted debt instruments are valued in accordance with the valuation guidelines issued by the Fixed Income Money Market and Derivatives Association of India (FIMMDA). Accordingly, stock of government dated securities, corporate/FI debentures/bonds are valued at lower of cost or market/fair value. Appropriate provisions, as prescribed by Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 are made for non-performing debt instruments. The discount, if any, is amortised over the holding period of the instrument based on the original yields for the residual maturities and the carrying value of the instrument is adjusted correspondingly. Units of mutual fund are valued at lower of cost and net asset value.

Cost comprises purchase price, brokerage, stamp duty and any premium, if paid and is computed on weighted average basis. The market value is the price at which the securities are traded in the market. In the absence of such market price, the market value is derived based on market related spreads over the Government benchmark curve, as specified in FIMMDA guidelines, for applicable securities.

h) Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and revenue can be easily measured.

Fee based Income:

- Issue management and advisory fees are recognised as per the terms of the agreement with the client, net of pass-through.
- Fees for private placement are recognised on completion of assignment.

Income from securities:

- Gains and losses on the sale of securities are recognised on trade date.
- Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable except interest in respect of non-performing/doubtful assets which is recognised on cash basis.

i) Foreign currency transactions

Initial Recognition

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

Conversion

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

Notes to Financial Statements for the year ended 31st March 2016



Exchange Differences

Exchange differences arising on the settlement of monetary items or on the reporting date due to rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

j) Retirement and other employee benefits

Retirement benefits to employees comprise gratuity, superannuation, provident fund and pension fund. The Company's employees are covered under the employees' gratuity scheme and superannuation scheme established by the Life Insurance Corporation of India ('LIC').

Retirement benefits in the form of Provident Fund and Superannuation Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method made at the end of each financial year.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

k) Income taxes

Tax expense comprises current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

l) Earnings per share

Basic and diluted earnings per share are reported in accordance with AS 20, "Earnings Per Share". Basic earnings per equity share has been computed by dividing net profit after tax by weighted average number of equity shares outstanding for the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

Notes to Financial Statements for the year ended 31st March 2016

m) Provisions & Contingent Liabilities

A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to the present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

n) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight line basis over the lease term.

o) Segment information – basis of preparation

The Company's primary segments are businesses, which are organised around the following service lines:

- Fee-based segment provides merchant banking and advisory services like issue management, underwriting arrangement, project advisory & structured finance.
- Fund-based segment undertakes deployment of funds in leasing / hire purchase and dealing in various securities.
- 'Other' segment includes fee income and other corporate income and expenses, which are either not allocable to any specific business segment or not material enough to warrant a separate disclosure as a reportable segment.
- The risk and returns of the business of the Company is neither associated with geographical segmentation nor are the clients of the Company grouped geographically. Hence there is no secondary segment reporting based on geographical segment. Common costs identifiable with each segment have been allocated, based on the relative utilisation of such benefits by each segment, out of the total costs.

p) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes To Financial Statements For The Year Ended 31st March 2016



(Rupees in lacs unless otherwise stated)

2. OTHER NOTES

NOTE - 2.1

	As at 31st Mar-16	As at 31st Mar-15
SHARE CAPITAL		
Authorised		
100,000,000 (2015: 100,000,000)		
Equity shares of Rs.10/- each	10,000	10,000
1,000,000 (2015: 1,000,000)		
Redeemable preference shares of Rs. 100/- each	1,000	1,000
	11,000	11,000
Issued, subscribed and paid up		
58,033,711 (2015: 58,033,711)		
Equity shares of Rs.10/- each fully paid up	5,803	5,803

The Company is wholly owned subsidiary of State Bank of India ('SBI') along with its nominees and shareholders are eligible for one vote per share held.

There has been no movement in the number of shares outstanding at the beginning of the period and at the end of period, consequently the reconciliation of the number of the shares outstanding at the beginning and at the end of the reporting period is not applicable.

NOTE - 2.1

	As at 31st Mar-16	As at 31st Mar-15
RESERVES AND SURPLUS		
Securities premium account	6,347	6,347
General reserve		
Balance as per the last financial statements	36,980	33,600
Add : amount transferred from surplus balance in the statement of profit and loss	2,834	3,380
Closing Balance	39,814	36,980
Surplus/(deficit) in the statement of profit and loss		
Balance as per the last financial statements	52,747	52,308
Profit for the year	28,339	33,800
Less : Appropriations/ Adjustments		
Interim dividend	18,571	24,954
Dividend distribution tax	3,780	4,990
Transfer to general reserve	2,834	3,380
Adjustment for Depreciation*	-	37
Total appropriations	25,185	33,361
Net surplus in the statement of profit and loss	55,901	52,747
TOTAL RESERVES AND SURPLUS	1,02,062	96,074

* Carrying amount of the Fixed Assets whose remaining useful life was nil as at 01st April 2014
(as per Schedule II of Companies Act,2013)

Notes To Financial Statements For The Year Ended 31st March 2016

(Rupees in lacs unless otherwise stated)

NOTE - 2.3

	As at 31st Mar-16	As at 31st Mar-15
Other Long Term Liabilities		
Trade payables other than dues to Micro, Medium and Small Enterprises	22	22
Lease Deposits	46	46
Other Deposits	2	4
	70	72

NOTE - 2.4

	As at 31st Mar-16	As at 31st Mar-15	As at 31st Mar-16	As at 31st Mar-15
PROVISIONS	Long-term		Short-term	
Provision for employee benefits				
Provision for gratuity	140	226	-	-
Provision for compensated absences	909	962	125	109
Other provisions				
Provision for dividend distribution tax	-	-	3,781	4,989
	1,049	1,188	3,906	5,098

NOTE - 2.5

	As at 31st Mar-16	As at 31st Mar-15
Trade Payables		
Other trade payables	2,750	2,310
	2,750	2,310

NOTE - 2.6

	As at 31st Mar-16	As at 31st Mar-15
Other Current Liabilities		
Bonus payable	2,990	2,900
Advance received from customers	3	2
TDS payable	290	237
Professional tax payable	1	1
Provident fund payable	4	52
	3,288	3,192

Notes To Financial Statements For The Year Ended 31st March 2016

(Rupees in lacs unless otherwise stated)

NOTE 2.7

	FIXED ASSETS	TANGIBLE ASSETS							INTANGIBLE ASSETS	
		Building (Refer Note II)	Computers	Furniture & Fixtures	Office Equipments	Vehicles	Lease hold Improvement	Plant, Machinery & Equipments <small>Leased Assets</small>	Software	Total
GROSS BLOCK	Balance As at 1st April 14	1,600	699	572	423	50	55	4,020	253	7,672
	Additions	-	211	3	99	-	-	-	406	720
	Deductions/Transfers	-	168	2	83	20	-	-	-	273
	Balance As at 31st Mar 15	1,600	742	573	439	30	55	4,020	659	8,119
ACCUMULATED DEPRECIATION / AMORTISATION	Balance As at 1st April 14	1,151	568	433	173	5	41	4,020	189	6,580
	Additions	22	98	88	211	14	14	-	55	502
	Deductions/Transfers	-	159	2	74	4	-	-	-	238
	Balance As at 31st Mar 15	1,173	507	519	310	15	55	4,020	245	6,844
NET BLOCK	As at 31st Mar 15	427	235	54	129	15	-	-	415	1,275
GROSS BLOCK	Balance As at 1st April 15	1,600	742	573	439	30	55	4,020	659	8,119
	Additions/ Adjustments	7,916	162	406	358	-	33	-	3	8,878
	Deductions/Transfers	-	90	7	20	-	-	-	-	117
	Balance As at 31st March 16	9,516	814	972	777	30	88	4,020	662	16,880
ACCUMULATED DEPRECIATION / AMORTISATION	Balance As at 1st April 15	1,173	507	519	310	15	55	4,020	245	6,844
	Additions/ Adjustments	285	138	147	212	7	6	-	164	959
	Deductions/Transfers	-	76	7	13	-	0	-	-	96
	Balance As at 31st March 16	1,458	569	659	509	22	60	4,020	409	7,707
NET BLOCK	As at 31st March 16	8,058	245	313	268	8	28	-	253	9,173

Note :

I. Building includes cost of 15 shares of Rs. 100/- each held by the Company in a co-operative housing society.

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.8

	As at 31st Mar-16	As at 31st Mar-15
NON-CURRENT INVESTMENTS		
Investment Property		
(Long term, non trade, at cost unless otherwise stated)		
Investment in Immovable Property	-	7,415
	-	7,415
(Long term, non trade, at cost unless otherwise stated)		
Investment in Equity Instruments (quoted)		
2,94,000 (2015: 2,40,000) shares of Re.1/- each fully paid in Indian Hotels Ltd (At cost less provision other than temporary diminution in value Rs. 50 (2015: Rs.78))	291	280
Sub-total	291	280
Bonds (quoted)		
54,876 (2015 : 54,876) 8.20% bonds of National Highway Authority of India Ltd (Taxfree) of Rs. 1,000/- each fully paid	549	549
71,197(2015 : 71,197) bonds of 8.20% Power Finance Corporation Ltd (Taxfree) of Rs. 1,000/- each fully paid	712	712
3,04,510 (2015 : 3,04,510) 8.10% bonds of India Railways Finance Corporation Ltd (Taxfree) of Rs. 1,000/- each fully paid	3,045	3,045
1,00,000 (2015 : 1,00,000) bonds of 7.38% Rural Electrification Corporation Ltd (Taxfree) of Rs. 1,000/- each fully paid	1,000	1,000
1,00,000 (2015 : 1,00,000) bonds of 7.34 % Indian Railways Finance Corporation Ltd (Taxfree) of Rs. 1,000/- each fully paid	1,000	1,000
1,00,000 (2015 :1,00,000) bonds of 8.63% Rural Electrification Corporation Ltd (Taxfree) of Rs. 1000/- each fully paid	1,000	1,000
1,00,000 (2015 :1,00,000) bonds of 8.55% India Infrastructure Finance Company Ltd (Taxfree) of Rs. 1000/- each fully paid	1,000	1,000
	8,306	8,306
Debentures (quoted)		
NIL (2015 : 54,000), 0% compulsory convertible debentures of Indian Hotels of Rs. 55/- each fully paid	-	30
Sub-total	-	30
Total quoted investments	8,597	8,616

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.8

	As at 31st Mar-16	As at 31st Mar-15
Investment in Equity Instruments (unquoted)		
19,50,000 (2015: 19,50,000) shares of Rs.10/- each fully paid in National Stock Exchange of India Ltd	341	341
10,32,500 (2015: 10,32,500) shares of Rs.10/- each fully paid in SBI Home Finance Ltd (At cost less provision other than temporary diminution in value Rs.103 (2015: Rs.103))	*_	*_
11,00,000 (2015: 11,00,000) shares of Rs.10/- each fully paid in OTC Exchange of India (At cost less provision other than temporary diminution in value Rs. 110 (2015: 110))	*_	*_
5,35,768 (2015: 5,35,768) shares of Rs.10/- each fully paid in Investor Services of India Ltd (company under liquidation)	-	-
10,00,000 (2015: 10,00,000) shares of Rs.39.63/- each fully paid in ONGC Mittal Energy Ltd (At cost less provision other than temporary diminution in value Rs.396 (2015:396))	*_	*_
Sub-total	341	341
Investment in Equity Instruments - Parent's Subsidiaries (unquoted)		
6,81,818 (2015: 6,81,818) shares of FV Rs. 100/- each fully paid in SBI DFHI Ltd (formerly SBI Gilts Ltd) (Percentage holding in the Company is 3.12%)	750	750
10,32,500 (2015: 10,32,500) shares of Rs.10/- each fully paid in SBI Home Finance Ltd (At cost less provision other than temporary diminution in value Rs.103 (2015: Rs.103))	*_	*_
	750	750
Investment in Equity Instruments - Associates (unquoted)		
60,00,000 (2015: 60,00,000) shares of Rs. 10/- each fully paid in SBI Pension Funds Pvt. Ltd (Percentage holding in the Company is 20% (2015 : 20%))	601	601
Sub-total	601	601

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.8

	As at 31st Mar-16	As at 31st Mar-15
Investment in Equity Instruments - wholly owned subsidiaries (unquoted)		
9,68,75,000 (2015: 9,68,75,000) shares of Rs. 10/- each fully paid in SBICAP Securities Ltd	12,500	12,500
2,00,000 (2015: 2,00,000) shares of GBP 1 (Rs.85.93) each fully paid in SBICAP UK Ltd	172	172
10,00,000 (2015: 10,00,000) shares of Rs. 10/- each fully paid in SBICAP Trustee Co. Ltd	5	5
2,42,77,917 (2015: 41,62,000) shares of Rs. 10/- each fully paid in SBICAP Ventures Ltd	2,428	416
1,30,00,000 (2015: 1,30,00,000) shares of SGD 1 (Rs. 47.11) each fully paid in SBICAP Singapore Ltd	6,178	6,178
Sub-total	21,283	19,271
Investment in Mutual Funds (unquoted)		
35,39,410 (2015: 35,39,410) units of Rs. 10/- each fully paid FT India Balance Fund Dividend Payout (At cost less provision other than temporary diminution in value Rs. 238 (2015:Rs.269))	762	850
1,00,00,000 (2015: 1,00,00,000) units of Rs. 10/- each fully paid SBI PSU Fund Growth (At cost less provision other than temporary diminution in value Rs. 168 (2015: 40))	832	939
Sub-total	1,594	1,789
Total unquoted investments	24,569	22,752
Total investments	33,166	38,783
Aggregate of quoted investments:		
(i) Cost	8,647	8,647
(ii) Market Value	9,952	9,930
(iii) Book Value	8,597	8,616
Aggregate of unquoted investments:		
(i) Cost	25,584	23,572
(ii) Book Value	24,569	22,752
Aggregate of provision for diminution in value of investments	1,066	852

* Fully provided for.

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.9

	As at 31st Mar-16	As at 31st Mar-15	As at 31st Mar-16	As at 31st Mar-15
LOANS AND ADVANCES (Unsecured and considered good unless otherwise stated)				
Security Deposits	586	516	20	18
Loans and advances to related parties	-	-	188	17
Advances recoverable in cash or in kind or for value to be received				
Considered good	129	130	43	58
Considered doubtful	-	-	-	-
	129	130	43	58
Less: Provision for doubtful advances	-	-	-	-
	129	130	43	58
Share Application Money	-	-	-	-
Other loans and advances				
Advance tax and tax deducted at source [net of provision for income-tax Rs 127,197 (2015: Rs.112,207)]	5,243	3,150	-	-
Advance interest tax [net of provision for interest tax Rs 139(2015: Rs 139)]	152	152	-	-
Prepaid expenses	166	134	90	85
Loans to employees	-	-	92	51
Advance for expenses	-	-	44	23
Balances with statutory/government authorities	-	36	754	289
Total	6,276	4,118	1,230	541

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.10

	As at 31st March-16	As at 31st March-15	As at 31st March-16	As at 31st March-15
Trade Receivables	Non-current		Current	
Unsecured, considered good unless stated otherwise				
Debts outstanding for a period exceeding six months from the date they are due for payment	19	19	3,936	3,410
Other debts	-	-	30,317	26,952
	19	19	34,253	30,362
Considered doubtful				
Debts outstanding for a period exceeding six months from the date they are due for payment	121	121	6,096	3,455
Other debts	-	-	-	-
	121	121	6,096	3,455
Less: Provision for doubtful debts	121	121	6,096	3,455
	-	-	-	-
Total	19	19	34,253	30,362

NOTE - 2.11

	As at 31st March-16	As at 31st March-15	As at 31st March-16	As at 31st March-15
Other Assets	Non-current		Current	
Unsecured, considered good unless stated otherwise				
Non-current Bank Balances	-	3,200	-	-
Others				
Interest accrued on fixed deposits	-	-	411	76
Interest accrued on investments	-	-	252	251
Interest accrued - Downselling	-	-	71	924
	-	3,200	734	1,251

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.12

STOCK-IN-TRADE

	As at 31st March-16	As at 31st March-15
Stock in trade for Downselling (quoted)		
Nil (2015:250) 10.38% Jindal Saw Ltd. 9 yrs series-1 Debentures of FV Rs.10,00,000 each (At cost less provision for temporary diminution in value Rs. Nil (2015: Nil))	-	2,500
250 (2015:250) 10.38% Jindal Saw Ltd. 9 yrs series-2 Debentures of FV Rs.10,00,000 each (At cost less provision for temporary diminution in value Rs. Nil (2015: Nil))	2,500	2,500
Nil (2015:1000) 9.5% Business Broadcast News Pvt Ltd bonds FV Rs.10,00,000/- each (At cost less provision for temporary diminution in value Rs.Nil (2015: Nil))	-	10,000
Nil (2015:250) 8.32% Power Grid Corporation of India bonds FV Rs.10,00,000/- each (At cost less provision for temporary diminution in value Rs.7 (2015: 13))	-	2,487
450 (2015:Nil) 8.45% State Bank of Travancore bonds FV Rs.10,00,000/- each (At cost less provision for temporary diminution in value Rs.Nil (2015: Nil))	4,500	-
Sub Total	7,000	17,487
Total quoted stock-in-trade	7,000	17,487
Investment in Equity Instruments (unquoted)		
15,400 (2014: 15,400) shares of Rs.10/- each fully paid in Cremica Agro Foods Ltd (At cost less provision for Rs. 3 (2014: 3))	*-	*-
Sub-total	-	-
Preference Shares (unquoted)		
1,40,000 (2014: 1,40,000) 0.0001% shares of Rs.10/- each fully paid in Pasupati Fabrics Ltd (At cost less provision Rs. 14 (2014: 14))	*-	*-
Sub Total	-	-
Mutual Funds (unquoted)		
2,50,00,000 (2015: 2,50,00,000) Units of HDFC FMP 372 D 14 Feb 2014 Series 29 Regular Growth	2,500	2,500
1,00,00,000 (2015: 1,00,00,000) Units of HDFC FMP 370 D June 2014 Series 31 Regular Growth	1,000	1,000

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.12 STOCK-IN-TRADE

	As at 31st March-16	As at 31st March-15
1,00,00,000 (2015: 1,00,00,000) Units of 'HDFC FMP 1167 Days FMP - January 2016 Growth		1,000
NIL (2015: 1,00,00,000) Units of Religare Invesco FMP Series 23 Plan N 367 Days		1,000
NIL (2015: 1,69,147) Units of SBI Magnum Insta Cash - Liquid Floater		4,000
2,00,00,000 (2015: 2,00,00,000) Units of SBI Debt Fund Series A-14 380 days - Direct- Growth	2,000	2,000
2,00,00,000 (2015: Nil) Units of SBI Debt Fund Series B-34 1131 days - Direct- Growth	1,500	-
66,12,751 (2015: 66,12,751) Units of SBI Magnum Gilt Fund Long Term - Direct	2,000	2,000
NIL (2015: 42,149) Units of SBI Premier Liquid Fund - Direct - Growth Plan		925
66,942 (2015: Nil) Units of HDFC Liquid Fund - DIRECT - Growth Plan	2,000	-
1,95,24,386 (2015: Nil) Units of ICICI Prudential Ultra Short Fund - Growth Option	3,000	
89,367 (2015: Nil) Units of SBI-Premier Liquid Fund - Growth Option	2,125	-
Sub-total	17,125	13,425
Total unquoted stock-in-trade	17,125	13,425
Total stock-in-trade	24,125	30,912
Aggregate of quoted stock-in-trade:		
(i) Cost	7,000	17,500
(ii) Market/realisable value	7,084	17,687
(iii) Book Value	7,000	17,487
Aggregate of unquoted stock-in-trade:		
(i) Cost	17,142	13,442
(ii) Book Value	17,125	13,425
Aggregate provision for diminution in value of investments	17	30

* Fully provided for.

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.13

	As at 31st Mar-16	As at 31st Mar-15	As at 31st Mar-16	As at 31st Mar-15
CASH AND BANK BALANCES	Non-current		Current	
Cash and cash equivalents				
On Current Accounts	-	-	770	407
Cheques / drafts on hand	-	-	-	61
Cash on hand	-	-	-	-
Other Bank Balances				
Deposits with original maturity of more than twelve months	-	3,200	5,700	-
Deposits with original maturity of more than three months but less than twelve months	-	-	-	23
Margin money deposit	-	-	50	29
Less : Amount disclosed under non-current assets	-	(3,200)	-	-
	-	-	6,520	520

Note :

Deposit accounts with scheduled banks amounting to Rs.50 (2015 :Rs.29) are towards the cash margin for various guarantees issued by banks on behalf of the Company.

NOTE - 2.14

	For the year ended 31st Mar-16	For the year ended 31st Mar-15
REVENUE FROM OPERATIONS		
Merchant Banking and Advisory Fees		
Issue management	2,063	786
Underwriting commission	175	388
Arranger's fees	2,526	1,503
Advisory fees	55,160	57,473
Sub-total	59,924	60,150
Other Operations (Income from Securities)		
Interest Income	1,790	2,325
Profit/(loss) on sale of investments (net)	-	120
Trading profits/(loss) on stock-in-trade (net)	1,313	886
Dividend		
From Subsidiary Company		12
From others	1,924	2,392
Sub-total	5,027	5,735
	64,951	65,885

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.15

	For the year ended 31st Mar-16	For the year ended 31st Mar-15
OTHER INCOME		
Profit on sale of fixed assets (net)	-	3
Rental income	409	-
Bad debts recovered	149	153
Foreign exchange fluctuation (net)	121	128
Interest on deposit with Banks	394	511
Others	113	23
Write-back of provision on:		
Investments	-	439
Stock-in-trade	13	22
Contribution to Gratuity	86	-
Leave Encashment	37	-
Doubtful debts	2,117	4,349
	3,439	5,628

NOTE - 2.16

	For the year ended 31st Mar-16	For the year ended 31st Mar-15
EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus	9,854	8,560
Contribution to provident and pension funds	343	295
Contribution to Gratuity	104	102
Contribution to Superannuation	272	213
Compensated Absences	-	249
Staff welfare	243	194
	10,816	9,613

NOTE - 2.17

	For the year ended 31st Mar-16	For the year ended 31st Mar-15
INTEREST EXPENSE		
Bank and others	-	-
	-	-

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.18

	For the year ended 31st Mar-16	For the year ended 31st Mar-15
OTHER EXPENSES		
Legal and professional fees	574	369
Conveyance and travelling	957	836
Rent	854	758
Rates and taxes	21	42
Royalty	567	676
Bad debts written off	3,552	2,680
Postage, telephone and telex	154	171
Advertisement	61	108
Printing and stationery	77	75
Electricity	150	149
Repairs and maintenance:		
Building	118	108
Others	173	124
Insurance	164	140
Directors' sitting fees	15	11
Tax on perquisites	-	-
Office Maintenance	80	75
Training Charges	510	426
Membership and Subscription	274	282
Filing Fees and other Charges (Issues)	19	4
Contribution towards CSR	444	152
Miscellaneous expenses	350	247
	9,114	7,433

NOTE - 2.19

	For the year ended 31st Mar-16	For the year ended 31st Mar-15
PROVISIONS (Expense)		
Provision for:		
Diminution in value of investments	214	-
Fall in value of stock-in-trade	-	13
Doubtful debts	4,758	3,198
	4,972	3,211

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.20

	For the year ended 31st Mar-16	For the year ended 31st Mar-15
Earnings per equity share (EPS)		
I Basic and diluted EPS (Rs.)	48.83	58.24
II Nominal value per share (Rs.)	10	10

EPS has been calculated based on the net profit after taxation of Rs.28,339 (2015: Rs.33,800) and the weighted average number of equity shares outstanding during the year of 5,803 (2015: 5,803).

Basic and diluted EPS has been computed by dividing net profit after tax by weighted average number of equity shares outstanding during the year. There are no dilutive potential equity shares outstanding during the year.

NOTE - 2.21

	As at 31st Mar-16	As at 31st Mar-15
Deferred taxes		
Tax Assets/(Liabilities) due to temporary timing difference in respect of:		
Deferred tax assets		
Depreciation on fixed assets	121	121
Provision on Gratuity	48	77
Provision on compensated leave	358	364
Provision for doubtful debts	2,152	1,215
Carryforward of Losses	743	730
Deferred tax assets	3,422	2,507
Less : Opening Deferred Tax Asset	2,507	2,756
Deferred tax credit / (expense) for the year	915	(249)

NOTE - 2.22

	As at 31st Mar-16	As at 31st Mar-15
CONTINGENT LIABILITIES AND COMMITMENTS		
(I) Claims against the Company not acknowledged as debts	476	443
(ii) Guarantees issued	48.73	29
(iii) Capital Commitments	28	938
(iv) Underwriting Commitments	8,640	8,640

NOTE - 2.23

Based on the legal advice and favourable legal decisions by various authorities, no provision has been made in respect of income tax demands aggregating to Rs.7,123 (2015: Rs.6,721) in excess of provision held. These demands have been contested by the Company at various appellate authorities.

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

NOTE - 2.24

	As at 31st Mar-16	As at 31st Mar-15
SUPPLEMENTARY PROFIT AND LOSS DATA		
(a) Managerial remuneration		
(i) The Managing Director & Chief Executive Officer is on secondment from SBI and their remuneration, which is in accordance with the service rules of SBI, has been charged in the books of accounts.		
(ii) Remuneration to Managing Director & CEO		
Salary and bonus	30	27
Contribution to provident and pension funds	4	5
Perquisites	7	-
	41	32
<p>As the future liability for Gratuity and Compensated leave absences is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and therefore not included above.</p> <p>There is no commission payable to any director of the Company. Consequently, the computation of profits as required under Section 197 of the Companies Act, 2013 has not been included.</p>		
(b) Payments to auditors (excluding service tax) (included in Legal and professional fees)		
As auditors	12	12
For tax audit	2	1
For other matters	7	6
For out-of-pocket expenses	1	1
	21	20
(c) Expenditure in foreign currency		
Travel and other expenses	447	314
(d) Earnings in foreign currency		
Advisory fees from overseas clients and reimbursement of expenses	6,166	7,051

Notes To Financial Statements

For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.25

RELATED PARTIES

The following is the list of parties related due to control criteria as per AS-18, Related Party Disclosure:

Name of the Party	Relationship
State Bank of India	Holding Company

The following is the list of parties related due to significant influence criteria as per AS-18 with whom the transactions have taken place during the year:

Name of the Party	Relationship
State Bank of Bikaner & Jaipur	Fellow Subsidiary
State Bank of Hyderabad	Fellow Subsidiary
State Bank of Mysore	Fellow Subsidiary
State Bank of Patiala	Fellow Subsidiary
State Bank of Travancore	Fellow Subsidiary
SBI DFHI Limited	Fellow Subsidiary
SBI Funds Management Pvt. Limited	Fellow Subsidiary
SBI Life Insurance Company Limited	Fellow Subsidiary
SBI Pension Funds Pvt. Ltd	Associate & Fellow Subsidiary
SBI General Insurance Co Ltd	Fellow Subsidiary
SBI Mauritius Ltd	Fellow Subsidiary
SBI Home Finance Limited	Associate of SBI
SBICAP Securities Limited	Subsidiary
SBICAPS Ventures Limited	Subsidiary
SBICAP Trustee Company Limited	Subsidiary
SBICAP (UK) Limited	Subsidiary
SBICAP Singapore Ltd	Subsidiary
Shri V.G.Kannan, Managing Director & Chief Executive Officer upto 17th July 2014	Key Management Personnel
Shri Rajnish Kumar, Managing Director & Chief Executive Officer from 31st July 2014 to 26th May 2015	Key Management Personnel
Shri Praveen Gupta, Managing Director & Chief Executive Officer from 15th July 2015 to 02nd November 2015	Key Management Personnel
Shrimati Varsha Purandare, Managing Director & Chief Executive Officer from 01st December 2015	Key Management Personnel
Shri P Karthikeyan, Senior Vice President & Chief Financial Officer	Key Management Personnel
Shri Nilesh Shah, Company Secretary Upto 30th June 2015	Key Management Personnel
Shri Amit Shah, Company Secretary from 15th July 2015	Key Management Personnel

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

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

(Amount Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries		Key Managerial Personnel	
	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15
Expenses during the year ended								
<i>Deputation of Employees</i>	270	219						
State Bank of Hyderabad	-	-	-	-	-	-	-	-
<i>Salaries & Allowances</i>								
Shri Amit Shah							16	-
Shri Nilesh Shah							30	50
<i>Interest Expenses</i>	-	-	-	-	-	-	-	-
<i>Rent</i>	48	42						
<i>Bank & Other Charges</i>	6	3						
SBI DFHI Limited					-	-		
SBICAP Securities Ltd.			-	-				
<i>Royalty Expense</i>	567	676						
<i>Insurance Expense</i>								
SBI Life Insurance Company Limited					37	26		
SBI General Insurance Co Ltd					109	122		
<i>Office Maintenance</i>	1	1	-	-	-	-	-	-
<i>Filing Fees & Other Charges</i>								
SBICAP Securities Ltd.			-	-				
Income during the year ended								
<i>Issue Management Fees</i>		-						
SBICAP Securities Ltd.			71	19				
State Bank of Hyderabad								
State Bank of Bikaner & Jaipur								
State Bank of Mysore					-	-		
SBI Funds Management Pvt. Ltd.								
State Bank of Travancore					15			
<i>Private Placement Fees</i>	1,746	-						
SBICAP Securities Ltd.			-	5				
<i>Arranger's Fees</i>								
SBICAP Securities Ltd.		-		1	-	-		

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

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

(Amount Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries		Key Managerial Personnel	
	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15
<i>Advisory Fees</i>	1,349	2,982						
SBICAP Securities Ltd.								
SBI Global Factors Ltd								
State Bank of Patiala					10			
State Bank of Travancore						-	7	
SBI (Mauritius) Ltd							21	
<i>Bank Interest</i>	394	447						
State Bank of Patiala				-	-	64		
State Bank of Travancore					-	-		
<i>Rent</i>								
SBICAP Securities Ltd.			409	-				
<i>Dividend</i>								
SBI DFHI Limited					259	94		
SBICAP Trustee Company Ltd.			-	13				
<u>Balance receivable as at</u>								
<i>Debtors</i>	1,117	80						
State Bank of Patiala					-	9		
SBICAP Securities Ltd.			82	24				
<i>Cash at Bank</i>	770	468						
<i>Deposit with Bank</i>	5,750	3,252						
<i>Loans & Advances</i>	44	6						
SBICAP Securities Ltd.			120	-				
SBICAP Trustee Company Ltd.			1	10				
SBICAP Ventures Ltd			18	-				
SBICAP Singapore Ltd			5	-				
SBICAP UK Ltd			-	-				
<i>Other Current Assets</i>	411	76						
<i>Investments</i>								
SBI Pension Funds Pvt. Ltd					601	601		
SBI DFHI Limited					750	750		
SBICAP Securities Ltd.			12,500	12,500				
SBICAP Ventures Ltd			2,428	416				

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)



(Rupees in lacs unless otherwise stated)

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

(Amount Rs. in Lacs)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiaries		Key Managerial Personnel	
	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15
SBICAP Trustee Company Ltd.			5	5				
SBICAP UK Ltd			172	172				
SBICAP Singapore Ltd			6,178	6,178				
SBICAP Home Finance Limited*								
<i>Inventories</i>								
State Bank of Travancore					4,500	-		
<u>Balance payable as at</u>								
<i>Creditors</i>	530	614						
SBICAP Securities Ltd.			727	45				
SBICAP UK Ltd.	-	-	53	-	-	-	-	-
SBICAP Singapore Ltd.			2	-				
<i>Bank Overdraft</i>							-	-
<u>Others transactions during the year ended</u>								
<i>Dividend paid</i>	18,571	24,954						
<i>Fees Shared (netted from Income)</i>	75							
SBICAP Securities Ltd.			1,063	1,139				
SBI DFHI Limited			-	-	-	-	-	-
SBICAP UK Ltd			53					
<i>Expenses shared</i>								
SBICAP Securities Ltd.			4	4				
<i>Investments made</i>								
SBICAP Ventures Ltd			2,012	-				
<i>Guarantees</i>	50	29						

I. Included in expenses relating to deputation of employees are amounts aggregating to Rs.61 (2015: Rs.52) pertaining to salaries paid to key management personnel.

II. * - Fully provided for

III. # - Excludes fees shared by way of pass through arrangement.

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.26

SEGMENTAL REPORTING

(Amount Rs. in Lacs)

For the year ending	Fund Based Segment		Free Based Segment		Corporate & Others		Consolidated	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
REVENUE								
External sales	5,432	6,714	62,311	64,771	647	28	68,390	71,513
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	5,432	6,714	62,311	64,771	647	28	68,390	71,513
RESULT								
Segment result	5,188	6,681	44,886	51,125	141	28	50,215	57,834
Unallocated Revenue	-	-	-	-	-	-	-	-
Unallocated corporate expenses	-	-	-	-	-	-	7,686	7,043
Operating profit	-	-	-	-	-	-	42,529	50,790
Interest expense	-	-	-	-	-	-	-	-
Income tax	-	-	-	-	-	-	14,190	16,990
Profit from ordinary activities	-	-	-	-	-	-	28,339	33,800
Extraordinary item, net	-	-	-	-	-	-	-	-
Net profit	-	-	-	-	-	-	28,339	33,800
As at								
Segment assets	63,749	65,558	34,276	30,417	-	-	98,025	95,975
Unallocated corporate assets	-	-	-	-	-	-	20,902	17,762
Total assets	-	-	-	-	-	-	1,18,928	1,13,737
Segment liabilities	50	3	3,402	2,558	-	-	3,452	2,561
Unallocated corporate liabilities	-	-	-	-	-	-	7,610	9,298
Total liabilities	-	-	-	-	-	-	11,063	11,860
Capital expenditures	-	-	-	-	-	-	8,888	969
Depreciation	-	-	-	-	-	-	959	466

Identification of direct cost to each segment, allocation of common cost and unallocable cost are based on management's judgment.

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.27

Gratuity and other post-employment benefit plans: (AS 15 120(b))

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.

Profit and Loss account

Net employee benefit expense (recognised in Employee Cost)

[As15 Revised (c) (i) to (x)]

	Gratuity	
	2016	2015
Current service cost	70	67
Interest cost on benefit obligation	59	58
Expected return on plan assets	(39)	(30)
Net actuarial(gain) / loss recognised in the year	(72)	6
Past service cost	-	-
Net benefit expense	19	100
Actual return on plan assets	28	34

Balance sheet

Details of Provision for gratuity

	Gratuity	
	2016	2015
Defined benefit obligation	669	698
Fair value of plan assets	(529)	(472)
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(140)	(226)

Changes in the present value of the defined benefit obligation

are as follows: [AS15 Revised 120(e) (i) to (viii)]

	Gratuity	
	2016	2015
Opening defined benefit obligation	698	593
Interest cost	59	58
Current service cost	70	67
Benefits paid	(75)	(28)
Actuarial (gains) / losses on obligation	(83)	9
Past Service Cost	-	-
Closing defined benefit obligation	669	698

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

Changes in the fair value of plan assets are as follows:

	Gratuity	
	2016	2015
Opening fair value of plan assets	472	401
Expected return	39	30
Contributions by employer	104	65
Benefits paid	(75)	(28)
Actuarial gains / (losses)	(11)	3
Closing fair value of plan assets	529	472

The Company expects to contribute Rs.100 (2015-16: Rs. 100) to gratuity in 2016-17.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows: [AS15 Revised Para (h)]

	Gratuity	
	2016	2015
	%	%
Investments with insurer	100	100

The principal assumptions used in determining gratuity for the Company's plans are shown below: {AS15 Revised 120 (I) (i) to (v)}

	Gratuity	
	2016	2015
	%	%
Discount rate	8.10	8.05
Expected rate of return on assets	8.00	8.00
Employee turnover		
Age (Years) 21-44	8	8
Age (Years) 45-57	3	3
Healthcare cost increase rate	N.A.	N.A.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous period are as follows:
[As15 Revised 120(n)]

	Gratuity	
	2016	2015
Defined benefit obligation	669	698
Plan assets	529	472
Surplus / (deficit)	(140)	(226)
Experience adjustments on plan liabilities	(11)	(57)
Experience adjustments on plan assets	(11)	3

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

NOTE - 2.28

Details of transactions under Stock-in-Trade during the period 1st April, 2015 to 31st March, 2016

(Figures relating to financial year 2014-15 are indicated in bracket)

Particulars	Opening Stock		Additional Purchases		Adjustments**		Sales/Redemption		Closing Stock	
	Nos.	Amt.	Nos.	Amt.	Nos.	Amt.	Nos.	Amt.	Nos.	Amt.
Stock-In-Trade										
Preference Shares	1,40,000 (1,40,000)	*- *-	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,40,000 (1,40,000)	*- *-
Equity Shares	15,400 (15,400)	- -	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	15,400 (15,400)	*- *-
Units of Mutual Fund	7,18,24,046 (7,49,63,171)	13,425 15,885	11,43,47,510 (34,43,61,299)	1,65,311 (1,54,581)	- -	1,61,611 (1,57,945)	7,98,78,110 (34,75,00,424)	17,125 (13,425)	10,62,93,445 (7,18,24,046)	17,125 (13,425)
Stock in Trade for Downselling	1,750 (1,500)	17,487 14,988	8,720 (13,745)	77,100 94,745	- -	87,600 (92,237)	9,770 (13,495)	7,000 (17,487)	700 (1,750)	7,000 (17,487)
Commercial Paper	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total		30,912 (30,873)		2,42,410 (2,49,326)		2,49,210 (2,50,182)		24,125 (30,912)		24,125 (30,912)

* - Fully provided for

** - Adjustment shown is on account of change in FV of units of Mutual Funds

Notes To Financial Statements For The Year Ended 31st March 2016 (Contd.)

(Rupees in lacs unless otherwise stated)

Note - 2.29

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2016.

Note - 2.30

The Company has cheques in hand aggregating Rs. Nil (2015: Rs.61), which have been included in the respective bank accounts.

Note - 2.31

Office premises obtained on operating lease are cancellable and no restrictions are imposed by the lease agreement, hence no disclosure is required. Lease rent paid during the year is disclosed in Note 2.18 to the Financial Statements.

Note - 2.32

Company has purchased a property for the purpose of giving it on lease to its wholly owned subsidiary. The same is shown as Long term Investments as defined in Para 3 of Accounting Standard 13 issued by Institute of Chartered Accountants of India and notified by Companies Act, 2013. Hence depreciation on Investment Property is not charged to Statement of Profit & Loss Account. During the year FY 2015-16 the said property has been leased out to wholly owned subsidiary. The same is shown as Fixed Assets as per Para 39 of Accounting Standard 19 issued by the Institute of Chartered Accountants of India and notified by Companies Act, 2013.

Note - 2.33

Company has received an amount of Rs. 54 lacs from liquidator of Investor Services of India Limited representing full cost of investment in Financial Year 2013-14 and Rs. 1 lacs (FY 2015 Rs. 9 lacs) in year financial year 2015-16 representing surplus money distributed to shareholders. The same is recognized as dividend income for the year.

Note - 2.34

PRIOR YEAR COMPARATIVES

The financial statements for the year have been presented as per the Schedule III. The figures of the previous year have been regrouped/reclassified as appropriate, to correspond with those of the current year.

As per our report of even date

For SHAH & TAPARIA

For and on behalf of Board of Directors

Firm Registration No. 109463W
Chartered Accountants

Ramesh Pipalawa
Partner

Membership No. 103840

V.G.Kannan
Director

Varsha Purandare
Managing Director & CEO

Mumbai
May 17, 2016

P.Karthikeyan
Senior Vice President & CFO

Amit Shah
Company Secretary