SBI Capital Markets Limited

# Conquering newer horizons



Annual Report | 2021-22


SBI
Capital
Markets
Limited



# The Arena

When it comes to achieving yet another year of landmark breakthroughs and relentless endeavours, we at SBI Capital Markets Limited, believe in tackling every challenge head on. And once we overcome them, we don't settle but set out to explore newer avenues. That's how we conquer new horizons; with innovative investment banking solutions, best in class advisory and a vision to consistently evolve for a stronger tomorrow.

Our performance in FY 2021-22 is a testament to our indomitable spirit and insatiable hunger for more, coupled with an unfaltering commitment towards our stakeholders. We look forward to add more feathers to our hat with your support, as always.

# The Strategy

Our approach that drives us to create new milestones everyday



## Vision

To be the best India-based Investment Bank.

## Mission

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

# I N D E X


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SBI Capital Markets Limited

# The Force

The masterminds who make every accomplishment possible





**Shri. Dinesh Kumar Khara**
Non-Executive Chairman

# Our Board of Directors



**Shri. Ashwini Kumar Tewari**
Non-Executive Director



**Shri. Rajeev Krishnan**
Non-Executive Director



**Smt. Shilpa Naval Kumar**
Non-Executive Director



**Shri. Ananth Narayan G.**
Independent Director



**Shri. Dalip Kumar Kaul**
Independent Director



**Shri. Arun Mehta**
Managing Director & CEO



**Shri. BRS Satyanarayana**
Whole-Time Director

SBI Capital Markets Limited



# The Motivation

What keeps us wanting to achieve above and beyond

# AWARDS & RANKINGS

SBI Capital Markets Limited

## The Asset Triple "A" Sustainable Infrastructure Awards 2022

- Project Finance Advisory House of the Year (India)
- Transport Deal of the Year - Airport - Noida International Airport
- Transport Deal of the Year - Railway - Pune IT City Metro Rail

## Dealogic

- Ranked No. 1 India Loans Volume by MLA - market share of 30.7% (Volume $ 8,834 m)
- Ranked No. 1 MLA - Asia Pacific Project Finance Loans - market share of 10.7% (Volume $7,915.06 m)

## Bloomberg League Tables

- Ranked No. 1 India Borrower Loans in Local Currency (MLA) with a market share of 72.2% (Volume > Rs. 852,000 m)
- Ranked No. 1 India Borrower Loans (MLA) with a market share of 45.2%. (Volume > Rs. 910,000 m)
- Ranked No. 1 APAC Project Finance Loans (Mandated Lead Arranger) with a market share of 10.3% (Volume $6,862 m)
- Ranked No. 4 in Bloomberg League Table for domestic issuances for debt for the FY 2021-22.

## Debtwire

- Ranked No. 1 - 2021 India Mandated Lead Arranger (INR) - market share of 44.9% (Volume $6,418 m)
- Ranked No. 1 - 2021 India Mandated Lead Arranger - All currencies - market share of 22.5% (Volume $7,481m)

## Refinitiv

- Ranked No. 1 INR Only Mandated Arranger with a market share of 70.2% (Volume $9,052 m)
- Ranked No. 3 Mandated Arranger with a market share of 7.3% (Volume $1,012 m)

## PRIME Database

- Ranked No. 3 in secondary market issues (FPO + OFS + QIP) according to Prime database FY 2021-22.



# The Tale

## The story behind the aim to conquer horizons

# About Us

SBI Capital Markets Limited (SBICAP), one of India's leading domestic Investment Bank commenced its operations in August 1986. It is a Wholly Owned Subsidiary and Investment Banking arm of State Bank of India (SBI), the largest commercial Bank in India.

SBICAP offers entire bouquet of Investment Banking and Corporate Advisory Services. The bouquet of services includes full range of financial advisory services under one umbrella covering Project Advisory and Structured Financing, Capital Markets, Mergers & Acquisitions, Private Equity and Stressed Assets Resolution.

As a complete solutions provider to clients in Investment Banking and Corporate Advisory, SBICAP offers advice, innovative ideas and unparalleled execution across all stages in the business cycle ranging from project advisory, buy and sell-side advisory, accessing financial markets to raise both Debt and Equity Capital and even lenders led restructuring advisory. SBICAP is a global leader in the area of Project Advisory and has lent crucial support to the Indian Infrastructure Sector.

SBICAP is also known for its astute professionalism and business ethics. The team of executives consist of qualified and dedicated professionals with vast experience in Project Advisory, M&A, Restructuring, Equity, Debt and Hybrid Capital raising.

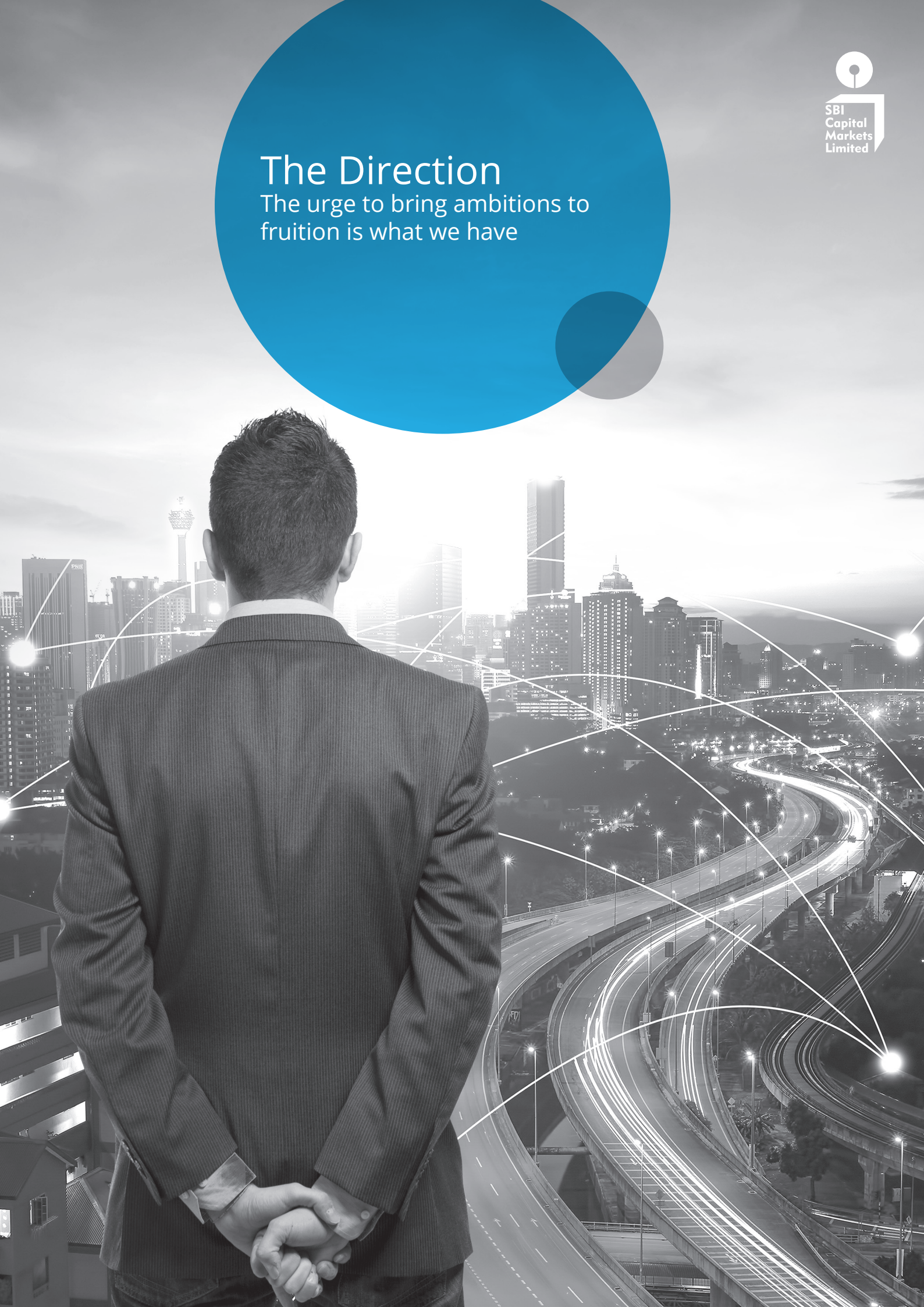
Headquartered in Mumbai, SBICAP has 5 Regional Offices across India (Ahmedabad, Chennai, Hyderabad, Kolkata and New Delhi) and 3 Wholly Owned Subsidiaries viz. SBICAP Securities Limited, SBICAP Trustee Company Limited and SBICAP Ventures Limited. The Regional Offices are located strategically at major business hubs in the country and closely liaise with clients there and at nearby centre.

The Wholly Owned Subsidiaries of SBICAP offer an array of finacial services viz. Equity Broking & Research, Security Agency & Debenture Trusteeship and Private Equity Investment & Asset Management.

SBI Capital Markets Limited

# The Direction

## The urge to bring ambitions to fruition is what we have



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

SBICAP through its Project Advisory & Structured Finance (PA&SF) Group is the market leader in providing Financial Advisory and Debt Syndication solutions to large client base across traditional infrastructure sectors and core industries.



The PA&SF Group remains a pioneer in Advisory Services in India. A deep and wide institutional knowledge base makes the PA&SF Group the foremost choice of public and private corporates and Central and State government bodies for Advisory Services that require structuring and execution of complex transactions in traditional infrastructure sectors and core industries and in emerging new sectors.

The PA&SF Group offers comprehensive suite of solutions covering the entire life cycle of projects which includes services viz.: (a) Business Advisory for Mergers & Acquisitions, Divestitures and Restructuring; (b) Project Advisory for project bids by tenderers, as well as bid process management for tenderees; (c) Policy Advisory to Government counterparties; (d) Stressed Asset Resolution Advisory to Banks and related Intermediaries; (e) Private Equity tie-up; (f) Debt Syndication Services for public sector units, Sovereign Entities, Sovereign Wealth Funds and Pension Funds; (g) Debt Arranging and Down-Selling services for private sector clients, jointly with State Bank of India.

The PA&SF Group has a team of 220+ highly qualified professionals, representing a multitude of educational fields and diversity of relevant work experience in 100+ entities in India and Overseas. The staffing strategy brings an optimal mix of fresh perspectives from campus and experience and expertise from across industries and sub-sectors. This enables the PA&SF Group to demonstrate excellence across sectors viz.: (a) Energy (Renewables, Thermal Power, Oil & Gas); (b) Transportation (Aviation, Automotive, Electric Vehicles, Railways, Shipping); (c) Urban Infrastructure (roads, ports, real estate, water & irrigation); (d) Telecommunication; (e) Core Industries (metals, mining, textiles and other industrials); (f) Banking & Financial Services (Banks, NBFCs, Fintech).



The PA&SF Group is aligned with Government initiatives under the National Infrastructure Pipeline, the National Monetization Pipeline and the Production Linked Incentive Scheme amongst others, and continues to act as a key ally for both the Government and the Private Sector in their endeavours towards overall economic development of the nation. Going forward, the PA&SF Group will add focus on sub-sectors such as Battery Storage, Data Centers, Defence, ESG, Green Hydrogen, Insurance and Semiconductors.

# PA&SF Group Offerings

## Debt, M&A and Private Equity Advisory & Arranging

- Arrange onshore and offshore debt and working capital for public sector clients
- Assist lenders in underwriting and down-selling of debt financing for private corporate clients
- Identify assets for acquisition and strategic investments
- Provide acquisition advisory services for both domestic and outbound acquisitions
- Render advice on demerger or sale of assets, and divestment of companies
- Mobilise private equity / quasi-equity for growth and shareholder returns

## Corporate Finance Advisory, Bid Advisory, Government Advisory

- Provide project and financial advisory, business valuation and joint venture advisory
- Render due diligence and capital structuring advisory
- Undertake strategy and bid advisory for State / Central Governments and regulatory bodies
- Provide transaction and policy advisory services to government departments and ministries

## Structured Finance for Acquisition, Leverage/Mezzanine Financing, Customized Solutions

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

## Corporate Restructuring / Debt Resolution Advisory (inside and outside CIRP)

- Re-organisation, Re-capitalization, Resolution Plan and Business plan advisory
- Advisory to Resolution Professionals under Corporate Insolvency Resolution Process (CIRP)
- Debt Restructuring Advisory within the relevant framework of Reserve Bank of India
- Advisory to Committee of Creditors for evaluating resolution proposals under Insolvency







# Indicative Transactions for PA&SF FY 2021-22

## M&A and Advisory

**Buy side advisory for acquisition of Mumbai airport**
M&A Advisor
FY 2022

**Exit from one-time resolution under RBI's circular for COVID-19 stress**
Transaction Advisor
FY 2022

**Securitisation of RoE of Chameera Power Station for 10 years**
Transaction Advisor
FY 2022

**Monetisation / Hiving off 15 renewable energy assets into SPV**
Transaction Advisor
FY 2022

**Development of Ganga Expressway from Meerut to Praygraj under Toll**
Transaction Advisor
FY 2022

**Advisory for conceptualising and setting up of Bad bank**
Advisor
FY 2022

## Fund Raising

**Debt Syndication for Numaligarh Refinery**
Debt Arranger
FY 2022

**Debt Syndication for MSRDC Tunnels Ltd.**
Financial Advisor & Debt Arranger
FY 2022

**Down selling of debt exposure in Jewar greenfield airport**
Financial Advisor & Debt Arranger FY 2022

**Underwriting advisory for Navi Mumbai International Airport**
Debt Arranger
FY 2022

**Down selling of debt exposure in Pune Metro Rail project**
Debt Arranger
FY 2022

**Underwriting advisory for Greenfield Integrated steel plant of 6 MTPA**
Advisor
FY 2022

SBI Capital Markets Limited

# The Alliance

## Partnerships for a fruitful and successful tomorrow



# Investment Banking Division (IBD)

The Investment Banking Division (IBD), of SBICAP specialises in advising clients across the full spectrum of integrated solutions including Equity Capital Markets, M&A Advisory and Private Equity Advisory. This includes Equity Fund raising such as IPO, FPO, Rights Issues, QIP, OFS and advisory transactions. The IBD Group has handled many complex transactions and successfully closed them across various products and sectors. The IBD Group has experts with in-depth knowledge and experience in Equity Capital Markets, Mergers and Acquisitions, Private Equity etc.

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

## Equity Capital Markets:

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

## Advisory Services

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

During the year, SBICAP has successfully completed 17 equity capital market issuances raising a total amount of Rs. 34,994 Crores through 9 IPOs, 1 FPO, 4 QIPs and 3 OFS with a market share of 19%.

# Indicative Transactions for IBD FY 2021-22

SBI Capital Markets Limited

Ruchi Soya Industries Ltd.
₹ 4,300 Crores
**FPO**
March 2022

equitas Equitas Small Finance Bank
₹ 550 Crores
**QIP**
February 2022

Brookfield
₹ 495 Crores
**Pref Issue**
January 2022

STAR Health Insurance
The Health Insurance Specialist
₹ 6,019 Crores
**IPO**
November 2021

Tarsons TRUST DELIVERED
₹ 1,024 Crores
**IPO**
November 2021

Aditya Birla Capital Mutual Funds
₹ 2,768 Crores
**IPO**
September 2021

₹ 742 Crores
**OFS**
September 2021

NUVOCO Shaping a new world
₹ 5,000 Crores
**IPO**
August 2021

windlas
₹ 402 Crores
**IPO**
August 2021

Glenmark LIFE SCIENCES
₹ 1,514 Crores
**IPO**
July 2021

hudco
₹ 721 Crores
**OFS**
July 2021

GRIL
₹ 962 Crores
**IPO**
July 2021

₹ 3,633 Crores
**OFS**
July 2021

इंडियन बैंक Indian Bank
Taking Banking Technology to the Common Man
₹ 1,650 Crores
**QIP**
June 2021

SHYAM METALICS ORE TO METAL
₹ 909 Crores
**IPO**
June 2021

punjab national bank ...the name you can BANK upon!
₹ 1,800 Crores
**QIP**
May 2021

₹ 500 Crores
**QIP**
April 2021

LODHA
₹ 2,500 Crores
**IPO**
April 2021

# Debt Capital Markets (DCM)

The Debt Capital Markets (DCM) team at SBICAP is one of the leading arrangers for raising funds through domestic debt capital markets. It has also developed cutting edge expertise in handling complex asset monetisation mandates and is actively engaged in Transaction Advisory and Merchant Banking activities for Infrastructure Investment Trust [InvITs] and Real Estate Investment Trust [REITs]. In addition, the team is active in debt raising for various sectors. Our clientele includes Corporates, NBFCs, Banks, Financial Institutions, Municipal Corporations and Central/State Government Undertakings. Our long-standing investor relationships coupled with our ability to structure the transactions gives us an edge in offering solutions in the Debt Capital market space. During the FY 2021-22, DCM group has executed 58 NCD issuances (Debt Issuances) through private placement basis aggregate gross mobilization of Rs. 99,249 Crores.

In the FY 2021-22, SBICAP ranked 4th in Bloomberg League Table for domestic issuances.

## Debt Products and Solutions Offered by DCM include:

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



# Indicative Transactions for DCM FY 2021-22

SBI Capital Markets Limited

J&K Bank
Serving To Empower

**₹ 360 Crores**
March 2022

Nilkamal

**₹ 99 Crores**
March 2022

Vadodara Municipal Corporation

**₹ 100 Crores**
March 2022

Bengaluru INTERNATIONAL AIRPORT

**₹ 1,000 Crores**
June 2021

आर सी एफ

**₹ 300 Crores**
January 2022

L&T Metro Rail Hyderabad

**₹ 8,616 Crores**
December 2021

BHARAT OMAN REFINERIES LIMITED

**₹ 1,000 Crores**
October 2021

Godrej Industries Ltd.

**₹ 1,500 Crores**
FY 2022

SBI

**Tier - I**
**₹ 13,974 Crores**
FY 2022

INDIAN RAILWAY FINANCE CORPORATION*

**USD 500 Million**
January 2022

Reliance* Industries Limited

**USD 4 Billion**
January 2022

JSW*

**USD 1 Billion**
September 2021

* SBICAP assisted State Bank of India, London Branch in the foreign currency bond mandate




# Our Subsidiaries

## SBICAP Securities Limited

SBICAP Securities Ltd. (SSL), wholly owned subsidiary of SBI Capital Markets Limited was incorporated on 19th August 2005 and commenced operations in June 2006. SSL provides primary and secondary capital market access to retail customers being part of India's largest and most trusted banking conglomerate, the State Bank of India Group (SBI). SSL has now become one of the important players in the broking industry and stands synonymous with trust and reliability when offering investment solutions to its investors.

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

In broking, SSL currently serves more than 26 Lacs customers through state-of-the-art trading platforms on mobile app, website and dealer terminal. SSL offers its customers a variety of products and services to choose from such as Equity, Derivatives, Mutual Funds and Currency.

SSL is able to acquire new Demat accounts through Bank channel as well as through Open Market channel which has created potential to achieve higher number of accounts. SSL has launched the new "SBI Securities" mobile and web trading application in September 2021. It has revamped backend trading systems for robust support to the new web and mobile trading platforms. The web trading platform and mobile trading application offers simple, fast and intuitive platform to its investors offering a seamless trading experience.

SSL is able to add value to customers by providing easy access and seamless experience in their loan journey wherein the Company acts as a distributor for SBI - Home Loans and Auto Loans with a dedicated division at par with other functions. The Company is also a one-stop third party distribution arm for mutual funds, bonds, insurance etc.

Owing to the game-changing Digital Transformation in the year 2021-22, SSL has been rewarded with several accolades in the industry, a few of which are the prestigious IMC Digital Technology Awards 2021, the Technology Excellence Awards 2022 organised by Quantic and the Indian Express BFSI Digital & Technology Awards held in May 2022.

SSL earned a net profit of Rs. 233.01 Crores during the FY 22 as against Rs. 207.12 Crores in FY 21.

# SBICAP Ventures Limited

## OVERVIEW

SBICAP Ventures Ltd. (SVL) a Wholly Owned Subsidiary of SBICAP was incorporated in the year 2005. SVL is an investment manager in the Private Equity/ Alternate Investments sector and currently manage three funds and two Fund of Funds with aggregate Assets Under Management (AUM) of about Rs. 27,500 Crores as summarized below:

i. Neev Fund (AUM: Rs. 524 Crores).

ii. SWAMIH Investment Fund I (AUM: Rs.10,038 Crores) + soft commitment for Rs. 5,000 Crores.

iii. SVL-SME (Neev II) Fund (AUM: Targeted Corpus of Rs. 1,000 Crores + green shoe of Rs. 1,000 Crores).

iv. UK India Development Cooperation Fund (UKIDCF): Target Corpus Rs 5,000 Crores.

v. Self Reliant India (SRI) Fund Corpus: Rs. 10,000 Crores.

**Neev Fund** – An Impact Fund created jointly by the Governments of UK and India for sustainable development through investments in business activities in 8 target states of India which were lagging in growth sectors including Agriculture Supply chain, Renewable energy and Healthcare. Fully deployed in 10 companies, of which 3 exits made.

**SWAMIH Investment Fund I** – Formed to provide last mile funding to help complete construction of stressed, brownfield, RERA registered residential developments in the affordable housing / mid-income category. Fund has committed about Rs. 7,500 Crores in 82 projects across 25 cities in the country. Disbursements as on date is Rs. 4,000 Crores and the Fund has made full exits in 7 projects & partial exits in 12 projects.

**SVL-SME (Neev II) Fund** – Set up to fund investments in SME sector largely in climate & environment related enterprises. Fund has raised about Rs. 1,200 Crores and Limited Partners include Foreign and Commonwealth Development Office (FCDO) of UK, European Investment Bank (EIB) and Japan International Cooperation Agency (JICA). NEEV II has invested Rs. 275 Crores in 3 ventures as on date.

**UK India Development Cooperation Fund** - A Fund of Funds created with investment focus on majorly achieving the United Kingdom - India bilateral development cooperation objectives by investing substantially all of its assets in permitted Portfolio Entities which seek to invest in, or are engaged in, sectors that promote sustainable economic development, help reduce poverty and contribute towards achievement of India's SDGs. First Close - 17 June 2021 at corpus of Rs. 253 Crores. Committed Rs. 117 Crores to two downstream funds. Fund proposes to commit further between Rs. 100-150 Crores each in two additional funds (to be identified) during the financial year.

**Self Reliant India (SRI) Fund** - This Fund of Funds is created to provide support to Alternate Investment Funds for onward provision to MSMEs as growth capital, through equity, quasi-equity and debt. SRI Fund is sponsored by National Small Industries Corporation on behalf of Ministry of MSME. As on date, Final approval given to 28 investments with further commitment of Rs. 4,170 Crores.

## NEW INITIATIVES

SVL has executed a MoU with Ministry of External Affairs for raising a Trilateral Development Co-operation (TDC) Fund. The primary objective is to support Indian enterprises to take their capabilities overseas by giving equity support. The Fund will be

sector agnostic and would invest in in the themes where commercial investments are being piloted and new business models are emerging. TDC Fund would act as a Fund of Funds set up under the appropriate regulatory framework as an Alternative Investment Fund and will participate in the capital of the Global Innovation Partnership fund and other similar funds through one or more of its schemes.

### OTHER INITIATIVES

SVL is an LP in Inflexor Technology Fund, having a corpus of Rs. 608 Crores with an investment Committment of Rs. 50 Crores. Inflexor Technology Fund invests in organizations that are poised to be market and technology leaders and innovators.

### BUSINESS PARAMETERS

As a Fund manager, SVL earns management fees on the funds managed by it. Besides, SVL is eligible for returns on its investments in Funds as well as Carried Interest on the portfolio returns of the Funds. The Financial performance of SVL for last 3 years summarised below:

(₹ in Crores)

| Financial Performance | FY20 | FY21 | FY22 |
|---|---|---|---|
| Fee Income | 25.45 | 78.66 | 87.37 |
| Total Income | 25.81 | 79.77 | 91.75 |
| PAT | 11.01 | 37.04 | 32.28 |
| Investments | 82.49 | 87.37 | 122.08 |
| Reserves | 22.46 | 59.41 | 91.51 |
| Net-Worth | 82.84 | 119.79 | 151.89 |
| Debt | Nil | Nil | Nil |

## SBICAP TRUSTEE COMPANY LIMITED

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

While it acts as a Security Trustee to the Lenders for Corporate and Project Finance Loans, it also performs the role of a Debenture Trustee for the Debentures / Bonds issued by Corporates, Banks, PSUs & Municipal Corporations. It is registered with SEBI as a Debenture Trustee. STCL also provides other related services like Share Pledge Trustee, Escrow Trustee, AIF Trustee, ESOP Trustee, Virtual Data Room (VDR) Services etc. As Trustees, STCL currently handles 2665 assignments and holds securities for loans worth Rs. 38,47,942 Crores as on 31.03.2022 on behalf of Lenders and Debenture/Bond holders.

STCL has shown improved Financials during 2021-22 with growth of Gross Income by 22% and PAT by 21%. The Gross Income stood at Rs. 45.45 Crores and Profit After Tax at Rs. 15.71 Crores.

Due to increase in the collections up to 80% during the FY 2021-22, the investments of STCL resulted in an increase by 39% for the said year in comparison with the previous financial year.

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

1) **Security Trustee -** STCL is the largest player amongst the Security Trustee

service providers. It provides Security Trustee services to lenders under consortium and other forms of multiple lending to Corporates. It has completed 434 new mandates, generating a one-time fee income of Rs. 9.8 Crores in 2021-22.

2) **Debenture Trusteeship -** As a SEBI registered Debenture Trustee, STCL acts as Debenture Trustee for both public issues and private placements of Debentures and Bonds. During the year, the Company has completed 54 new mandates amounting to Rs. 1.14 Crores of one-time fee income.

3) **Share Pledge Trustee -** STCL also acts as Share Pledge Trustee where securities in the form of pledge of shares is provided to the lenders by corporates.

4) **Alternative Investment Fund Trustee -** AIF is a SEBI regulated privately pooled investment vehicle which collects funds from sophisticated investors, Indian or Foreign, for investing it in accordance with a defined Investment policy for the benefit of its investors. STCL provides Trustee services to various private and government sponsored AIFs.

5) **Escrow Trustee -** As an Escrow Trustee, STCL acts as a neutral party to provide services as envisaged under the Tripartite Agreement.

6) **Virtual Data Room (VDR) Services -** STCL is providing VDR Services on a secured platform. A VDR is an ideal solution for any business that wants to streamline its document sharing and makes it more efficient. Organizations which have the following needs will make perfect users of VDR services i.e. sharing documents and critical business information, protection of company information, document management and secure data management, grant access to multiple parties at the same time, support for mobile devices, permission to upload high amount of data, precise searching functionality.

7) **Ancillary Services -** Ancillary Services include producing routine information and legal processes like KYC due diligence, obtaining title search reports, valuation reports, legal opinions, RoC search reports, collection of timely financial information, revival letters, etc.

STCL earned a net profit of Rs. 15.71 Crores during the FY 2021-22 as against Rs. 12.98 Crores in FY 2020-21.

# SBICAP Corporate Social Responsibility (CSR) Programme FY 2021-22

SBICAP has a committed CSR policy in place and it is our endeavour to help reach out to various support groups that might require our time, finances or mobilisation strength. In FY 2021-22, in light of the second wave of the COVID-19 pandemic and as per the Annual Action Plan for the year, the Company continued its work with relief and healthcare initiatives to address the most vulnerable sections of society. With the Board approved pivot towards an Environmental, Social and Governance (ESG) theme for the CSR programme during the year, the Company deployed its resources to boost sustainable development, climate change mitigation measures, environment protection and social causes in healthcare and education especially in rural areas helping thousands to access quality healthcare and education amidst the pandemic. These initiatives helped the Company in achieving the CSR budgeted spends for the financial year along with creating sustainable and meaningful impact to various sections of society.

A few snapshots from CSR initiatives of FY 2021-22 are given alongside...






















# Directors' Report

# Directors' Report For The Financial Year 2021-22

To the Members,

The Board of Directors of SBI Capital Markets Ltd (referred hereinafter as 'SBICAP' or 'the Company') have pleasure in presenting the Thirty Sixth Annual Report and Audited Financial Statements for the Financial Year (FY) ended 31st March 2022.

## 1. FINANCIAL PERFORMANCE (Standalone and Consolidated)

The Company's financial performance for the year ended 31st March 2022 is summarized below:

(Rs. in Crores)

| Financial Year ended March 31 | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Operating Results** | | | | |
| **Gross Income**: | | | | |
| a) Fee based Income | 455.07 | 495.40 | 1,378.53 | 1,246.80 |
| b) Income from securities and other Income | 171.40 | 95.34 | 194.86 | 121.51 |
| **Total** | **626.47** | **590.74** | **1,573.38** | **1,368.31** |
| Profit before provisions, Depreciation, Interest and Tax | 444.25 | 414.56 | 855.49 | 776.10 |
| Provisions | 0.69 | 0.78 | - | - |
| Depreciation | 8.88 | 7.50 | 29.70 | 23.64 |
| Interest | 2.40 | 23.03 | 16.40 | 27.68 |
| Profit before tax | 432.28 | 383.25 | 809.39 | 724.78 |
| Less: Tax expense | 92.58 | 110.00 | 189.29 | 198.37 |
| Add: Share in net profit of associate | - | - | 15.33 | 0.69 |
| Profit after Tax (A) | **339.70** | **273.25** | **635.43** | **527.10** |
| Other Comprehensive Income (B) | **1,156.48** | **1,359.00** | **1,156.19** | **1,360.03** |
| **Total Comprehensive Income (A+B)** | **1,496.18** | **1,632.25** | **1,791.62** | **1,887.13** |
| Add: Balance in Retained earnings (C) | 2,086.29 | 1,528.68 | 2,678.47 | 1,887.82 |
| Add: Balance in Other Comprehensive Income (D) | 1,743.08 | 784.51 | 1,743.24 | 783.64 |
| **Subtotal (A+B+C+D)** | **5,325.55** | **3,945.44** | **6,213.33** | **4,558.59** |
| **LESS: APPROPRIATION** | | | | |
| Transferred to General Reserve | - | - | 1.57 | 1.30 |
| Interim Dividend | 116.07 | 116.07 | 116.07 | 116.07 |
| Other Adjustments | - | - | (5.25) | 19.51 |
| **CLOSING BALANCE** | **5,209.48** | **3,829.37** | **6,100.94** | **4,421.71** |
| | | | | |
| **Financial Position** | | | | |
| Equity Share Capital | 58.03 | 58.03 | 58.03 | 58.03 |
| Reserves and Surplus | 5,717.34 | 4,337.23 | 6,630.75 | 4,948.16 |
| **Other Select Data** | | | | |
| Earnings per share (Rs.) | 58.54 | 47.09 | 109.49 | 90.83 |
| Return on Equity | 5.88% | 6.22% | 9.50% | 10.53% |
| Dividend per share (Rs.) | 20 | 20 | 20 | 20 |
| Book Value per share (Rs.) | 995.18 | 757.36 | 1,152.57 | 862.64 |

## 2. PERFORMANCE OVERVIEW:

### a) Standalone basis

During FY 2021-22, the Company has achieved gross income of Rs. 626.47 Crores (previous FY Rs. 590.74 Crores) with Year-On-Year (YoY) growth of 6.05% and reported fee based income of Rs. 455.07 Crores (previous FY Rs. 495.40 Crores). The Company has reported Profit after Tax (PAT) of Rs. 339.70 Crores (previous FY Rs. 273.25 Crores) an increase of 24.32% as compared to the previous year.

### b) Consolidated basis

During FY 2021-22, the Company has achieved total income of Rs. 1,573.38 Crores (previous FY Rs. 1,368.31 Crores) with YoY growth of 14.99%. The fee based income grew by 10.57% to Rs. 1,378.53 Crores (previous FY Rs. 1,246.80 Crores). The Company has reported PAT of Rs. 635.43 Crores (previous FY Rs. 527.10 Crores) an increase of 20.55% as compared to the previous year.

## 3. COVID - 19

a) As a responsible Corporate Citizen, SBICAP contributed to mitigate the COVID -19 pandemic situation since the early stages of lockdown up to subsequent waves of infection. The Company ensured provision of nearly 4 Lacs meals to the most vulnerable sections of society (during lockdowns and second wave of pandemic) and also supported by arranging oxygen concentrators during the same time.

The Company also concentrated on augmenting rural healthcare infrastructure through refurbishment of Primary Healthcare Centers (PHCs) in Maharashtra which helped thousands of beneficiaries in far flung rural centres to access quality healthcare.

b) **Quality Initiatives**

The Company continues to sustain its commitment to the high levels of quality, superior service management, robust information security practices and business continuity management.

During second wave of the pandemic, the Company was actively monitoring all client engagements to minimize risks and ensure continuity of services. This was achieved through periodic review and governance of critical business engagements.

The client-centricity and focus on delivery excellence have led to high levels of client satisfaction achieved by the Company.

## 4. CHANGE IN THE NATURE OF BUSINESS

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

## 5. SHARE CAPITAL

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

## 6. DIVIDEND

During the year under review, the Board of Directors declared an Interim Dividend of Rs. 20/- per equity share on the issued and paid-up equity share capital (5,80,33,711 Equity shares of Rs. 10/- each) aggregating to Rs.116.07 Crores to the shareholders. The payment of Interim Dividend has resulted in net outflow of Rs. 104.46 Crores (Tax deducted at source Rs. 11.61 Crores). Directors recommend that the Interim Dividend of Rs. 20/- per equity share declared and paid to the shareholders be considered as the final dividend for FY 2021-22.

## 7. TRANSFER TO RESERVES BY THE COMPANY

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

## 8. CREDIT RATING

The Company continues to reflect the credit strength with highest credit ratings assigned by M/s. India Ratings and Research (Ind-Ra) vide publication dated 18th August 2021 as under:

i) 'IND AAA/Outlook Stable' – Long-Term Issuer Rating;

ii) 'IND A1+' – Short-Term Issuer Rating.

## 9. REVIEW OF BUSINESS PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

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

The performance of the Company during the FY 2021-22 in respect of various business activities are as under:

### (I) Merchant Banking & Advisory Activities

#### (A) Equity Capital Markets Group (ECM)

During the year under review, ECM group has achieved gross fee income of Rs. 68.83 Crores (previous FY Rs. 49.02 Crores). The income emanated from wide spectrum of services across equity products such as Initial Public Offers (IPO), Qualified Institutional Placements (QIP), Follow on Public Offers (FPO) Offer for Sale (OFS) and Advisory. The ECM Group had raised total amount of Rs. 34,994 Crores through equity issuances and have been associated with many of the marquee transactions which concluded during the FY 2021-22. A list of the notable transactions executed during the year are as under:

**a. IPO Mandates Executed**

i) Nuvoco Vistas Corp Limited (Rs. 5,000 Crores).

ii) Aditya Birla Sun Life AMC Limited (Rs. 2,768 Crores).

iii) Star Health & Allied Insurance Co. Limited (Rs. 6,019 Crores).

iv) GR Infraprojects Limited (Rs. 962 Crores).

v) Macrotech Developers Limited (Rs. 2,500 Crores).

vi) Tarsons Products Limited (Rs. 1,024 Crores).

vii) Shyam Metalics and Energy Limited (Rs. 909 Crores).

viii) Glenmark Life Sciences Limited (Rs. 1,514 Crores).

ix) Windlas Biotech Limited (Rs. 402 Crores).

**b. FPO Mandate Executed**

i. Ruchi Soya Industries Limited (Rs. 4,300 Crores).

**c. QIP Mandates Executed**

i) Equitas Small Finance Bank Limited (Rs. 550 Crores).

ii) Hindustan Copper Limited (Rs. 500 Crores).

iii) Punjab National Bank (Rs. 1,800 Crores).

iv) Indian Bank (Rs. 1,650 Crores).

**d. OFS Mandates Executed**

i) NMDC Limited (Rs. 3,633 Crores).

ii) Housing & Urban Development Corporation Limited (Rs. 721 Crores).

iii) Hindustan Copper Limited (Rs. 742 Crores).

e. **Advisory Mandate Executed**

i) **Pre-IPO Advisory Mandate for LIC.**

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

i) Started Bundling Pre-IPO and IPO solutions resulting in higher quality solutions for clients.

ii) Focus on Left-Lead roles and Advisory in corporate finance.

iii) Diversification of product suite and fuller range of equity solutions has helped to broad-base fee income streams and improve performance.

iv) Sectoral Focus to develop a knowledge-based franchise.

v) Tie-ups with Fintech firms to further strengthen and broaden retail procurement.

**(B) Debt Capital Markets Group – (DCM)**

During the year under review, the DCM group have executed 58 Non-Convertible Debentures (NCD) issuances through private placement basis with an aggregate Gross Mobilization of Rs. 99,249 Crores*.

During FY 2021-22, SBICAP was ranked 4th in Bloomberg League Table for domestic issuances. Some of the key transactions executed during the year include:

i) L&T Hyderabad Metro - Largest fund-raising transaction in domestic Bond Markets in a single day by private company in infrastructure sector aggregating to Rs. 13,116 Crores.

ii) Bond issuances for Bangalore International Airport Limited, Godrej Industries, Nilkamal Limited, Bharat Oman Refineries Limited, Rashtriya Chemicals & Fertilizers Limited and Vadodara Municipal Corporation.

iii) Capital bonds for State Bank of India, Federal Bank, Bank of Baroda and Jammu & Kashmir Bank.

iv) DCM Group acted as Transaction Advisor and Lead Manager for private placement of units by National Highways Infra Trust. The group is working with various public sector undertakings for the proposed asset monetization programme and in discussions with several private InvITs for Debt fund raising.

*(Source Prime Database & Bloomberg)

**(C) Project Advisory & Structured Finance Group (PA&SF)**

The PA&SF group continues to maintain its leadership position in the country with a market share of 44.85% during FY 2021-22 (previous FY 41.56%; source Debtwire) for the 'India Mandate Lead Arranger INR' category. The PA&SF group also improved its market share to 8.20% (previous FY 6.70%; source Refinitiv) as 'Financial Advisor M&A India'.

During FY 2021-22, the PA&SF group achieved gross income of Rs. 359.25 Crores (previous FY Rs. 343.99 Crores) with YoY growth of 4.44%, of which fee income of Rs. 327.16 Crores comprised of Advisory and Syndication Services and balance Rs. 32.09 Crores towards M&A and PE services.

(a) Some of the marquee deals undertaken during the year, include:

(i) **Numaligarh Refinery Limited:** Debt syndication aggregating Rs.18,904 Crores for brownfield refinery capacity expansion of 6 MMTPA with a 1,640 kilometres cross-country crude oil pipeline.

(ii) **Pune IT City Metro Rail Limited and Greenfield Airport at Jewar, Noida:** Assistance to SBI for down-selling underwritten exposures to the extent of Rs. 8,435 Crores for both transactions.

(iii) **Dewan Housing Financial Corporation Limited:** Advisory services for Financial Debt Resolution of Rs. 87,083 Crores through Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code.

(iv) **National Asset Reconstruction Company Limited and India Debt Resolution Company Limited:** Advisory services to Indian Banks' Association for conceptualizing and setting-up of 'Bad-Bank' on an 'ARC-AMC' structure, and fund raising of initial equity contribution aggregating Rs. 149.20 Crores.

(v) **Adani Airport Holdings Limited:** Buy-side M&A advisory for acquisition of Mumbai International Airport, pursuant to Lenders' request for change in ownership given red-flagged debt of more than Rs. 7,500 Crores.

(vi) **Uttar Pradesh Expressways Industrial Development Authority (UPEIDA)** six-lane access-controlled Ganga Expressway Project: Transaction advisory services for UPEIDA's first PPP project and one of the country's largest road sector projects entailing an outlay of Rs. 36,000 Crores.

(vii) **Navi Mumbai International Airport Private Limited:** Assistance to SBI for appraisal of the greenfield airport, leading to an underwritten commitment of Rs.12,770 Crores of long term debt.

(b) SBICAP has received top rankings from many ranking agencies and Awards & Recognition, the details of which are as under:

**(i) Rankings**

- Bloomberg Loans Insight Report & India Capital Markets League Tables.#
- Ranked No. 1 - India Borrower Loans - Mandated Lead Arranger (MLA) (Market Share 45.21% from 22 Deals aggregating Rs. 91,614 Crores).
- Ranked No. 1 - India Borrower Local Currency Loans - MLA (Market Share 72.21% from 14 Deals aggregating Rs. 85,226 Crores).
- Ranked No.1 - APAC Project Finance Loans - MLA (Market share 10.30%; Volume $6,862 million).

**Dealogic**

- Ranked No.1 - India Loans Volume by MLA (Market share 30.70%; Volume $8,834 million).
- Ranked No.1 - Asia Pacific Project Finance Loans - MLA (Market share 10.70%; Volume $7,915.06 million).

**Refinitiv**

- Ranked No.1 - INR Only Mandated Arranger (Market share 70.20%; Volume $9,052 million).
- Ranked No.3 - Mandated Arranger (Market share of 7.30%; Volume $1,012 million).

**Debtwire**

- Ranked No.1 - 2021 India Mandated Lead Arranger (INR) (Market share 44.90%; Volume $6,418 million).
- Ranked No.1 - 2021 India Mandated Lead Arranger - All currencies (Market share 22.50%; Volume $7,481 million).

(#Rankings reported in the name of State Bank of India).

(ii) **Awards & Recognition**

The Company has won the following awards from The Asset Triple A Sustainable Infrastructure Awards 2022.

- Project Finance Advisory House of the Year – India.
- Transport Deal of the Year – Airport (Mandate - Yamuna International Airport Private Limited - Rs. 37.25 billion Syndicated facility).
- Transport Deal of the Year – Railway – (Mandate - Pune IT City Metro Rail Limited Rs. 47.90 billion Term Loan Facility).

**(II) Income from Securities - Treasury & Investments**

During FY 2021-22, the Company has reported treasury income of Rs. 91.75 Crores (previous FY Rs. 57.20 Crores). The increase in income was on account of higher dividend from investments, fair value gain accrued on the investments made in AIF funds coupled with enhanced investible surplus available during the current year as compared to corresponding previous year.

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

Overall investment portfolio of the Company yielded an annualized return of 4.23% during the year under review.

SBICAP had committed investments in three Alternate Investment Funds (AIF) for which partial drawdown has been made towards the AIF investments, namely:

(i) Stellaris Venture Partners India I (AIF Category I) - Total commitment - Rs. 10.00 Crores; Partial drawdown – Rs. 7.18 Crores;

(ii) SBI MF Special Situations Fund (AIF Category II) - Total commitment - Rs. 10.00 Crores; Partial drawdown – Rs. 2.43 Crores and;

(iii) Investec-Emerging India Credit Opportunities Fund- I (AIF Category II): Total Commitment - Rs. 25.00 Crores; Partial drawdown - Rs. 21.33 Crores.

**(III) Asset Finance**

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

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

In terms of the approval accorded by the Board of Directors (20th June 2020) to enter partnership with M/s. Investec Capital Services (India) Private Limited (Investec India), SBICAP had acquired 4,72,820 Equity Shares of Rs. 10/- each in Investec India (constituting 19.70% of equity) aggregating to Rs. 54.99 Crores.

SBICAP and Investec India have signed Service Agreement (SA) on 15th May 2020 to initiate co-operation between the two entities on ECM transactions. Accordingly, SBICAP and Investec India are jointly executing ECM transactions originated by SBICAP. Investec India provides institutional equities sales & research services for SBICAP's ECM business apart from carrying out other businesses as per MoU dated 12th March 2020.

As against the original investment envisaged of 40%, which included Rs. 55 Crores as cash and Rs. 94.50 Crores in the form of primary issuance of stock (equivalent to 25.30% stake, on a fully diluted basis) for the demerger of the Institutional Equities business and sharing of broking and ECM revenues of SBICAP Securities Limited, the present position is as follows.

Cash Investment of Rs. 55 Crores has been made in the joint venture for a 19.70% share (14.70% on diluted basis). However, in the absence of RBI approval for increase in our stake beyond 19.70%, the demerger leg of the process has not gone through. The matter has been taken up with Investec India for cash compensation at the valuations that had been carried out; while broadly retaining our other rights. The Company has assured that they are examining various options to ensure this.

**(V) Qualitative Performance:**

a) **Human Resources group (HR):**

SBICAP believes that "Human Resources" are its critical intellectual asset which is instrumental to achieve desired goals and nurture values of the organization. The primary focus of HR is to build teams that are committed to provide credible, professional and client focussed, world-class investment banking services. In order to satisfy the growth and talent requirement of the organization, experienced professionals and budding talent from premier B schools were hired.

The HR was also focussed on the following initiatives:

i) Upscaling the talent through various specialised learning and development programmes, encouraging employee's participation in industry seminars, workshops and forums.

ii) Development of current and future leaders through leadership development interventions which caters to building strong leadership pipeline as well as robust succession plan for critical positions in the organization.

To nurture diversity and inclusive work atmosphere, the HR group has undertaken several other initiatives viz. (i) Benchmarking the compensation in line with Industry standards, (ii) Enhancement of limits for Executive Health Check-up scheme and Group Mediclaim Coverage (iii) Introduction of Work from Home Hybrid Policy and Paternity Leave Policy.

b) **Information Technology (IT):**

During the year under review, IT group has embarked new journey into Cloud migration and Digitalisation. It has undertaken several critical projects viz. Oracle Cloud ERP migration, automation of process and real-time dashboards, face detection attendance systems. At the same time, utmost priority has been accorded to protect user data by implementing Advance Threat Protection (ATP) over email and enforced Security training for end users. Further, the roadmap for IT group is towards implementing Data Analytics, RPA (Robotic Process Automation) and low code/ no code platform.

## 10. 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.

Vide letter of arrangement dated 23rd June 2022 issued by State Bank of India, the Company has arranged a line of credit i.e Overdraft facility upto Rs.1,260 Crores for general corporate purposes (including down-selling activities) by way of marking lien on the Fixed Deposits of Rs.1,400 Crores placed with State Bank of India.

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

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

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

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

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

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

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

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

## 15. REPORTING OF FRAUDS BY AUDITORS

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

## 16. CONSOLIDATED FINANCIAL STATEMENT

During FY 2021-22, the Board of Directors of the Company reviewed the business affairs of the subsidiaries. In terms of Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company, which forms part of this Annual Report. Further, a statement containing the salient features of the financial statements of our subsidiary and associate companies in the prescribed format Form AOC-1 is appended as **Annexure - I** to the Board's report. The statement also provides the details of performance and financial position of each of the subsidiaries and associates.

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

## 17. FINANCIAL PERFORMANCE AND POSITION OF WHOLLY OWNED SUBSIDIARIES AND ASSOCIATE COMPANIES:

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

### A. Wholly Owned Subsidiaries

i) SBICAP Securities Ltd.;

ii) SBICAP Trustee Company Ltd.;

iii) SBICAP Ventures Ltd.;

iv) SBICAP (Singapore) Ltd.

#### I. SBICAP Securities Limited (SSL)

SSL, a wholly owned subsidiary of SBICAP, offers Equity broking services to clients in Cash and Futures & Options segments. It is also engaged in Sales and Distribution of other financial products such as Mutual Funds, Tax Free Bonds, Home Loan, Auto Loan, amongst others.

Summary of the audited financial highlights for the financial years 2021-22 and 2020-21 are as under:

(Amount Rs. in Crores)

| Particulars | 2021-2022 | 2020-2021 |
|---|---|---|
| Fee based Income | 805.93 | 653.78 |
| Other Income | 24.93 | 19.12 |
| Gross Income | 830.86 | 672.90 |
| Expenses | 518.84 | 395.73 |
| Profit Before Tax | 312.01 | 277.17 |
| Profit After Tax | 233.01 | 207.12 |

During FY 2021-22, SSL has achieved gross income of Rs. 830.86 Crores (previous FY Rs. 672.90 Crores) with YoY growth of 23.39%. SSL reported PAT of Rs. 233.01 Crores (previous FY Rs. 207.12 Crores), an increase of 12.03% as compared to the last year.

In broking, SSL currently serves more than 26 Lacs customers through state-of-the-art trading platforms on mobile app, website and dealer terminal. SSL offers its customers an array of products and services to choose viz. Equity, Derivatives, Mutual Funds, and Currency. It is also in the process of acquiring new demat accounts through Banking channels as well as through Open Market.

In Retail Assets, SSL is captive sourcing arm of State Bank of India and making substantial contribution to Bank's overall Home Loan and Auto Loan business with substantial growth of 23% & 72% respectively during the FY 2021-22. SSL is able to add value to customers by providing a single, seamless experience in their loan journey.

SSL is also focused on distribution of third-party products like Mutual Funds, Bonds, Insurance, Sovereign Gold Bonds, Corporate Deposits etc. generating an overall revenue of Rs. 33.11 Crores (previous FY Rs. 27 Crores).

SSL has launched the new "sbi securities" mobile and web trading app in September 2021. It has also revamped its backend trading systems for robust support to the new web and mobile trading platforms.

#### II. SBICAP Trustee Company Limited (STCL)

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

STCL acts as a Debenture Trustee, Security Trustee to the Lenders for various finance such as Corporate, Working Capital, Term Loan, Project Finance Loans, Share Pledge Trustee, Escrow Trustee, AIF Trusteeship, InvIT Trustee and also renders other services such as Document Management System (DMS), Will Management Services, etc. It has a PAN India presence with corporate office in Mumbai and six branches located at New Delhi, Ahmedabad, Hyderabad, Bengaluru, Chennai and Kolkata.

Summary of the audited financial highlights for the financial years 2021-22 and 2020-21 are as under:

(Amount Rs. in Crores)

| Particulars | 2021-2022 | 2020-2021 |
|---|---|---|
| Fee based – Trustee Remuneration Fees | 38.66 | 30.30 |
| Other Income | 6.79 | 7.20 |
| Gross Income | 45.45 | 37.50 |
| Expenses | 23.95 | 19.93 |
| Profit before Tax | 21.50 | 17.57 |
| Profit after Tax | 15.71 | 12.98 |

During FY 2021-22, STCL has achieved gross income of Rs. 45.45 Crores (previous FY Rs. 37.50 Crores) and reported PAT of Rs. 15.71 Crores (previous FY Rs. 12.98 Crores).

STCL has handled more than 3,000 assignments and the Assets under Management are more than Rs. 25 Lacs Crores (approx.) for the benefit of Debenture holders / Lenders.

STCL has launched a new product 'Virtual Data Room (VDR)', which provides cloud store and easy retrieval facility to the users, particularly to the lenders.

### III. SBICAP Ventures Limited (SVL)

SVL, a wholly owned subsidiary of SBICAP acts as an Investment Manager for the following funds:

Three Alternative Investment Funds viz., (i) NEEV Fund, (ii) SWAMIH Investment Fund-I (iii) SVL-SME Fund; and Two Fund of Funds viz., (i) UK-India Development Cooperation Fund (ii) SRI Fund.

Summary of the audited financial highlights for the financial years 2021-22 and 2020-21 are as under:

(Amount Rs. in Crores)

| Particulars | 2021-2022 | 2020-2021 |
|---|---|---|
| Fee Based Income | 79.48 | 66.68 |
| Other Income | 12.27 | 13.09 |
| Gross Income | 91.75 | 79.77 |
| Expenses | 47.55 | 29.00 |
| Profit Before Tax | 44.20 | 50.77 |
| Profit After Tax | 32.28 | 37.04 |

During FY 2021-22, SVL booked gross income of Rs. 91.75 Crores (previous FY Rs. 79.77 Crores) with YoY growth of 15.02% and reported PAT of Rs. 32.28 Crores (previous FY Rs. 37.04 Crores).

### IV. SBICAP (Singapore) Limited (SSGL)

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

Summary of the audited financial highlights for the financial years 2021-22 and 2020-21are under:

(Amount Rs. in Crores)

| Particulars | 2021-2022 | 2020-2021 |
|---|---|---|
| Fee Income | - | 1.55 |
| Other Income | 0.95 | 0.18 |
| Gross Income | 0.95 | 1.72 |
| Expenses | 2.67 | 5.88 |
| Profit/(Loss) Before Tax | (1.72) | (4.16) |
| Profit/(Loss) After Tax | (1.72) | (4.16) |

During the year under review, SSGL booked loss of Rs. 1.72 Crores (previous FY loss of Rs. 4.16 Crores).

In terms of the approval accorded by the Board of Directors of SSGL (resolution dated 25th March 2021), (i) to surrender the Capital Markets Services License (CMSL) issued by Monetary Authority of Singapore (MAS) and (ii) to wind-up the operations of SSGL, the MAS has cancelled the CMSL with effect from 23rd May 2021 and the process of winding up SSGL has been initiated through Members Voluntary Liquidation.

## (B) Associate Companies

### (I) SBI Pension Funds Private Limited (SBIPFPL)

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

Summary of the audited financial highlights for the financial years 2021-22 and 2020-21 are as under:

(Amount Rs. in Crores)

| Particulars | 2021-2022 | 2020-2021 |
|---|---|---|
| Fee Income | 114.51 | 19.69 |
| Other Income | 1.96 | 1.52 |
| Gross Income | 116.47 | 21.21 |
| Expenses | 46.94 | 16.57 |
| Profit Before Tax | 69.54 | 4.64 |
| Profit After Tax | 51.98 | 3.44 |

During FY 2021-22, SBIPFPL booked a gross income of Rs. 116.47 Crores (previous FY Rs. 21.21 Crores) with YoY growth of 449.43% and reported PAT of Rs.51.98 Crores (previous FY Rs. 3.44 Crores) an increase by 1,411.05%. The total Assets Under Management (AUM) of SBIPFPL as on 31st March 2022 was Rs. 2,82,476 Crores (YoY growth of 26.89%) against Rs.2,22,615.34 Crores as on 31st March 2021.

### (II) Investec Capital Services (India) Private Limited (Investec India)

Investec India is a leading Wealth & Investment firm listed in London and South Africa. Founded in 2010, Investec India is a subsidiary of Investec Bank Plc. The principal markets are UK, Europe, South Africa and Sub-Saharan Africa, with strong distribution capabilities across USA and Asia. The primary services are Institutional Equities, Investment Banking and Wealth Management. The research is extremely well regarded as one of the top ranked in most sectors globally and works with leading funds in India and overseas. SBICAP and Investec India have closed 42 transactions raising over US$ 24 billion since May 2020.

# Directors' Report For The Financial Year 2021-22

Summary of the audited financial highlights for the financial years 2021-22 and 2020-21 are as under:

(Amount Rs. in Crores)

| Particulars | 2021-2022 | 2020-2021 |
|---|---|---|
| Fee Income^ | 167.34 | 124.45 |
| Other Income | 5.51 | 3.29 |
| Gross Income | 172.86 | 127.73 |
| Expenses | 116.70 | 86.37 |
| Profit Before Tax | 56.16 | 41.36 |
| Profit After Tax | 40.35 | 29.25 |

^ Restated as per Ind AS

## 18. BOARD OF DIRECTORS

As on 31st March 2022, the Board of Directors of the Company comprised of eight Directors out of which four are SBI Nominee Directors, two Non-Executive Independent Directors and two Non-Executive Directors whose office is liable to retire by rotation. The composition of Board of Directors is as under. Brief profile of the Directors is appended in the Corporate Governance Report which forms part of the Board report:

1) Shri. Dinesh Kumar Khara (DIN 06737041), Non-Executive Nominee Director, Chairman

2) Shri. Ashwini Kumar Tewari (DIN 08797991), Non-Executive Nominee Director

3) Shri. Ananth Narayan Gopalakrishnan (DIN 05250681), Independent Director

4) Shri. Dalip Kumar Kaul (DIN 03559330), Independent Director

5) Shri. Rajeev Krishnan (DIN 02956353), Non-Executive Director

6) Smt. Shilpa Naval Kumar (DIN 02404667), Non-Executive Director

7) Shri. Arun Mehta (DIN 08674360), Managing Director & Chief Executive Officer; and

8) Shri. BRS Satyanarayana (DIN 09200848), Whole-Time Director.

**a) Appointments / Resignations / Changes from the Board of Directors:**

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

**(i) Appointment of Directors**

| Sl. No. | Name of the Director | Appointment / Re-appointment | Date |
|---|---|---|---|
| 1. | Shri. Dalip Kumar Kaul, Non-Executive Independent Director | Appointment | 7th June 2021 |
| 2. | Shri. BRS Satyanarayana, Whole-Time Director | Appointment | 29th June 2021 |
| 3. | Shri. Rajeev Krishnan, Non-Executive Director | Appointment | 26th July 2021 |
| 4. | Shri. Ananth Narayan Gopalakrishnan, Non-Executive Independent Director | Appointment (2nd Term) | 29th November 2021 |
| 5. | Smt. Shilpa Naval Kumar, Non-Executive Director | Appointment | 29th December 2021 |
| 6. | Shri. Arun Mehta, Managing Director & CEO | Re-appointment | 21st January 2022 |
| 7. | Shri. Dalip Kumar Kaul, Non-Executive Independent Director | Appointment (2nd Term) | 7th June 2022 |
| 8. | Shri. Swaminathan Janakiraman, Non-Executive Nominee Director | Appointment | 14th June 2022 |

**(ii) Cessation of Directors**

| Sl. No. | Name of the Director | Cessation | Date |
|---|---|---|---|
| 1. | Shri. Ramanathan Viswanathan, Whole-Time Director | Cessation | 21st June 2021 |
| 2. | Shri. T. L. Palani Kumar, Non-Executive Director | Cessation | 30th September 2021 |
| 3. | Shri. Sharad Sharma, Non-Executive Director | Cessation | 21st October 2021 |
| 4. | Smt. Bharati Rao, Non-Executive Director | Cessation | 17th December 2021 |
| 5. | Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director | Cessation | 14th June 2022 |

The Board welcomes Shri. Dalip Kumar Kaul, Shri. BRS Satyanarayana, Shri. Rajeev Krishnan, Smt. Shilpa Naval Kumar, Shri. Ananth Narayan Gopalakrishnan, Shri. Swaminathan Janakiraman and Shri. Arun Mehta on the Board and further places on record their deep appreciation to Shri. Ramanathan Viswanathan, Shri. T. L. Palani Kumar, Smt. Bharati Rao, Shri. Sharad Sharma and Shri. Ashwini Kumar Tewari for valuable contributions during their tenure as Whole-Time Director and Non-Executive Directors respectively of the Company.

**(iii) Directors retiring by rotation.**

In terms of Section 152 of the Companies Act, 2013, Shri. Rajeev Krishnan, Non-Executive Director of the Company retires by rotation from the said position at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**(iv) Key Managerial Personnel**

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

(a) Appointment of Key Managerial Personnel

| Sl. No. | Name of the KMP and Designation | Appointment / Re-appointment | Date |
|---|---|---|---|
| 1. | Shri. BRS Satyanarayana, Whole-Time Director | Appointment | 29th June 2021 |
| 2. | Shri. Arun Mehta, Managing Director & CEO | Re-appointment | 21st January 2022 |

(b) Cessation of Key Managerial Personnel

| Sl. No. | Name of the KMP and Designation | Cessation | Date |
|---|---|---|---|
| 1. | Shri. Ramanathan Viswanathan, Whole-Time Director | Cessation | 21st June 2021 |

**(v) Number of Meetings of the Board**

The Board met five times during FY 2021-22. Detailed information on the Board meetings is included in the Report on Corporate Governance, which forms part of this Board Report.

In addition to the Board meetings, the Board Committee meetings were convened at regular intervals.

**(vi) Board Committees**

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

The Company has the following Committees of the Board:

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

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

**(vii) Recommendation of Audit Committee**

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

## 19. REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance for FY 2021-22 forms part of the Directors' Report as **Annexure 'II'**.

## 20. BOARD REPORT - DISCLOSURES OF PARTICULARS

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

a) **Conservation of Energy and Technology Absorption**

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

b) **Foreign Exchange Earnings and Outgo**

During the year under review, the Company had earned foreign exchange equivalent to Rs.9.08 Crores (previous FY Rs. 7.25 Crores) towards fees received from overseas clients and reimbursement of expenses. The total foreign exchange expended amounts to Rs. 0.44 Crores (previous FY Rs. 0.42 Crores) on account of other expenses.

c) **Particulars of Loans, Investments and Guarantee**

The Company has not given any loans or guarantee except various performance guarantees (issued by State Bank of India) on behalf of the Company aggregating Rs. 3.31 Crores (previous FY Rs. 4.07 Crores) in favour of Clients.

d) **Related Party Transaction**

All related party transactions that were entered into during the FY 2021-22 were in the ordinary course of business and at arm's length basis. The particulars of contracts/arrangements entered into by the Company with the related parties as prescribed in Form no. AOC– 2 is annexed to this Board report as **Annexure 'III'**.

## 21. AUDITORS

### (a) Statutory Auditors

M/s. S. C. Ajmera & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company for the FY 2021-22, by the Comptroller & Auditor General of India (CAG), under the provisions of Section 139(5) of the Companies Act, 2013. The Statutory Auditors will hold office till the ensuing 36th Annual General Meeting of the Company.

In terms of Section 139(5) of the Companies Act, 2013, the office of the CAG appoints the Statutory Auditor of the Company. Accordingly, a request has been submitted to the office of CAG for appointment of the Statutory Auditors of the Company for FY 2022-23.

### (b) Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. D. A. Kamat & Co., Practicing Company Secretaries as Secretarial Auditors to conduct the Secretarial Audit of the Company for the FY 2021-22. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditors for the FY 2021-22 is annexed to this Board report as **Annexure 'IV'**.

### (c) Internal Auditors

The Company had appointed M/s. Kirtane & Pandit., Chartered Accountants as Internal Auditors of the Company for FY 2021-22 in terms of Section 138 of Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014. The Internal Auditor submits its findings by way of an Internal Audit Report on a quarterly basis which is presented and reviewed by the Audit Committee of the Board.

## 22. COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

Comments of the CAG under Section 143(6)(b) read with Section 129(4) of the Companies Act, 2013 on the Standalone Financial Statements and the Consolidated Financial Statements of the Company for the year ended 31st March 2022 are reproduced as under. Copy of the letter ref. No. GA/CA-I/Accounts/SBI Capital Markets Ltd./2021-22/18 dated 28th June 2022 is enclosed for reference. Relevant extract re-produced for reference.

### i) Stand - Alone Financial Statements

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SBI Capital Markets for the year ended 31st March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report under section 143(6)(b) of the Act.

### ii) Consolidated Financial Statements

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SBI Capital Markets Ltd. for the year ended 31st March 2022 under section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of SBI Capital Markets Ltd, SBICAP Ventures Ltd. and SBICAP Trustee Company Ltd but did not conduct supplementary audit of the financial statements of SBICAP Securities Ltd., SBICAP Pension Funds Pvt. Ltd. and Investec Capital Services (India) Pvt. Ltd. for the year ended on that date. Further, section 139(5) and 143(6)(a) of the Act are not applicable to SBICAP (Singapore) Ltd. being private entity incorporated in Foreign country under the respective laws, for appointment of its Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. 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 of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report under section 143(6)(b) of the Act.

## 23. PARTICULARS OF EMPLOYEES

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

# Directors' Report For The Financial Year 2021-22

## 24. MAINTENANCE OF COST RECORDS AND COST AUDIT

The maintenance of Cost Records and requirement of Cost Audit have not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the Companies (Auditor's Report) Order, 2018 is not applicable to the Company.

## 25. ACCEPTANCE OF DEPOSITS IN TERMS OF CHAPTER V OF COMPANIES ACT, 2013

The Company has not accepted deposits and does not have any unclaimed deposits as on 31st March 2022. Therefore, the provisions of the clause 3(v) of the Companies (Auditor's Report) Order, 2018 are not applicable to the Company.

## 26. ANNUAL RETURN

Pursuant to the applicable provisions of the Companies Act, 2013 and in accordance with Rule 12 sub-rule (1) of the Companies (Management and Administration) Amendment Rules, 2020 effective from 28th August 2020, annual return as referred in Section 92(3) of the Companies Act, 2013 has been placed on the website of the Company and can be accessed at weblink provided below. Further, an extract of Annual Return for the FY ended 31st March 2022 in Form MGT-7 is annexed as '**Annexure VI**' **https://www.sbicaps.com/storage/2022/08/Form-MGT-9-2021-2022.pdf**

## 27. NOMINATION AND REMUNERATION POLICY

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

The Policy was last approved by the Board of Directors at its meeting held on 21st July 2022 which has been placed on the website of the Company and can be accessed at weblink provided below and also forms part of this report (Annexed as '**Annexure VII**') to the Annual Report.

**https://www.sbicaps.com/storage/2022/08/SBICAP-Nomination-and-Remuneration-NRC-Policy.pdf**

The salient features of the Policy are given below:

1) The Policy was formulated in terms of applicable provisions of the Companies Act, 2013 covering the aspects relating to appointment, removal and remuneration of Directors, KMP and SMP of the Company, performance evaluation of the Board, Board Committees, the Chairman, Individual Directors and Independent Directors etc.

2) The Policy provides an overall framework for constitution of the NRC Committee, its meetings, quorum etc.

3) The Policy provides guidelines with respect to appointment of Executive Directors, Independent Directors, KMP, SMP and fixation of their remuneration.

4) The Policy provides the guidelines relating to performance-based remuneration to Managing Director/ Whole-time Director/KMP and SMP.

## 28. PERFORMANCE EVALUATION OF THE BOARD AND BOARD COMMITTEES

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

The criteria for performance evaluation include the following aspects:

(i) **Board of Directors** - Composition, shared vision and strategy, Effectiveness of Board processes, Information and functioning etc.

(ii) **Board Committees** - Composition, Effectiveness of Committee meetings etc.

(iii) **Individual Directors** - Acting Independently in the best interests of the Company, contribution to the Board and Board Committee meetings viz. devoting sufficient time, role and responsibilities and playing an active role in the activities of each committee on which he/she serves etc.

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

The summary of performance evaluation was noted by NRC and the Board of Directors at its respective meetings held on 21st April 2022.

## 29. CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted CSR Committee. The CSR Policy of the Company was approved by the Board of Directors at its meeting held on 21st July 2022. The same has been placed on the website of the Company. It can be accessed at weblink provided below and also forms part of this Annual Report (**Annexure - VIII**) **https://www.sbicaps.com/storage/2022/08/SBICAP-Corporate-Social-Responsibility-CSR-Policy.pdf**

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

## 30. 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the FY i.e 31st March 2022 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.

## 31. ACKNOWLEDGEMENT

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

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

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

| | |
|---|---|
| Sd/- | Sd/- |
| **(Arun Mehta)** | **(Dalip Kumar Kaul)** |
| **Managing Director & CEO** | **Independent Director** |

Place: Mumbai,
Date: 21st July 2022

## Form AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A" – Subsidiaries

(31st March 2022)

(Rs. in Lacs)

| Sl. No. | Name of the subsidiary | Date of acquisition of subsidiary | Reporting currency | Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | Share Capital | Reserves & Surplus | Total Assets (including Investments) | Total Liabilities (excluding Share Capital and Reserves & Surplus) | Invest-ments (included in Total Assets) | Turnover | Profit / (Loss) before taxation | Provision for taxation | Profit / (Loss) after taxation | Proposed Dividend | % of share -holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | SBICAP Securities Limited | 19/08/2005 | INR | N.A. | 9,687.50 | 70,304.78 | 1,86,736.77 | 1,06,744.49 | 0.10 | 83,086.62 | 31,201.93 | 7,900.70 | 23,301.23 | - | 100 |
| 2. | SBICAP Trustee Company Limited | 28/12/2005 | INR | N.A. | 100.00 | 12,644.40 | 16,752.65 | 4,108.25 | 150.10 | 4,545.09 | 2,149.63 | 578.92 | 1,570.71 | - | 100 |
| 3. | SBICAP Ventures Limited | 10/11/2005 | INR | N.A. | 6,038.00 | 9,151.00 | 17,347.00 | 2,158.00 | 12,208.00 | 9,175.00 | 4,420.00 | 1,192.00 | 3,228.00 | - | 100 |
| 4. | SBICAP (Singapore) Limited | 10/12/2010 | SGD | 54.3730 | 6,178.12 | (224) | 5,995.00 | 41.00 | - | 95.00 | (169) | - | (169) | - | 100 |

### Part "B" – Associate and Joint Venture

| Sr. No. | Name of Associates/ Joint Ventures | Date of acquisition of Associate or Joint Venture | Latest audited Balance Sheet Date | Shares of Associate/Joint Ventures held by the company on the year end | | Description of how there is significant influence | Reason why the associate/ joint venture is not consolidated | Net worth attributable to shareholding as per latest audited Balance Sheet | Profit for the year | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | No. | Amount of Investment in Associates / Joint Venture | Extent of Holding% | | | Considered in Consolidation (Rs. In Lacs) | Not Considered in Consolidation | | |
| 1. | SBI Pension Funds Pvt. Ltd. | 14/12/2007 | 31.03.2022 | 60,00,000 | 6,00,00,000.00 | 20% | - | 1,921.80 | 1,039.54 | - | - | - |
| 2. | Investec Capital Services (India) Private Limited | 16/06/2010 | 31.03.2022 | 4,72,820 | 54,99,99,998 | 19.70% | - | 3,376.77 | 493.44 | - | - | - |

## Report on Corporate Governance

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

### i) Composition of the Board of Directors

As on 31st March 2022, the Board of Directors comprised of Eight Directors of which four are SBI Nominee Directors, two Non-Executive Independent Director and two Non-Executive Director (whose office is liable to retire by rotation). Given hereunder is the composition of the Board of Directors along with the brief profiles of the Directors:

1. **Shri. Dinesh Kumar Khara, Non-Executive Director [SBI Nominee]:** Shri. Dinesh Kumar Khara is the Chairman of the country's largest Bank - State Bank of India. Having joined the bank as a Probationary Officer in 1984, he has rich experience in all facets of Banking. Before assuming office as Chairman, Shri. Khara has held several key positions in SBI such as MD (Global Banking & Subsidiaries), MD (Associates & Subsidiaries), MD & CEO (SBI Mutual Fund) and Chief General Manager - Bhopal Circle. He was also posted at Chicago for an overseas assignment. As Managing Director, he led the International Banking Group, Large Corporate and Treasury operations in addition to the subsidiaries of the Bank viz., SBI Cards, SBIMF, SBI Life, SBI General etc. He also seamlessly executed the merger of five erstwhile Associate Banks and Bhartiya Mahila Bank, with SBI. Additionally, he also headed the Risk, IT and Compliance functions of the bank at various points.

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

2. **Shri. Ashwini Kumar Tewari, Non-Executive Director [SBI Nominee]:** Shri. Ashwini Kumar Tewari started his career in SBI as a Probationary Officer in the year 1991. Presently, he is the Managing Director of State Bank of India handling the portfolio of International Banking, Information Technology and Subsidiaries of the Bank. Prior to becoming Managing Director at SBI, he served as Managing Director and CEO of SBI Cards and Payment Services Ltd. He has been a part of State Bank of India, India's oldest and largest banking group, for almost three decades now and has handled several assignments for the bank, across various locations in India and abroad. As MD & CEO of SBI Cards, he oversaw key partnerships inked with GPay, Paytm, BPCL etc. and steered the company through the immediate aftermath of the Covid period.

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

   An electrical engineer by degree, he is a Certified Associate of Indian Institute of Bankers (CAIIB), Certified Financial Planner (CFP) and has done a Certificate Course in Management from XLRI. He also served on the Board of International Institute of Bankers, New York, and the Board of University of Washington Global Bankers Program.

   Philosophy based on the principles of authenticity and bringing about meaningful change keeps him motivated in life. Shri. Tewari is a keen reader, with special interest in Indian history, science fiction and literature and an avid jogger and cricket enthusiast.

3. **Shri. Ananth Narayan Gopalakrishnan, Non-Executive Independent Director:** Shri. Ananth Narayan Gopalakrishnan is an Associate Professor, Finance at S. P. Jain Institute of Management and Research (SPJIMR) and carries rich experience of 22 years in financial markets trading and sales experience across India, South Asia and ASEAN, in foreign exchange, fixed income, debt capital markets, asset liability management and research. He holds post-graduate Diploma in Management from Indian Institute of Management Lucknow and is a Bachelor of Technology (Electrical Engineering) from Indian Institute of Technology Bombay. He was Regional Head of Financial Markets, ASEAN & South Asia, Standard Chartered Bank, the Managing Director, Global Rates, South Asia, Deutsche Bank, the Director (Fixed Income & Currencies Trading, India) at Citi Bank. He was member of various Committees and working group of RBI and SEBI dealing with Policy and Market Development.

4. **Shri. Dalip Kumar Kaul, Non-Executive Independent Director:** Shri. Dalip Kumar Kaul is a member of the Institute of Chartered Accountants of India (ICAI) since 1983. He has also pursued Law from Delhi University (1993) and completed Master's in Business Administration (Finance) in 2009 (including specialization in merchant banking, risk management, treasury, international finance). He is designated as the Managing Partner with M/s. Baweja & Kaul, Chartered Accountants (since October 1985). He possesses vast experience of over 39 years,

# Annexure - II

rendering an array of corporate and non-corporate advisory services pertaining to business strategy, merger & acquisition, integrated risk management, human resources, regulatory, advisory and assurance services to various sectors like banking and capital markets, insurance, infrastructure, pharmaceuticals, trading, and manufacturing (including listed and unlisted corporates and MNCs).

Presently, he serves as an Independent Director on the Board of M/s. ALCOBREW Distilleries India Ltd. He has had served as Director (Chairman and Member of various Board Committees) on the Board of The Jammu & Kashmir Bank Limited, Bakhtar Bank (now Islamic Bank of Afghanistan) and member of the Board of Supervisors of Azizi Bank, Kabul.

5. **Shri. Rajeev Krishnan, Non-Executive Director:** Shri. Rajeev Krishnan joined the State Bank of India (SBI) as a Probationary Officer in 1977 and has vast experience of various facets of banking having worked for over 38 years across different verticals in SBI. He holds a Bachelor's degree in Science. During his long and illustrious career with SBI, he has handled several challenging assignments including serving as the Chief General Manager (Stressed Asset Management) at Corporate Centre, Mumbai; President & COO at SBICAP and General Manager Network-I Kolkata. He was also posted in Bahrain for an overseas assignment.

6. **Smt. Shilpa Naval Kumar, Non-Executive Director:** Smt. Shilpa Naval Kumar is a Partner at Omidyar Network India, a social impact investment fund. She provides overall leadership, including strategy and investments, across the areas of Digital Society, Cities & Innovation and Inclusive Land & Housing. She also leads policy work in Financial Inclusion and in development of the Non Profit sector strategy. Smt. Shilpa Naval Kumar has spent more than three decades with the ICICI Bank group (India's largest private sector bank). A key part of her career was in financial markets, building and shaping what is today the bank's treasury/global markets business. She served as MD & CEO of ICICI Securities, India's largest retail broker & a leading investment bank in the country. She has held board positions in several organisations: ICICI Securities, ICICI Securities Prime Dealership, ICICI Home Finance, Clearing Corporation of India and National Investment and Infrastructure Fund. She has also served on regulatory Committees including SEBI's Secondary Markets Advisory Committee, RBI's Technical Advisory Committee and RBI's Mohanty Committee on Monetary Policy. She has also held positions in industry bodies like FIMMDA (as Chairperson), FICCI / CII (Capital Markets Committee) besides serving on the Advisory Committees of the National Stock Exchange, Bombay Stock Exchange and National Securities Depository Ltd. She is an alumnus of the Indian Institute of Management, Kolkata.

7. **Shri. Arun Mehta, Managing Director & Chief Executive Officer:** Shri. Arun Mehta has over 36 years' experience in banking, having started his career with SBI in 1985. Shri. Mehta has handled various assignments both in India and overseas, across various functions, gaining wide experience in different areas of Banking. His assignments include Vice President (Syndication & Investment) at Hong Kong, Dy. General Manager (Merchant Banking) in International Banking Group handling ECBs, FCTLs and Loan Syndication, General Manager- Mid Corporate Group Ahmedabad responsible for the State of Gujarat as also Diu and Daman and Chief General Manager, Financial Control in the CFO vertical. Shri. Mehta is a post-graduate in Economics and Certified Associate of the Indian Institute of Bankers.

8. **Shri. BRS Satyanarayana, Whole-Time Director:** Shri. BRS Satyanarayana has over 33 years of banking experience, having started his career as a Probationary Officer with the State Bank of India in 1988. He has held various positions both in India and overseas, across multiple functions.

   Prior to assuming charge as the President & Chief Operating Officer of SBICAP with effect from 4 June 2021, his roles included being Chief General Manager of International Banking – II, managing the bank's network in Asia, Africa, and Australia, with SBI being the largest commercial bank in India with over 22,000 branches. As the head of International Banking –II, he was responsible for driving SBI's businesses which include institutional sales, loans & advances, liability products, trade finance and payments products in the allocated geographies. He has also headed the bank's Financial Institutions Group, controlling the 235 correspondent banking relationships, and has been the Money Laundering Reporting Officer for International Banking Operations. He held the position of Country Head and CEO of SBI Japan Operations from 2012-2018. Prior to that, from 1988 to 2010, he undertook assignments spanning various facets of retail, agriculture, small businesses, investment management of pension funds, resource mobilization, and its deployment.

   He has a Master's degree in Financial Service Management and is a Certified Associate of the Indian Institute of Bankers.

### ii) Tenure

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

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

### iii) Responsibilities

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

The Board has evolved a Calendar of Reviews which has identified the various reports/reviews to be submitted on a periodical basis to the Board/COD/Audit Committee and 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, five Board Meetings were held on 5th May 2021, 26th July 2021, 27th October 2021, 29th December 2021 and 17th January 2022.

The attendance record of each Director for FY 2021-22 at the said Board Meetings is given hereunder:

| Sr. No. | Name of the Director | No. of Board Meetings held during the year | Number of Board Meetings attended |
|---|---|---|---|
| 1. | Shri. Dinesh Kumar Khara, Non-Executive Nominee Director, Chairman. | 5 | 5 |
| 2. | Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director | 5 | 4 |
| 3. | Smt. Bharati Rao, Non-Executive Nominee Director (Resigned w.e.f 17th December 2021) | 5 | 3 |
| 4. | Shri. Ananth Narayan Gopalakrishnan, Non-Executive Independent Director (Re-appointed for 2nd Term w.e.f 29th November 2021) | 5 | 5 |
| 5. | Shri. T. L. Palani Kumar, Non-Executive Director (Resigned w.e.f 29th September 2021) | 5 | 2 |
| 6. | Shri. Sharad Sharma, Non-Executive Nominee Director (Resigned w.e.f 21st October 2021) | 5 | 2 |
| 7. | Shri. Dalip Kumar Kaul, Non-Executive Independent Director (Appointed w.e.f 7th June 2021) | 5 | 4 |
| 8. | Shri. Rajeev Krishnan, Non-Executive Director (Appointed w.e.f 26th July 2021) | 5 | 3 |
| 9. | Shri. Ramanathan Viswanathan, Whole-Time Director (Resigned w.e.f 21st June 2021) | 5 | 1 |
| 10. | Shri. Arun Mehta, Managing Director & CEO (Re-appointed w.e.f 21st January 2022) | 5 | 5 |
| 11. | Shri. BRS Satyanarayana, Whole-Time Director (Appointed w.e.f 29th June 2021) | 5 | 5 |

# Annexure - II

## vi) Audit Committee

During the year under review, four Audit Committee Meetings were held on 5th May 2021, 26th July 2021, 27th October 2021 and 17th January 2022.

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

The composition of the Audit Committee as on FY ended 31st March 2022 and the Terms of Reference is as under:

### (a) Composition and Attendance:

| Sr. No. | Name of the Director | Number of Audit Committee meetings held during the year | Number of Audit Committee meetings attended during the year |
|---|---|---|---|
| 1. | Shri. T. L. Palani Kumar, Non-Executive Director (Resigned w.e.f 29th September 2021) | 4 | 2 |
| 2. | Smt. Bharati Rao, Non-Executive Nominee Director (Resigned w.e.f 17th December 2021) | 4 | 3 |
| 3. | Shri. Ananth Narayan Gopalakrishnan, Non-Executive Independent Director (Re-appointed for 2nd Term w.e.f 29th November 2021) | 4 | 4 |
| 4. | Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director | 4 | 2 |
| 5. | Shri. Dalip Kumar Kaul, Non-Executive Independent Director (Appointed w.e.f 7th June 2021) | 4 | 3 |
| 6. | Shri. Rajeev Krishnan, Non-Executive Director (Appointed w.e.f 26th July 2021) | 4 | 1 |

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

1. Recommend the appointment, remuneration and terms of appointment of the auditors of the Company,
2. Review and monitor the auditor's independence and performance and effectiveness of audit process,
3. Examine the financial statements and auditor's report thereon,
4. Approve transactions of the Company with related parties and any subsequent modifications therein,
5. Scrutinize inter-corporate loans and investments,
6. Verify valuation of undertakings or assets of the Company, wherever it is necessary,
7. Evaluate internal financial controls and risk management systems,
8. Monitor the end use of funds raised through public offers and related matters,
9. Call for the comments of the auditors about internal control systems,
10. Discuss with the auditors before the audit commences about the nature and scope of audit, including the post audit discussion on observations of the auditors to ascertain any area of concern,
11. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true, fair, sufficient and credible.
12. Review with the management, the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:
    a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of sub-section (2) of section 164 of the Companies Act, 2013;
    b) Any changes in accounting policies and practices and reasons for the same;
    c) Major accounting entries involving estimates based on exercise of judgement by management;
    d) Analysis of the effects of alternative GAAP methods on the financial statements;

e) Draft audit report and qualifications, if any, therein;

f) Significant adjustments made in the financial statements arising out of audit findings;

g) Compliance with legal requirements relating to financial statements;

h) Disclosure of any related party transaction;

i) Disclosure of contingent liabilities;

j) The effect of regulatory and accounting initiatives as well as off- balance-sheet structures, on the financial statements;

k) Company's earnings as well as financial information and earnings guidance, if any, provided to analysts and rating agencies;

l) Scrutinize inter corporate loans and investments;

m) Monitor the end use of funds raised through public offers and related matters,

n) Discussion with internal auditors of any significant findings and follow up there on.

o) To recommend to the Board for appointment of Chief Financial Officer, consequent upon recommendation from Nomination & Remuneration Committee (i.e., the person heading the Accounts and Audit function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

13. Discuss any issues related to the financial statements with the internal and statutory auditors and the management of the Company,

14. Review with the management, the quarterly financial statements before submission to the Board for approval.

15. Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

16. Review the adequacy of inspection and audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

17. Discuss with the internal auditors of any significant findings and follow-up thereon.

18. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

19. Look into the reasons for substantial defaults in the payment to the depositors, debentures holders, shareholders (in case of non-payments of declared dividends) and creditors.

20. Review the functioning of the Whistle Blower Mechanism and oversee the Vigil Mechanism.

21. Focus on Follow-up of Inter Branch/RO adjustment accounts, unreconciled long outstanding entries, arrears in balancing books at branches/ROs, frauds and all major areas of housekeeping.

22. Review the financial statements of the subsidiaries.

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

24. Insider Trading

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

25. Fraud

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

# Annexure - II

26. Reporting to the Board of Directors

The Audit Committee shall submit to the Board:

a) Quarterly /Annual financial statement after reviewing the same with the management;

b) Management discussion and analysis of financial condition and results of operations after its review;

c) Findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or a failure of internal control system of a material nature after its review;

d) To recommend the appointment, remuneration and terms of appointment of the statutory auditors and fixation of their fees.

e) Appointment, removal and terms of remuneration of the Internal auditor after review.

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

Mandatory review of the following information:

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

Compliance with regulatory requirements and Policies

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

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

## vii) Nomination and Remuneration Committee (NRC)

During the year under review, five NRC Meetings were held on 5th May 2021, 26th July 2021, 27th October 2021, 29th December 2021 and 17th January 2022.

The composition of the NRC as on FY ended 31st March 2022 and the Terms of Reference is as under:

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

| Sr. No. | Name of the Director | Number of NRC meetings held during the year | Number of NRC meetings attended during the year |
|---|---|---|---|
| 1. | Shri. T. L. Palani Kumar, Non-Executive Director (Resigned w.e.f 29th September 2021) | 5 | 2 |
| 2. | Smt. Bharati Rao, Non-Executive Nominee Director (Resigned w.e.f 17th December 2021) | 5 | 3 |
| 3. | Shri. Ananth Narayan Gopalakrishnan, Non-Executive Independent Director (Re-appointed for 2nd Term w.e.f 29th November 2021) | 5 | 5 |
| 4. | Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director | 5 | 3 |
| 5. | Shri. Dalip Kumar Kaul, Non-Executive Independent Director (Appointed w.e.f 7th June 2021) | 5 | 4 |
| 6. | Shri. Rajeev Krishnan, Non-Executive Director (Appointed w.e.f 26th July 2021) | 5 | 1 |

### a) Terms of Reference of NRC of the Board:

1) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down,

2) Recommend to the Board their appointment and removal,

3) To take note or approve the appointment of Directors, Senior Management Personnel (SMP) and Key Managerial Personnel (KMP) and such other officials as may be prescribed and recommend to the Board their appointment and removal,

4) Carry out evaluation of every Director,

5) Formulate the criteria for determining qualifications, positive attributes and Independence of a Director,

6) Recommend to the Board, a Policy relating to the remuneration for the Directors, KMP and other employees as finalized by the management of SBICAP;

7) 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, KMP and SMP involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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

# Annexure - II

### viii) Corporate Social Responsibility Committee (CSR)

During the year under review, four CSR Meetings were held on 5th May 2021, 26th July 2021, 27th October 2021 and 17th January 2022. The Terms of Reference of CSR as well as its role and functions are generally in conformity with the provisions of Companies Act, 2013.

The composition of CSR as on FY ended 31st March 2022 and Terms of Reference is as under:

**a. Composition of CSR**

| Sr. No. | Name of the Director | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|
| 1. | Shri. Ashwini Kumar Tewari, Non-Executive Nominee Director | 4 | 4 |
| 2. | Shri. Dalip Kumar Kaul, Non-Executive Independent Director (Appointed w.e.f 7th June 2021) | 4 | 3 |
| 3. | Shri. Rajeev Krishnan, Non-Executive Director (Appointed w.e.f 26th July 2021) | 4 | 1 |
| 4. | Shri. Arun Mehta, Managing Director & CEO (Re-appointed w.e.f 21st January 2022) | 4 | 3 |

**b. Terms of Reference of CSR**

i. To formulate, review and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company.

ii. To review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

iii. To monitor the CSR Policy implementation of the Company from time to time;

iv. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company;

v. Any other matter as the CSR may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

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

1. **Brief outline on CSR Policy of the Company:**

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

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

2. **Composition of CSR and attendance:**

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Shri. Ashwini Kumar Tewari | Non-Executive Nominee Director | 4 | 4 |
| 2. | Shri. T. L. Palani Kumar (inducted w.e.f 13th October 2020) | Non-Executive Director | 4 | 2 |
| 3. | Smt. Bharati Rao (Resigned w.e.f 17th December 2021) | Non-Executive Nominee Director | 4 | 3 |
| 4. | Shri. Arun Mehta (Re-appointed w.e.f 21st January 2022) | Managing Director & CEO | 4 | 3 |
| 5. | Shri. Dalip Kumar Kaul, (Appointed w.e.f 7th June 2021) | Non-Executive Independent Director | 4 | 3 |
| 6. | Shri. Rajeev Krishnan, (Appointed w.e.f 26th July 2021) | Non-Executive Director | 4 | 1 |

3. **Details of the web-link where Composition of CSR, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company is as under:**

   **https://www.sbicaps.com/storage/2022/08/SBICAP-Corporate-Social-Responsibility-CSR-Policy.pdf**

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable**

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

6. **Average net profit of the company as per section 135(5): Rs. 28,917.18 Lacs**

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 5,79,00,000/-

   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year: Nil

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

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount. | Date of Transfer | Name of the Fund | Amount | Date of transfer |
| Rs. 5,79,71,630/- | Rs.1,28,08,587/- | 07-Apr-2022 | N.A. | N.A. | N.A. |

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

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project. | Item from the List of activities in Schedule VII to the Act. | Local Area Yes/ No. | Location of the project. | | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the current financial Year (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementations - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration number |
| 1 | Prarambhik Bhasha Shikshan Karyakram | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently -abled and livelihood enhancement projects | No | Haryana | Ambala | 3 years | 48,69,399/- | 44,04,820/- | 4,64,579/- | **No** | SBI Foundation | CSR00001456 |
| 2. | Support for 'Healthy Ageing (Vriddha Mitra) Program | Elderly care and wellbeing | No | Maharashtra | Pune | 13 months | 48,93,915/- | 28,09,928/- | 20,83,988/- | No | Society of Community Health Oriented Operational Links | CSR00001624 |
| 3. | Support for 'Smile on Wheels' mobile medical unit project | Healthcare | No | Maharashtra | Osmanabad | 14 months | 66,95,000/- | 22,72,000/- | 44,13,000/- | No | Smile Foundation | CSR00001634 |
| 4. | Comprehensive day care programme for children living on construction sites | Education & Nutrition | Yes | Maharashtra | - Mumbai - Thane | 10 months | 42,17,820/- | 3,14,800 /- | 39,03,020/- | No | Mumbai Mobile Creches | CSR00001732 |
| 5. | Provision of mid-day meals to 10,000 school children in government schools | Nutrition | No | Maharashtra | Nagpur | 3 months | 26,00,000/- | 6,56,000/- | 19,44,000/- | No | The Akshaya Patra Foundation | CSR00000286 |

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

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local Area (Yes/ No) | Location of the project. | | Amount spent for the project (in Rs.) | Mode of implementation - Direct (Yes/No) | Mode of implementation- Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 1 | Provision of meals to the underprivileged affected by the COVID-19 pandemic & lockdown | Eradicating hunger, poverty and malnutrition | No | 1.Delhi 2.Maharashtra 3.Karnataka | 1. Delhi 2. Thane 3. Bangalore | 18,75,000/- | No | The Akshaya Patra Foundation | CSR00000286 |
| 2 | Provision of meals to COVID patients and healthcare workers /care givers | Healthcare | No | Maharashtra | Aurangabad | 10,80,000/- | No | Annamrita Foundation | CSR00001973 |
| 3 | Provision of oxygen concentrators to augment healthcare infrastructure in hospitals | Healthcare | No | Maharashtra | Mumbai, Kolhapur Baramati | 33,93,600/- | No | Ratna Nidhi Charitable Trust | CSR00000064 |
| 4 | Provision of meals to the underprivileged affected by the COVID-19 pandemic & lockdown | Eradicating hunger, poverty and malnutrition | Yes | Maharashtra | Mumbai | 45,00,000/- | No | Ratna Nidhi Charitable Trust | CSR00000064 |
| 5 | Provision of requisite medical equipment to INHS Asvini Naval Hospital | Healthcare | Yes | Maharashtra | Mumbai | 6,51,168/- | No | SBI Foundation | CSR00001456 |
| 6 | Complete medical & allied support for under-privileged juvenile diabetics | Healthcare | No | Maharashtra | Pune | 28,16,000/- | No | Hirabai Cowasji Jehangir Medical Research Institute | CSR00009392 |
| 7 | Educational support for girl children in 5 childcare centres | Education | No | Maharashtra Madhya Pradesh Odisha | Pune Bhopal & Ujjain Phulbani & Kendrapada | 18,89,819/- | No | Catalyst for Social Action | CSR00002803 |
| 8 | Urban afforestation and plantation of trees | Environment | Yes | Maharashtra | Thane | 25,00,000/- | No | Green Yatra | CSR00000236 |
| 9 | Rainwater harvesting for schools | Water conservation | Yes | Maharashtra | Mumbai | 25,96,000/- | No | United Way Mumbai | CSR00000762 |
| 10 | Education support and procurement of a school bus for school for under-privileged children. | Education | No | Maharashtra | Raigad Mulshi | 23,89,108/- | No | Social Action for Manpower Creation | CSR00003752 |
| 11 | Plantation of 10,000 saplings under rural afforestation initiative | Environment | No | Maharashtra | Solapur | 24,87,870/- | No | Say Trees Environmental Trust | CSR00000702 |
| 12 | Improving Health Services through strengthening Primary Health Centres (PHCs) | Healthcare | No | Maharashtra | Karjat Nashik | 85,26,931/- | No | Concern India Foundation | CSR00000898 |





SBI Capital Markets Limited

# Annexure - II

(d) **Amount spent in Administrative Overheads: Nil**

(e) **Amount spent on Impact Assessment, if applicable: Nil**

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 5,79,71,630/-**

(g) **Excess amount for set off, if any: Nil**

| Sl. No. | Particular | Amount (in Rs.) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | Rs. 5,79,00,000/- |
| (ii) | Total amount spent for the Financial Year | Rs. 5,79,71,630/- |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Rs. 71,630/- |
| (iv) | Surplus arising out of the projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

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

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Sl. No | Project ID. | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs.) | Cumulative amount spent at the end of reporting Financial Year (in Rs.) | Status of the project - Completed /Ongoing |
| 1 | Education | Early literacy project for children in government run schools (Prarambhik Bhasha Shikshan Karyakram) | FY 2019-20 | 3 years | 2, 48,69,399/- | 44,04,820/- | 2,44,04,820/- | Ongoing |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil

(a) Date of creation or acquisition of the capital asset(s): Nil

(b) Amount of CSR spent for creation or acquisition of capital Asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.

**Sd/-**
**(Dalip Kumar Kaul)**
**Chairman - CSR Committee**

**Sd/-**
**(Arun Mehta)**
**Managing Director & CEO**

Date : 21st July 2022
Place: Mumbai

### ix) Statement in Respect of Adequacy of Internal Financial Control

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

### x) Strengthening of the compliance system

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

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

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

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

### xii) Disclosure of Vigil Mechanism

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

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

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

### xiv) Directors are duly qualified to act as such

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

### xv) Policy on Sexual Harassment of Women at Workplace

The Company has constituted an Internal Committee (IC) to consider and resolve all sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has put in place a Policy as mandated under the said Act and we did not receive any complaint during the financial year 2021 - 2022, under the said Policy of the Company.

# Annexure - II

### xvi) Arm's-Length Policy:

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

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## 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 2022.

**Sd/-**
**(Arun Mehta)**
**Managing Director & CEO**

Date : 21st July 2022
Place: Mumbai

**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 arm's-length transactions under third proviso thereto.**

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

a) Name(s) of the Related Party and nature of relationship: Nil

b) Nature of Contracts/Arrangements/Transactions: Nil

c) Duration of the Contracts / Arrangements/Transactions: Nil

d) Salient terms of the Contracts or Arrangements or Transactions including the value, if any: Nil

e) Justification for entering into such Contracts or Arrangements or Transactions: Nil

f) Date(s) of approval by the Board: Nil

g) Amount paid as advances, if any: Nil

h) Date on which the Special Resolution was passed in General Meeting as required under first provision to Section 188 of the Companies Act, 2013: Nil

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

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

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

| Name of the Party | Relationship |
|---|---|
| State Bank of India | Holding Company |
| | |
| SBICAP Securities Limited | Subsidiary Company |
| SBICAP Ventures Limited | Subsidiary Company |
| SBICAP Trustee Company Limited | Subsidiary Company |
| SBICAP (Singapore) Limited | Subsidiary Company |
| **Other related parties where transactions have occurred during the year** | |
| | |
| SBI DFHI Limited | Fellow Subsidiary |
| SBI Funds Management Private Limited | Fellow Subsidiary |
| SBI Life Insurance Company Limited | Fellow Subsidiary |
| SBI Cards & Payment Services Limited | Fellow Subsidiary |
| SBI General Insurance Co Limited | Fellow Subsidiary |
| SBI Foundation | Fellow Subsidiary |
| State Bank of India Servicos Limitada, Brazil | Fellow Subsidiary |
| SBI Home Finance Limited | Fellow Subsidiary |
| SBI Global Factors Limited | Fellow Subsidiary |
| SBI - SG Global Securities Services Private Limited | Fellow Subsidiary |
| SBI Pension Funds Private Limited | Associate Company |
| Investec Capital Services (India) Private Limited | Associate Company |
| SBICAPS Employee's Provident Fund | Staff Welfare Fund |

# Annexure - III

| Name of the Party | Relationship |
|---|---|
| SLS Trust | Sponsor of the Trust |
| Shri. Arun Mehta (from 21st January 2020 onwards) | Managing Director & CEO |
| Shri. Sanjiv Chadha (from 21st February 2019 to 20th January 2020) | Managing Director & CEO |
| Smt. Uma Shanmukhi Sistla (from 12th July 2018 to 22nd May 2020) | Whole-Time Director |
| Shri. Ramanathan Viswanathan (from 27th May 2020 to 21st June 2021) | Whole-Time Director |
| Shri. BRS Satyanarayana (from 29th June 2021 onwards) | Whole-Time Director |
| Shri. Narayan K Seshadri (upto 30th September 2020) | Non-Executive Independent Director |
| Shri. Ananth Narayan Gopalakrishnan | Non-Executive Independent Director |
| Shri. Dalip Kumar Kaul (from 7th June 2021 onwards) | Non-Executive Independent Director |
| Smt. Bharati Rao (upto 17th December 2021) | Non-Executive Director |
| Shri. T.L. Palani Kumar (upto 29th September 2021) | Non-Executive Director |
| Shri. Sharad Sharma (upto 21st October 2021) | Non-Executive Director |
| Shri. Rajeev Krishnan (from 26th July 2021 onwards) | Non-Executive Director |
| Smt. Shilpa Naval Kumar (from 29th December 2021 onwards) | Non-Executive Director |
| Shri. Krishnan Kutty Raghavan, SVP & CFO | Key Managerial Personnel |
| Shri. Amit Shah, Company Secretary | Key Managerial Personnel |

(b) Nature of Contracts/Arrangements/Transactions: Details as per appended table in point no. (g).

(c) Duration of the Contracts / Arrangements/Transactions: Ongoing basis

(d) Salient terms of the Contracts or Arrangements or Transactions including the value, if any: Not Applicable.

(e) Date(s) of approval by the Board: Omnibus Approval accorded on 5th May 2021 and specific approvals stated wherever applicable.

(f) Amount paid as advances, if any: NIL

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

(Amount Rs. in Lacs)

| Particulars | Holding Company | | Subsidiaries | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|---|---|
| | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 |
| **Income and Expense items:** | - | - | - | - | - | - | - | - |
| **(For the year ended)** | - | - | - | - | - | - | - | - |
| Income during the year ended | | | | | | | | |
| **Issue Management Fees** | - | 2,333 | - | - | - | - | - | - |
| SBI Cards and Payment Services Limited | - | - | - | - | - | - | - | - |
| **Arranger Fees** | 2,026 | - | - | - | - | - | - | - |
| SBI Cards and Payment Services Limited | - | - | - | - | 29 | - | - | - |
| SBI Global Factors Limited | - | - | - | - | 7 | - | - | - |
| **Advisory fees** | 7,861 | 7,958 | - | - | | - | - | - |
| SBI General Insurance Company Limited | - | - | - | - | 100 | - | - | - |
| SLS Trust | - | - | - | - | - | - | - | 878 |

# Annexure - III

(Amount Rs. in Lacs)

| Particulars | Holding Company | | Subsidiaries | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|---|---|
| | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 |
| **Interest Income** | 29 | 244 | - | - | - | - | - | - |
| SBI Cards and Payment Services Limited | - | - | - | - | - | - | - | - |
| **Bad Debts Recovered** | 13 | - | - | - | - | - | - | - |
| **Rent Income** | - | - | - | - | - | - | - | - |
| SBICAP Securities Limited | - | - | 535 | 926 | - | - | - | - |
| SBICAP Ventures Limited | - | - | 367 | 122 | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| **Dividend Received** | | | | | | | | |
| SBI DFHI Limited | - | - | - | - | 357 | 268 | - | - |
| | - | - | - | - | - | - | - | - |
| **Miscellaneous Income** | | | | | | | | |
| SBICAP Securities Limited | - | - | - | - | - | - | - | - |
| **Expenses during the year ended** | - | - | - | - | - | - | - | - |
| **Deputation of Employees#** | 382 | 315 | - | - | - | - | - | - |
| **Ex-gratia paid** | - | - | - | - | - | - | - | - |
| Shri. Arun Mehta | - | - | - | - | - | - | 14 | 4 |
| Shri. Sanjiv Chadha | - | - | - | - | - | - | - | 11 |
| Smt. Uma Shanmukhi Sistla | - | - | - | - | - | - | 2 | 15 |
| Shri. R. Viswanathan | - | - | - | - | - | - | 11 | - |
| **Director's Sitting Fees** | | | | | | | | |
| Smt. Bharati Rao | - | - | - | - | - | - | 7 | 11 |
| Shri. T. L. Palani Kumar | - | - | - | - | - | - | 4 | 8 |
| Shri. Sharad Sharma | - | - | - | - | - | - | 1 | 4 |
| Shri. Narayan K Seshadri | - | - | - | - | - | - | - | 6 |
| Shri. Ananth Narayan Gopalakrishnan | - | - | - | - | - | - | 8 | 8 |
| Shri. Rajeev Krishnan | - | - | - | - | - | - | 4 | - |
| Shri. Dalip Kumar Kaul | - | - | - | - | - | - | 9 | - |
| Smt. Shilpa Naval Kumar | - | - | - | - | - | - | 1 | - |
| **Interest Expenses** | - | 2,132 | - | - | - | - | - | - |
| **Other Borrowing cost** | - | 8 | - | - | - | - | - | - |
| **Fees & Commission** | | | | | | | | |
| SBICAP Securities Limited | - | - | 58 | 31 | - | - | - | - |
| Investec Capital Services (India) Private Limited | - | - | - | - | 1,261 | - | - | - |
| **Legal & Professional Fees** | - | - | - | - | - | | - | - |
| SBI - SG Global Securities Services Private Limited | - | - | - | - | 8 | - | - | - |
| **Royalty Expense** | 547 | 431 | - | - | - | - | - | - |
| **Insurance Expense** | - | - | - | | | | - | - |

SBI Capital Markets Limited

# Annexure - III

(Amount Rs. in Lacs)

| Particulars | Holding Company | | Subsidiaries | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|---|---|
| | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 |
| SBI Life Insurance Company Limited | - | - | - | - | 22 | 24 | - | - |
| SBI General Insurance Company Limited | - | - | - | - | 24 | 93 | - | - |
| **Loss on disposal of subsidiary** | - | - | - | - | - | - | - | - |
| SBICAP (UK) Limited | - | - | - | - | - | - | - | - |
| **Rent Expense** | 19 | 65 | - | - | - | - | - | - |
| SBI Funds Management Pvt. Limited | - | - | - | - | 2 | 4 | - | - |
| | | | | | | | - | - |
| **Brokerage Expenses** | - | - | - | - | - | - | - | - |
| SBICAP Securities Limited | - | - | 1 | 64 | - | - | - | - |
| **Contribution towards CSR** | - | - | - | - | - | - | - | - |
| SBI Foundation Limited | - | - | - | - | 51 | 100 | - | - |
| | | | | | | | - | - |
| **Bank & Other Charges** | 7 | 3 | - | - | - | - | - | - |
| SBICAP Securities Limited | - | - | - | 0* | - | - | - | - |
| SBICAP Trustee Company Limited | - | - | 2 | 0* | - | - | - | - |
| SBI DFHI Limited | - | - | - | 0* | - | - | - | - |
| | | | | | | | - | - |
| **Business Promotion Expenses** | | | | | | | | |
| SBICAP (UK) Limited | - | - | - | - | - | - | - | - |
| SBICAP Singapore Limited | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| **Bad Debts written off** | 4 | 171 | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Other expenses** | 1 | 1 | - | - | - | - | - | - |
| SBICAP Securities Limited | - | - | 1 | 3 | | | - | - |
| SBICAP Trustee Company Limited | - | - | - | 0* | - | - | - | - |
| SBI Cards and Payment Services Limited | - | - | - | | - | - | - | - |
| SBI Pension Funds Private Limited | - | - | - | - | 7 | - | - | - |
| | | | | | | | - | - |
| **Balance Sheet Items:** | - | - | - | - | - | - | - | - |
| **(Outstanding as on)** | - | - | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Share Capital** | 5,803 | 5,803 | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Balance payable as at** | - | - | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Payables** | - | 12 | - | - | - | - | - | - |
| SBICAP Securities Limited | - | - | - | 27 | - | - | - | - |
| SBICAP Trustee Company Limited | - | - | - | 0* | - | - | - | - |
| SBI General Insurance Company Limited | - | - | - | - | - | 0* | - | - |
| SBI Funds Management Pvt. Limited | - | - | - | - | - | 2 | - | - |
| SBI Life Insurance Company Limited | - | - | - | - | - | 2 | - | - |
| Investec Capital Services (India) Private Limited | - | - | - | - | 58 | - | - | - |
| | | | | | | | - | - |
| Advance received from Customers | - | 25 | - | - | - | - | - | - |

# Annexure - III

(Amount Rs. in Lacs)

| Particulars | Holding Company | | Subsidiaries | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|---|---|
| | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 |
| **Balance receivable as at** | | | | | | | - | - |
| | | | | | | | - | - |
| **Bank Balance** | 1,490 | 1,333 | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Deposit with Banks** | 417 | 482 | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Receivables** | 1,240 | 373 | - | - | - | - | - | - |
| SBICAP Securities Limited | - | - | 3 | - | | | - | - |
| SBICAP Ventures Limited | - | - | 3 | 5 | - | - | - | - |
| SBI Cards and Payment Services Limited | - | - | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Investments** | | | | | | | - | - |
| SBICAP Securities Limited | - | - | 12,500 | 12,500 | - | - | - | - |
| SBICAP Ventures Limited | - | - | 6,038 | 6,038 | - | - | - | - |
| SBICAP Trustee Company Limited | - | - | 5 | 5 | - | - | - | - |
| SBICAP Singapore Limited | - | - | 5,872 | 5,941 | - | - | - | - |
| SBI Pension Funds Private Limited | - | - | - | - | 600 | 600 | - | - |
| SBI DFHI Limited | - | - | - | - | 7,889 | 7,889 | - | - |
| SBICAP Home Finance Limited[@] | - | - | - | - | - | - | - | - |
| SBI Foundation | - | - | - | - | 1 | 1 | - | - |
| State Bank of India Servicos Limitada Brazil[@] | - | - | - | - | - | - | - | - |
| Investec Capital Services (India) Private Limited | - | - | - | - | 5,500 | | - | - |
| | | | | | | | - | - |
| **Accrued Interest on Deposit with Banks** | 49 | 43 | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Other transactions during the year ended** | - | - | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Investments in equity shares of associate** | | | | | | | - | - |
| Investec Capital Services (India) Private Limited | - | - | - | - | 5,500 | | - | - |
| | | | | | | | - | - |
| **Dividends paid** | 11,607 | 11,607 | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Investment in Bonds** | | | | | | | - | - |
| SBI Cards & Payment Services Private Limited[$] | - | - | - | - | 20,000 | - | - | - |
| SBI Global Factors Limited | - | - | - | - | 10,000 | - | - | - |
| | | | | | | | - | - |
| **Sale of securities** | 1,47,648 | 1,70,072 | - | - | | - | - | - |
| SBI General Insurance Company Limited | - | - | - | - | 37,540 | 32,592 | - | - |
| SBI DFHI Limited | - | - | - | - | 2,501 | 36,515 | - | - |
| SBI Life Insurance Company Limited | - | - | - | - | 1,95,170 | 1,00,575 | - | - |
| SBI Funds Management Private Limited | - | - | - | - | | 70,052 | - | - |
| | | | | | | | - | - |
| **Guarantees** | 331 | 407 | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Borrowings availed** | - | 1,07,000 | - | - | - | - | - | - |
| | | | | | | | - | - |
| **Borrowings repaid** | - | 1,07,000 | - | - | - | - | - | - |

# Annexure - III

(Amount Rs. in Lacs)

| Particulars | Holding Company | | Subsidiaries | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|---|---|
| | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 |
| **Sale of Assets** | | | | | | | - | - |
| SBICAP Ventures Limited | - | - | - | 3 | - | - | - | - |
| | | | | | | | - | - |
| **Purchase of Other Receivables** | | | | | | | - | - |
| SBICAP Singapore Limited | - | - | 90 | - | - | - | - | - |
| **Expenses recovered** | - | 44 | - | - | - | - | - | - |
| SBICAP Securities Limited | - | - | 75 | 108 | - | - | - | - |
| SBICAP Ventures Limited | - | - | 61 | 63 | - | - | - | - |
| SBICAP Trustee Company Limited | - | - | 1 | - | - | - | - | - |
| **Expenses shared** | | | | | | | | |
| SBICAP Securities Limited | - | - | - | - | - | 1 | - | - |
| Investec Capital Services (India) Private Limited | - | - | - | - | 55 | - | - | - |

# Included in expenses relating to deputation of employees are amounts aggregating to Rs. 156 lacs (2021: Rs. 99 lacs) pertaining to salaries paid to key management personnel.
* Insignificant amount. *Represents amount below Rs. 0.50 lacs.
@ Fully provided $Outstanding as at 31st March 2022 is Nil

(a) The Company has contributed Rs. 101 Lacs (March 31, 2021: 914 Lacs) to SBICAPS Employee's Provident Fund during the year.

(b) The Company has sold securities of Rs. Nil Lacs (March 31, 2021: Nil Lacs) to SBICAPS Employee's Provident Fund during the year.

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

Sd/-
**(Arun Mehta)**
**Managing Director & CEO**

Sd/-
**(Dalip Kumar Kaul)**
**Independent Director**

Date: 21st July 2022
Place: Mumbai




**D. A. Kamat & Co.**
Company Secretaries
Website: csdakamat.com

**FORM NO. MR. 3**

**SECRETARIAL AUDIT REPORT**

**For the Financial Year Ended on March 31, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**SBI Capital Markets Limited**
No.202, Maker Tower, 'E', 20th Floor,
Cuffe Parade, Colaba, Mumbai - 400 005.

**Secretarial Audit Report for the Financial Year ending on 31st March 2022**

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by SBI Capital Markets Limited ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, the explanations and clarifications given to us and there presentations made by the Management, we hereby report that in our opinion, the company has during the audit period covering Financial Year from 1st April 2021 to 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

I. We have examined the books, papers, minute books, forms and returns filed, reports issued by various fellow professionals and other applicable records and registers and maintained by the Company for the Financial Year from 1st April, 2021 to 31st March, 2022 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made there under
2. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
3. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (Overseas Direct Investment and External Commercial Borrowings are not applicable for the Audit period)
4. Prevention of Money Laundering Act, 2002
5. The Securities and Exchange Board of India (Merchant Banker) Regulations, 1992
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2018; (As applicable to an intermediary)
7. The Securities and Exchange Board of India (Research Analyst) Regulations, 2014
8. The Securities and Exchange Board of India (Intermediaries) Regulations, 2008
9. Rules, Regulations, Guidelines, Notifications and Circulars and related rules, regulations and guidelines issued by SEBI thereon from time to time (to the extent possible)

# Annexure - IV

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

II. Provisions of the following Regulations and Guidelines prescribed are not applicable to the Company, for the financial year ended March 31, 2022 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(e) The Securities and Exchange Board (Buyback of Securities) Regulations, 1998

(f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

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 on the systems, records and compliances under other laws applicable to the Company.

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 agenda and detailed notes on agenda of the Board and Committee Meetings were sent 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 with unanimous consent of all the Board of Directors and recorded as part of the minutes.

We further report that during the year under report and till the date of this report, the Company has not undertaken any events / 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.

For **D. A. Kamat & Co.**
**Company Secretaries**

Sd/-
**D. A. Kamat**
**Partner**
FCS No. : 3843
CP No. : 4965
UDIN : F003843D000475578
P. R. No. : 1714/2022

Date: 08/06/2022
Place: Mumbai

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March 2022.**

[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',<br>Cuffe Parade, Mumbai - 400 005.<br>Tel. No. 22178300 |
| vi) | Whether listed company: Yes / No. | No. |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Datamatics Business Solutions Ltd.<br>Plot No. B-5, Part B Cross Lane,<br>MIDC Andheri, (East), Mumbai – 400 093.<br>Tel. No.: 022-6671 2238. |

## 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 | - | 75.14%* |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | State Bank of India | Corporation set up under SBI Act.1955 | Holding | 100% | Section 2(46) |
| 2. | SBICAP Securities Ltd. | U65999MH2005PLC155485 | Subsidiary | 100% | Section 2(87) |
| 3. | SBICAP Ventures Ltd. | U67190MH2005PLC157240 | Subsidiary | 100% | Section 2(87) |
| 4. | SBICAP Trustee Company Ltd. | U65991MH2005PLC158386 | Subsidiary | 100% | Section 2(87) |
| 5. | SBICAP (Singapore) Ltd. | Foreign Subsidiary | Subsidiary | 100% | Foreign Subsidiary |
| 6. | SBI Pension Funds Pvt. Ltd. | U66020MH2007GOI176787 | Associate | 20% | Section 2(6) |
| 7. | Investec Capital Services (India) Pvt. Ltd. | U65923MH2010FTC204309 | Associate | 19.70% | Section 2(6) |

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

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year i.e. as on 1st April 2021 | | | | No. of Shares held at the end of the year i.e. as on 31st March 2022 | | | | % Change during the year 2021-2022 |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) *Individuals / HUF | 24 | - | 24 | 0.00 | 24 | - | 24 | 0.00 | Nil |
| b) Central Govt. | | | | | | | | | |
| c) State Govt. (s) | | | | | | | | | |
| d) Bodies Corp. | | | | | | | | | |
| e) Banks / FI | 5,80,33,687 | - | 5,80,33,687 | 100 | 5,80,33,687 | - | 5,80,33,687 | 100 | Nil |
| f) Any Other – Public Ltd. Co. | | | | | | | | | |
| **Subtotal (A) (1):** *Held as nominees of SBI | 5,80,33,711 | - | 5,80,33,711 | 100 | 5,80,33,711 | - | 5,80,33,711 | 100 | Nil |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs- Individuals | | | | | | | | | |
| b) Other– Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks/FI | | | | | | | | | |
| e) Any Other…. | | | | | | | | | |
| **Sub-total (A)(2):** | - | - | - | - | - | - | - | - | - |
| **Total shareholding of Promoter (A)= (A)(1)+ (A)(2)** | 5,80,33,711 | - | 5,80,33,711 | 100 | 5,80,33,711 | - | 5,80,33,711 | 100 | Nil |

| Category of Shareholders | No. of Shares held at the beginning of the year i.e. as on 1st April 2021 | | | | No. of Shares held at the end of the year i.e. as on 31st March 2022 | | | | % Change during the year 2021-2022 |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **B. Public Shareholding** | - | - | - | - | - | - | - | - | - |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt. | | | | | | | | | |
| d) State Govt. (s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| **Sub-total (B)(1):** | | | | | | | | | |
| **2. Non- Institutions** | - | - | - | - | - | - | - | - | - |
| a) Bodies Corporate<br>i) Indian<br>ii) Overseas | | | | | | | | | |
| b) Individuals<br>i) Individual shareholders holding nominalsh are capital upto ₹1 Lac<br>ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lac | | | | | | | | | |
| c) Others (specify) | | | | | | | | | |
| **Sub-total (B)(2):** | | | | | | | | | |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | | | | | | | | | |
| **C. Shares held by Custodian for GDRs & ADRs** | - | - | - | - | - | - | - | - | - |
| **Grand Total (A+B+C)** | 5,80,33,711 | - | 5,80,33,711 | 100 | 5,80,33,711 | - | 5,80,33,711 | 100 | Nil |

SBI Capital Markets Limited

# Annexure - VI

## (ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year 2021-2022 | | | Shareholding at the end of the year 2021-2022 | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1 | **State Bank of India** (out of 5,80,33,711 shares, 24 shares are held in the name of the nominees of SBI) | 5,80,33,711 | 100 | Nil | 5,80,33,711 | 100 | Nil | Nil |
| | **Total** | **5,80,33,711** | **100** | **Nil** | **5,80,33,711** | **100** | **Nil** | **Nil** |

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

| Sl. No. | Particulars | Shareholding at the beginning of the year 2021-2022 | | Cumulative Shareholding during the year 2021-2022 | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. | At the beginning of the year | No Change | | No Change | |
| 2. | Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.): | No Change | | No Change | |
| 3. | At the end of the year | No Change | | No Change | |

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

| Sl. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the year 2021-2022 | | Cumulative Shareholding during the year 2021-2022 | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | A the beginning of the year | Nil | Nil | Nil | Nil |
| 2. | Date wise Increase/ Decrease in Share-holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.) | Nil | Nil | Nil | Nil |
| 3. | At the End of the year (or on the date of separation, if separated during the year) | Nil | Nil | Nil | Nil |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year 2021-2022 | | Cumulative Shareholding during the year 2021-2022 | |
|---|---|---|---|---|---|
| | | No. of shares (Equity) | % of total shares of the company | No. of shares (Equity) | % of total shares of the company |
| 1. | **At the beginning of the year** | | | | |
| | **(i)** *Shri. Dinesh Kumar Khara as NED & Nominee Director, Chairman. | 1 | 0.00% | 1 | 0.00% |
| | **(ii)** *Shri. R Viswanathan (former WTD & P& COO) | 1 | 0.00% | 1 | 0.00% |
| 2. | **Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g., allotment / transfer / bonus / sweat equity etc.):** | 1 | 0.00% | 1 | 0.00% |
| | **Transfer of Equity Shares from** | | | | |
| | (i) *Shri. Dinesh Kumar Khara, Chairman to *Shri. Kalyan Kishore, DGM (A&S) | 1 | 0.00% | 1 | 0.00% |
| | (ii) *Shri. R Viswanathan (former WTD & P&COO) to *Shri. BRS Satyanarayana, WTD & P&COO | 1 | 0.00% | 1 | 0.00% |
| 3. | **At the End of the year 2021-22** | | | | |
| | *Shri. BRS Satyanarayana, WTD & P&COO | 1 | 0.00% | 1 | 0.00% |

*Shares held as SBI Nominee.

## V. INDEBTEDNESS

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

(Amount Rs. in Crores)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year 2021-22** | | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| **Total (i+ii+iii)** | Nil | Nil | Nil | Nil |
| **Change in Indebtedness during the financial year 2021-22** | Nil | Nil | Nil | Nil |
| • Addition | | | | |
| • Reduction | | | | |
| **Net Change** | Nil | Nil | Nil | Nil |
| **Indebtedness at the end of the financial year 2021-22** | | | | |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| **Total (i+ii+iii)** | Nil | Nil | Nil | Nil |

SBI Capital Markets Limited

# Annexure - VI

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | Total Amount (Rs. in lacs) |
|---|---|---|---|---|---|
| | | Arun Mehta | R. Viswanathan ** | BRS Satyanarayana *** | |
| 1. | Gross Salary*<br>a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 88.30 | 20.69 | 62.73 | **171.72** |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission<br>- as % of profit<br>- others, specify… | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | **Total (A)** | **88.30** | **20.69** | **62.73** | **171.72** |
| | **Ceiling as per the Act** | - | - | - | **4,103.46** |

*PF, Gratuity & Superannuation, ex-gratia pay
** upto 21st June 2021.
*** appointed w.e.f 29th June 2021

### B. Remuneration to other Directors:

| Sr. No. | Particulars of Remuneration | Name of Directors | Name of Directors | Name of Directors | Name of Directors | Name of Directors | Total Amount in Rs. |
|---|---|---|---|---|---|---|---|
| 1. | Independent Directors | Shri. Ananth Narayan Gopalakrishnan | Shri. Dalip Kumar Kaul | - | - | - | |
| | a) Fee for attending board committee meetings | 7,50,000/- | 8,20,000/- | - | - | - | 15,70,000/- |
| | b) Commission | - | - | - | - | - | |
| | c) Others, please specify | - | - | - | - | - | |
| | **Total (1)** | **7,50,000/-** | **8,20,000/-** | - | - | - | **15,70,000/-** |
| 2. | Other Non-Executive Directors | Shri. T. L. Palani Kumar | Smt. Bharati Rao | Shri. Sharad Sharma | Shri. Rajeev Krishnan | Smt. Shilpa Naval Kumar | |
| | a) Fee for attending board committee meetings | 4,30,000/- | 6,60,000/- | 1,40,000/- | 4,00,000/- | 70,000/- | 17,00,000/- |
| | b) Commission | - | - | - | - | - | - |
| | c) Others, please specify | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | **17,00,000/-** |
| | **Total B (1+2)** | - | - | - | - | - | **32,70,000/-** |
| | Total Managerial Remuneration | - | - | - | - | - | **32,70,000/-** |
| | Overall Ceiling as per the Act (Sitting fees) | | | | | | **Rs.1,00,000/- per Director per meeting.** |

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

(Amount Rs. in Lacs)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | Shri. Krishnan Kutty Raghavan, SVP& CFO | Shri. Amit Shah, Company Secretary | Total |
| 1. | Gross Salary*<br>a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 92.15 | 49.82 | 141.97 |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission<br>- as % of profit<br>- others, specify… | - | - | - |
| 5. | Others, please specify | - | - | - |
| | **Total** | 92.15 | 49.82 | 141.97 |

*PF, Gratuity & Superannuation

## 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 |

SBI Capital Markets Limited (SBICAP)

# Nomination and Policy

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10. Delegation

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# Annexure - VIII

## 1. Introduction

Pursuant to provisions of the Companies Act, 2013 (the Act), as amended from time to time, this policy has been formulated to provide framework for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Managerial Personnel (SMP) and other employees of the Company.

## 2. Objective

The key objectives of this Policy are as follows:

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 and other employees 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.

## 3. Definitions

3.1 'Act' means Companies Act, 2013 and rules relating thereto

3.2 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the Directors of the Company.

3.3 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

3.4 'Remuneration' means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

3.5 'Company/SBICAP' means SBI Capital Markets Limited.

3.6 'Director' means a director appointed to the Board of a Company as defined under section 2(34) of the Companies Act, 2013.

3.7 'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013.

3.8 **'Key Managerial Personnel'** Key Managerial Personnel (KMP) 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.

3.9 **'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. The Board shall designate such personnel as Senior Management Personnel, as it may deem fit, from time to time.

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.

## 4. Applicability

The Policy is applicable to all Directors, KMP, SMP and other employees. By virtue of Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (amendments notified vide MCA notification dated 5th September 2017) the applicability of the said Policy to the Company is voluntary.

## 5. Constitution, Composition, Quorum of the Committee

### 5.1 Number of Members

i) The Committee shall consist of a minimum 3 (Three) Non-Executive Directors.

ii) The quorum for the Committee meetings shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher.

iii) The Chairman of the Committee will be an any one Director from amongst the members of the Committee, or such member as designated as Chairman by the Board. In the absence of the Chairman, members of the Committee present at the meeting shall choose one of the members of the committee to act as Chairman.

iv) The Chairman of the Company may be a member of the Committee but will not chair the Committee.

v) The Chairman of the Committee or in his absence any other member of the Committee authorised by him in this behalf, shall attend the general meetings of the Company.

vi) Membership of the Committee shall be disclosed in the Annual Report.

### 5.2 Meetings and Invitees to meetings

i) The Committee will meet as and when required or as mandated by the Board or the Chairman of the Committee.

ii) The Committee may invite such executives, as it considers appropriate to be present at any meeting of the Committee.

iii) The Senior Vice President/Vice President (HR) shall be the convener of the Committee meetings.

iv) The Company Secretary shall act as Secretary of the Committee and provide assistance to it. The minutes of the meeting shall be maintained by the Company Secretary and presented to NRC and Board of Directors at its subsequent meeting for noting.

v) The details of the Committee Meetings shall be disclosed in the Annual Report.

## 6. Role and functions of the Committee related to Nomination

### 6.1. 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 (appointment and re-appointment) subject to the provisions of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013.

### 6.2. 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 of upto maximum of (5) five years each, 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.

### 6.3. Performance Evaluation

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

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

### 6.4. Removal

Due to reasons for any disqualification (including removal request received from any member) in terms of 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 Director, KMP, SMP or any other employees.

### 6.5. Retirement

i) The Director shall retire as per the applicable provisions of the Companies Act, 2013, and KMP and SMP shall retire as per the prevailing Policy of the Company in this regard.

ii) The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

## 7. Role and functions of the Committee related to Remuneration

### 7.1. 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.

**7.1.1.** 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.

**7.1.2.** Directors' and officers' Insurance 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.

### 7.2. Remuneration to KMPs and SMPs

#### 7.2.1. 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.

### 7.2.2. 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.

### 7.2.3. 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/ Shareholders, as applicable.

### 7.3. Remuneration to Independent Director

### 7.3.1. 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.

### 7.3.2. Stock Options

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

## 8. Appointment and remuneration of other Employees of the Company

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

## 9. Dissemination of Policy on the Website of the Company

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

## 10. 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.

## 11. Review of Policy

The Policy shall be reviewed and updated as and when considered necessary, but at least once in two years. Changes to the Policy should be collated at management level, reviewed by Nomination and Remuneration Committee and on its recommendation would be presented to the Board of Directors for their approval.

SBI Capital Markets Limited (SBICAP)




# Corporate Social Responsibility (CSR) Policy

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# Annexure - VIII

## 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, SBI Capital Markets Limited (hereinafter referred to as the "Company" or "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. Objective

This is the Corporate Social Responsibility Policy ("CSR Policy") for the Company as required under the Companies Act, 2013 (hereafter referred to as "the Act"), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and other directions and clarifications issued by the Ministry of Corporate Affairs from time to time (collectively referred to as the "CSR Regulations"). This policy lays down broad approach and direction for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan pursuant to CSR Regulations in the sphere of corporate social responsibility undertaken by the Company.

## 3. Applicability

The Board of Directors of the Company ("Board") shall be responsible for implementing this Policy and shall ensure that the CSR activities are carried out in accordance with this Policy read with CSR Regulations. The Company's CSR policy is designed to focus on holistic development of target communities, and endeavor to create long-term social and economic value for the organization and society. The Company will address a slew of associated objectives in the conduct of its CSR intervention, as under:

(i) Act as a good corporate citizen by making a sustained positive contribution to the welfare of society at large;

(ii) Identify the gaps and extend need-based contribution for the betterment of the society, particularly its disadvantaged sections.

(iii) Contribute for the sustainable and holistic development of the underserved communities through various programs having multi-dimensional impact;

(iv) Generate community goodwill by making proactive interventions that will create an enduring image of the Company as a socially responsible entity.

## 4. Definitions

1) "Act" means the Companies Act, 2013 (18 of 2013);

2) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:

i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that

(a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

3. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

4. "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

5. "CSR Expenditure" shall include all expenditure including for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

6. "Average Net Profit" shall be calculated in accordance with the provisions of Section 198 of the Act.

7. "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

8. "Net Profit" means the net profit of the company as per its financial statement 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 section 135 of the Act.

9. "Ongoing Project" means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

10. "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

11. "International Organization" means an organisation notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

## 5. Role of the Board

SBICAP, being governed by the rules of The Companies Act, 2013, our CSR policy & programme is aligned with Section 135 of the Act as amended from time to time.

As such, the SBICAP Board shall constitute a CSR Committee consisting of two or more Directors, pursuant to the section 135(1) of the Companies Act, 2013.

The Board shall additionally oversee the below;

a) After taking into account the recommendations made by the Corporate Social Responsibility Committee (as constituted above), approve the Corporate Social Responsibility Policy for the company and disclose the contents of such Policy in its report and also place it on the company's website - www.sbicaps.com, in such manner as may be prescribed;

b) The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access as notified by the prescribed rules of the Act;

c) Ensure that the activities included in the CSR Policy are in compliance with the activities in Schedule VII of the Act;

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d) Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company; and

e) Monitor the implementation of the project with reference to the approved timelines and yearwise allocation and make modifications, if any, for the smooth implementation of the project.

f) If the company fails to spend the said amount, disclose reasons for not spending such amount, in its report under clause (o) of sub - section (3) of Section 134, of The Companies Act, 2013 and also transfer such unspent amount to the applicable Fund, within the timelines as laid out under the provisions of Section 135(5) and 135(6) of the Companies Act, 2013.

g) The Board shall ensure that the CSR Activities are undertaken by the company itself or through –

(i) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

(ii) A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(iii) Any entity established under an Act of Parliament or a State legislature; or

(iv) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

h) The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

## 6. Role of the CSR Committee

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

(a) The broad CSR focus areas or activities that are to be undertaken in areas or subjects specified in Schedule VII of the Act;

(b) The manner of execution of such projects or programmes

(c) The modalities of utilization of funds and implementation schedules for the projects or programmes;

(d) Determining the manner and classification of projects as ongoing projects and expenditure schedule thereon

(e) Monitoring and reporting mechanism for the projects or programmes; and

(f) Details of need and impact assessment, if any, for the projects undertaken by the company:

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

## 7. 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 & GH – HR, AVP – Corporate Communications and other members as may be nominated by MD & CEO will be formed. The CWG will run the Company's CSR policy in accordance with the set objectives & focus areas. The SVP & CFO will be the nodal officer for all activities.

## 8. Role of the CSR Working Group (CWG)

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

a) Recommend an Annual Action Plan for the corresponding financial year that will identify the broad areas of work, the activities to be undertaken by the Company in the selected areas and the budget to be spent on them. The CSR Annual Action Plan will be updated every corresponding financial year to reflect the Company's focus areas and CSR budget for the year.

b) The CWG will be responsible for designing, developing, executing and monitoring the projects in the short-listed focus areas of the Company's CSR Policy and as approved by the CSR Committee.

c) The CWG shall prepare an overview document for every project that it proposes to undertake including but not limited to activity definition, expected local impact areas, budgeted investments, expected benefits (Re value wherever possible) and success parameters.

d) The CWG will take decisions on day-to-day activities of the CSR activities.

e) The CWG will be responsible for periodic reporting of the activities to the CSR Committee in any format as desired by the CSR Committee.

f) Accounting guidelines and Audit process (Internal/external) will be as per the guidelines laid down in the Companies Act, 2013 and in accordance with the approved business processes and policies.

g) Create a mechanism, deemed appropriate to and in line with the achieving the objectives of the individual CSR Projects undertaken by the Company. Any modifications to the Approved CSR Annual Action Plan or allocation shall be brought before the CSR Committee for necessary approvals of the Board.

## 9. CSR Expenditure and Budget

As stated under Section 135 (5) of The Companies Act, 2013 , SBICAP shall ensure that it spends, in every financial year, at least two percent or more of the average net profits made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.

The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

In any year, where the Company has spent in excess of its CSR obligation, such excess spending shall be available for set off against the Company's CSR obligations for up to the next three financial years in accordance with Applicable Law, and the Board shall be competent to pass a resolution in this regard.

The CSR amount may be spent by the company for creation or acquisition of a capital asset, which shall be held by –

(a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4;

or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority:

The CSR Budget for the corresponding financial year, will be updated, with due consideration, in the CSR Annual Action Plan & 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 Crores Only) | The Board |
| 2. | President & Chief Operation Officer | Rs. 50,00,000/- (Rupees Fifty Lacs Only) | MD & CEO |
| 3. | Senior Vice President & Chief Financial Officer | Rs. 25,00,000/- (Rupees Twenty- Five Lacs Only) | P & COO |

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## 10. Unspent Corporate Social Responsibility Account and Transfer to Fund

### A) Ongoing Projects:

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

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

### B) Other Than Ongoing Projects:

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

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

## 11. CSR Activities

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

1) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare 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, daycare centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

4) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

5) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts:

6) Measures for the benefit of armed forces veterans, war widows and their dependents;

7) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

8) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

9) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs),

10) Rural development projects.

11) Slum Area Development ("slum area" shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force).

12) Disaster management including relief, rehabilitation and reconstruction activities.

13) Undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

a) Such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

b) Details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

14. Undertaking training of Indian Sports Personnel representing any State or Union Territory at National Level or India at international level

15. Such other matters as may be notified by the Ministry of Corporate Affairs from time to time.

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

## 12. Shortlist Criteria

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

## 13. Implementation Process

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 Board shall ensure that the CSR activities are undertaken by the company itself or through entities specified earlier in Section 5 of the Policy.

The CSR Committee will be responsible for overall monitoring and implementation.

The CWG will be responsible for the day-to-day implementation and other related activities.

The key implementation steps and processes have been summarized below:

1. Develop a CSR Annual Action Plan – the CWG will draft a CSR Action Plan aligned with the overall objectives of the company on social interactions and the focus areas listed in Section 9 of the policy. Specific initiatives, shortlisted projects & associations under each of the above focus areas, will be incorporated in the CSR Annual Action Plan, during the course of the year. Inputs, if any, from the applicable Indian subsidiaries of the Company may be incorporated in the document.

2. Allocation of geographical budgets, if any
3. Operationalizing the institutional mechanism – CSR Committee, CSR Working Group (CWG), team identification & capacity building
4. Shortlist Implementing Agencies and conducting due diligence, if required
5. Project Development – Detailed Project Report (DPR)
6. Clear identification of CSR Budget
7. Project approval
8. Project Implementation, including tenure of the project
9. Documentation, Monitoring (at Board and CSR Committee level)
10. Evaluation (Concurrent, Final & if possible, by an Independent Third Party)
11. Project impact assessment
12. Preparation of reporting format and placement in public domain 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.

## 14. Impact Assessment

Impact assessment shall be undertaken by the Company in the manner set out under applicable law, Section 135 of the Act read with Rule 8 of the Companies (CSR Policy) Amendment Rules, 2021. The impact assessment report(s) shall be placed before the CSR Committee and the Board as an annexure to the annual report on CSR.

## 15. 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.

## 16. Monitoring of CSR projects or programs or activities

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

a) The CSR Committee will review the progress on the CSR initiatives and discuss the budgetary utilization on a periodical basis. This meeting may include the relevant NGO/Partners, if required by the CSR Committee.

b) The CSR Committee will present the progress periodically to the Board as part of the regular board meetings.

c) In order to ensure that the amounts spent by the Company on CSR activities get properly utilized for the projects for which they are earmarked, the CWG may nominate two to three officials (from the Company or any of its subsidiaries) to monitor the actual implementation of those projects, depending on the scale of the project.

d) The CSR Committee may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

## 17. Reporting Template

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

## 18. Policy Review Mechanism

The Policy shall be reviewed as and when considered necessary, but at least once in two years. Changes to policy should be collated at management level and subsequently presented to the Board of Directors for approval.

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

## 19. Abbreviations

| Abbreviations | Meanings |
|---|---|
| AVP | Assistant Vice President |
| BOD | Board of Directors |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CSR | Corporate Social Responsibility |
| CWG | CSR Working Group |
| DPR | Detailed Project Plan |
| GH-HR | Group Head- Human Resources |
| MD | Managing Director |
| P & COO | President & Chief Operation Officer |

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Annexure 'A'

**Corporate Social Responsibility (CSR) Association Form**

A] Organization Details:

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

| | | |
|---|---|---|
| 1 | Account Name | |
| 2 | Bank Name | |
| 3 | Bank Address | |
| 4 | Account No. | |
| 5 | MICR | |
| 6 | IFS Code | |
| 7 | Type of Account | |

B] Organization's Work Profile

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

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

C] Proposed Intervention

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

D] Proposed Budget

| Financial details | | |
|---|---|---|
| 1 | Budget | |
| 2 | Other Funders | |

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Annexure 'B'

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

1. Brief outline on CSR Policy of the Company:

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| | | | | |

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

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

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

6. Average net profit of the Company as per section 135(5):

7. (a) Two percent of average net profit of the Company as per section 135(5):

   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial year:

   (c) Amount required to be set off for the financial year:

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

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| | | | | | |

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

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the Project | | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the current financial Year (in Rs.) |
| | | | | State | District | | | |
| | | | | | | | | |

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

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

| 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No) | Location of the project | |
| | | | | State | District |
| | | | | | |

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

SBI Capital Markets Limited

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(d) Amount spent in Administrative Overheads:

(e) Amount spent on Impact Assessment, if applicable:

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):

(g) Excess amount for set off, if any:

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

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

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

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

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Sl. No | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration. | Total amount allocated for the project (in Rs.) |
| | | | | | |

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

    (a) Date of creation or acquisition of the capital asset(s):

    (b) Amount of CSR spent for creation or acquisition of capital Asset:

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):

SBI Capital Markets Limited

# Consolidated Financial Statements

# Independent Auditors' Report on Consolidated Financial Statements

**To the Members of SBI Capital Markets Limited**

## Report on the Audit of Consolidated Financial Statement

### Opinion

1. We have audited the accompanying consolidated financial statements of SBI Capital Markets Limited (hereinafter referred to as the "Holding Company") its subsidiaries (Holding Company and its subsidiaries collectively referred to as "the Group"), and its associates, which comprise the consolidated Balance Sheet as at 31st March 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Statement" or "the consolidated financial statements").

   In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind-AS) and other accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group and its associate as at March 31, 2022, their consolidated net profit (financial performance including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matters

3. SBICAP (Singapore) Limited

   We draw attention to Note 46 of the consolidated financial statements of the Group (Note 3 of standalone financial statements of SBICAP Singapore Limited) which states that the Company has ceased business and operations and the Board of Directors passed a resolution to wind up the Company on 31 December 2021. As a result, the Company changed its basis of accounting from the going concern basis to a non-going concern basis during the financial year ended 31st March 2022. Auditor's opinion is not modified in respect of this matter.

# Independent Auditors' Report on Consolidated Financial Statements

## Key Audit Matters

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

| S. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| **With respect to SBI Capital Markets Ltd. (Standalone)** | | |
| (i) | Is of Valuation of investments measured at fair value for which no listed price in an active market is available and valued using market information and significant unobservable input:<br><br>The Company has certain Investments of which listed price in an active market is not available and has been valued at fair value at Rs. 4355.28 Crores (Rs. 2852.48 Crores as at 31.03.2021) as required by Ind-AS. The corresponding fair value change is recognized in Other Comprehensive Income (OCI) and deferred tax in accordance with related Accounting Standard (Ind-AS 109). In measuring these Investments, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The Management has also used the services of an independent professional valuer. Key inputs used in the valuation of above investments are market multiples and growth rate, terminal rate, discount rate, NAV etc. The valuation of these assets is important to our audit as it is highly dependent on estimates (various assumptions and techniques used) which contain assumptions that are not observable in the market. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.<br><br>*(Refer Note 2(vii)(b) and Note 6 (1) to the Consolidated Financial Statements)* | **Principal Audit Procedures**<br><br>We understood and tested the design and operating effectiveness of the Company's control over the assessment of valuation of investments.<br><br>We evaluated the independence, competence, capabilities and objectivity of Management's expert (Independent professional valuer).<br><br>We evaluated together with the auditor's expert to assess the reasonableness of the valuation methodology and underlying assumptions relating to market multiples and growth rate, discount rate, NAV etc. used by the independent professional valuer to estimate the fair value of investments.<br><br>We validated the source data on sample basis and tested the arithmetical accuracy of the calculation of valuation of investments.<br><br>We assessed the adequacy of the disclosures in the standalone financial statements.<br><br>Based on our above audit procedures we consider that the management's assessment of the investment for which no listed price in an active market is available is reasonable |
| (ii) | **Evaluation of uncertain tax positions**<br><br>The Company has material uncertain tax positions for including matters under dispute which involves significant judgement to determine the possible outcome of these disputes<br><br>*(Refer Note 8 to the Consolidated Financial Statements)* | **Principal Audit Procedures**<br><br>We evaluated the Company's processes and controls monitoring the tax disputes.<br><br>Obtained risk assessment of tax litigation from our internal tax expert to assess management's judgement and assumption on such matters to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. They also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. |

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

| | | |
|---|---|---|
| (i) | **IT systems and controls**<br><br>The Company's key financial accounting and reporting processes are highly dependent on the automated controls implemented in the Information Technology (IT) systems.<br><br>Consequently, there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records, being misstated.<br><br>The Company uses two sets of books. One for recording Broking Income and other for Distribution services and other business income and expense.<br><br>We have identified 'IT systems and control' as Key audit matter, since for the revenue recognition (brokerage), the Company relies on automated processes and controls for recording of revenue. | **Principal Audit Procedures**<br><br>Our audit procedures to assess the effectiveness of IT system included the following:<br><br>Performed walkthroughs to evaluate the design and implementation of key automated controls.<br><br>Involved our IT specialist to test the effectiveness of identified IT automated controls and IT systems. IT specialist tested relevant key controls operating over IT in relation to financial accounting and reporting systems, including general controls relating to access and change management controls, program development and computer operations.<br><br>IT specialists tested design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and other preventive controls.<br><br>Other independently assessed areas included password policies, security configurations, system generated reports and system interface controls.<br><br>Evaluating the design, implementation and operating effectiveness of identified significant accounts related IT automated controls which are relevant for accuracy of system logic, and consistency of data transmission |

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

4. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management discussion and Analysis, Board's Report including its annexures containing details of its subsidiaries & associate and Corporate Governance Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Consolidated Financial Statements

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

# Independent Auditors' Report on Consolidated Financial Statements

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and of its associate or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary Companies and its associate, which are incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

  Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregated makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative facts in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Matters

7. **(i) With respect to SBI Capital Markets Ltd.**

We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets of Rs. 2234.78 Crores as at 31st March, 2022, total net assets of Rs. 1139.42 Crores, total revenue of Rs. 961.59 Crores and net cash inflow of Rs. 528.53 Crores for the year ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include Group's share in Net Profit using equity method of Rs. 15.34 Crores for the year ended March, 2022, in respect of two Associates. These financial statements of subsidiaries and associates 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 end our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, 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 is respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Holding Company's management.

## Report on Other Legal and Regulatory Requirements

8. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the consolidated statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

e) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company, its subsidiary companies and associate incorporated in India and the operating effectiveness of such controls, refer to our separate report in "**Annexure - A**".

f) With respect to the matter to be included in the Auditor's Report under section 197(16), in our opinion and according to the information and explanations given to us, the remuneration paid by the Group and its associate companies to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, to the extent applicable, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary companies and associate, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and of its associate - Refer Note 32 to the consolidated financial statements.

ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate incorporated in India.

iv. As per Management representation and audit report of the subsidiaries and its associate companies,

a) other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures & as per audit reports of the group and its associate companies, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The dividend paid during the year by the Group and its associate companies is in compliance with section 123 of the Companies Act, 2013.

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

For **S. C. Ajmera & Co.**
**Chartered Accountants**
FRN: 0002908C

Sd/-
**[S. C. Ajmera – Partner]**
M. No.: 081398
UDIN: 22081398AHNKBY3174

Date: 21st April 2022
Place: Udaipur

# Independent Auditors' Report - Annexure A

**(Referred to in paragraph 9(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the consolidated financial statements of the SBI Capital Markets Limited for the year ended March 31, 2022 on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013).**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls over Financial reporting of SBI Capital Markets Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and associate, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and associate, incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

# Independent Auditors' Report - Annexure A

## Opinion

In our opinion, the Holding Company, its subsidiary companies and associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

## Other Matters

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

Our opinion on internal financial control over financial reporting, is not modified is 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 **S. C. Ajmera & Co.**
**Chartered Accountants**
FRN: 0002908C

Sd/-
**[S. C. Ajmera – Partner]**
M. No.: 081398
UDIN: 22081398AHNKBY3174

Date: 21st April, 2022
Place: Udaipur

# Independent Auditors' Report - Annexure B

**(Referred to in paragraph 10 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Consolidated financial statements of the SBI Capital Markets Limited for the year ended March 31, 2022 on directions issued by the Comptroller and Auditor General of India under section 143(5) of Companies Act, 2013 in respect of the holding Company and subsidiaries incorporated in India, wherever these provisions are applicable)**

1. Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

   - **In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, the holding Company and its subsidiary Companies incorporated in India, has system in place to process all the accounting transactions through IT system.**

2. Whether there is any restructuring of an existing loan or cases of waiver/write-off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? if yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).

   - **In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, in respect of the holding Company and its subsidiary Companies incorporated in India, there is no restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the holding Company or subsidiary Companies incorporated in India.**

3. Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its terms and conditions? List the cases deviation.

   - **In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, in respect of the holding Company and its subsidiary Companies incorporated in India, no funds have been received / receivable for specific schemes from central / state agencies.**

4. RBI provided a window (vide circular dated 6 August 2020) under the prudential framework to implement a resolution plan to borrowers having stress on account of COVID -19, as per which existing loan can be restructured without downgrading the asset classification. Are there any cases of restructuring involving the new provisions and if so, are they in compliance with RBI circular?

   - **In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, the holding Company and its subsidiary Companies incorporated in India, none of the companies are engaged in providing any loan during the year and hence the question of restructuring does not arise.**

For **S. C. Ajmera & Co.**
**Chartered Accountants**
FRN: 0002908C

Sd/-
**[S. C. Ajmera – Partner]**
M. No.: 081398
UDIN: 22081398AHNKBY3174

Date: 21st April 2022
Place: Udaipur

# CAG Comments

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SBI CAPITAL MARKETS LIMITED FOR THE YEAR ENDED 31MARCH 2022.

The preparation of consolidated financial statements of SBI Capital Markets Limited for the year ended 31 March 2022 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 21 April 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of SBI Capital Markets Limited for the year ended 31 March 2022 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of SBI Capital Markets Limited, SBICAP Ventures Limited and SBICAP Trustee Company Limited but did not conduct supplementary audit of the financial statements of SBICAP Securities Limited, SBI Pension Funds Private Limited and Investec Capital Services (India) Private Limited for the year ended on the date. Further, section 139(5) and 143(6)(a) of the Act are not applicable to SBICAP (Singapore) Limited being private entity incorporated in Foreign country under the respective laws, for appointment of its Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. 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 of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report under section 143(6)(b) of the Act.

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

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

Place: Mumbai
Date: 28.06.2022

# Consolidated Balance sheet as at 31st March, 2022

(Rs. in Lacs)

| | Particulars | Notes | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| (1) | **Financial Assets** | | | |
| (a) | Cash and cash equivalents | 3 | 54,408 | 30,270 |
| (b) | Bank balance other than above | 3 | 68,551 | 40,393 |
| (c) | Securities for trade | 4 | 48,967 | 150,246 |
| (d) | Receivables | | | |
| | (I) Trade Receivables | 5 | 90,928 | 47,353 |
| | (II) Other Receivables | 5 | 132 | 66 |
| (e) | Investments | 6 | 494,588 | 318,567 |
| (f) | Other Financial assets | 7 | 2,391 | 2,593 |
| | **Total Financial Assets** | | **859,965** | **589,488** |
| (2) | **Non-financial Assets** | | | |
| (a) | Current tax asset (Net) | 8 | 11,818 | 11,767 |
| (b) | Property, Plant and Equipment | 9 | 7,989 | 7,882 |
| (c) | Right-of-use assets | 9 | 4,128 | 4,783 |
| (d) | Capital work in progress | 9 | - | 275 |
| (e) | Intangible assets under development | 10 | 8 | 227 |
| (f) | Intangible assets | 10 | 1,799 | 1,196 |
| (g) | Other non-financial assets | 11 | 3,491 | 2,755 |
| | **Total Non-Financial Assets** | | **29,233** | **28,885** |
| | **TOTAL ASSETS** | | **889,198** | **618,373** |
| | **LIABILITIES AND EQUITY** | | | |
| (1) | **LIABILITIES** | | | |
| (a) | **Financial Liabilities** | | | |
| | Payables | 12 | | |
| | (I) Trade Payables | | | |
| | - total outstanding dues of MSME | | - | - |
| | - total outstanding dues of creditors other than MSME | | 20,498 | 24,097 |
| | (II) Other Payables | | | |
| | - total outstanding dues of MSME | | 2 | - |
| | - total outstanding dues of creditors other than MSME | | 551 | 509 |
| (b) | Debt Securities | 13 | 29,798 | - |
| (c) | Borrowings | 14 | 43,420 | 3,674 |
| (d) | Lease liabilities | | 4,399 | 4,747 |
| (e) | Other financial liabilities | 15 | 12,652 | 12,568 |
| | **Total Financial Liability** | | **111,320** | **45,595** |
| (2) | **Non-Financial Liabilities** | | | |
| (a) | Deferred tax Liabilities (Net) | 16 | 98,178 | 62,997 |
| (b) | Provisions | 17 | 1,823 | 1,696 |
| (c) | Other non-financial liabilities | 18 | 8,999 | 7,466 |
| | **Total Non-Financial Liability** | | **109,000** | **72,159** |

# Consolidated Balance sheet as at 31st March, 2022

(Rs. in Lacs)

| | Particulars | Notes | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|---|
| (3) | **Equity** | | | |
| (a) | Equity Share Capital | 19 | 5,803 | 5,803 |
| (b) | Other Equity | 20 | 663,075 | 494,816 |
| | **Total Equity** | | **668,878** | **500,619** |
| | **TOTAL LIABILITIES AND EQUITY** | | **889,198** | **618,373** |
| | Significant accounting policies and notes to financial statements | 1-50 | | |
| | The accompanying notes forms an integral part of these financial statements | | | |

As per our report of even date

For **S C Ajmera & Co.**
**Chartered Accountants**
Firm Registration No.: 002908C

Sd/-
**CA S C Ajmera**
**Partner**
Membership No.: 081398

Place: Udaipur
Date: April 21, 2022

For and on behalf of Board of Directors

Sd/-
**Ashwini Kumar Tewari**
**Director**

Sd/-
**Arun Mehta**
**Managing Director & CEO**

Sd/-
**Krishnan Kutty Raghavan**
**Chief Financial Officer**

Place: Mumbai
Date: April 21, 2022

Sd/-
**Amit Shah**
**Company Secretary**

# Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

(Rs. in Lacs)

| | Particulars | Notes | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|---|---|
| (I) | **Revenue from operations** | | | |
| (i) | Interest Income | 21 | 4,142 | 3,538 |
| (ii) | Dividend Income | 22 | 5,666 | 2,640 |
| (iii) | Fees and Commission Income | 23 | 137,853 | 124,680 |
| (iv) | Net gain on fair value changes | 24 | 8,602 | 5,460 |
| | **Total Revenue from Operations** | | **156,263** | **136,318** |
| (II) | Other Income | 25 | 1,075 | 513 |
| (III) | Total Income | | **157,338** | **136,831** |
| | **Expenses** | | | |
| (i) | Finance Costs | 26 | 1,640 | 2,768 |
| (ii) | Fees and Commission expenses | 27 | 17,006 | 14,735 |
| (iii) | Employee Benefits Expenses | 28 | 41,225 | 33,304 |
| (iv) | Depreciation and Amortization | 29 | 2,970 | 2,364 |
| (v) | Others expenses | 30 | 13,558 | 11,182 |
| (IV) | **Total Expenses** | | **76,399** | **64,353** |
| (V) | **Profit before share of profit/ (loss) of associates** | | **80,939** | **72,478** |
| (VI) | Share of profit/(loss) of associates | | 1,533 | 69 |
| (VII) | **Profit before tax** | | **82,472** | **72,547** |
| (VIII) | **Tax Expense:** | | | |
| | (1) Current Tax | 39 | 18,223 | 17,768 |
| | (2) Tax expense/(credit) of earlier years | 39 | - | (86) |
| | (3) Deferred Tax | 39 | 706 | 2,155 |
| (IX) | **Profit/(loss) after tax for the year** | | **63,543** | **52,710** |
| (X) | **Other Comprehensive Income (OCI)** | | | |
| | **A) Items that will not be reclassified to profit or loss** | | | |
| | - Remeasurement of defined employee benefit plans | 34 | (95) | 4 |
| | - Realised gain on Equity instruments through OCI | | 69 | 48,433 |
| | - Unrealised gain on Equity instruments through OCI | | 149,942 | 124,334 |
| | - Income tax relating to items that will not be reclassified to Profit or Loss | 39 | (34,297) | (36,768) |
| | **Subtotal (A)** | | **115,619** | **136,003** |
| | **B) Items that will be reclassified to profit or loss** | | - | - |
| | - Income tax relating to items that will be reclassified to Profit or Loss | | - | - |
| | **Subtotal (B)** | | - | - |

# Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

(Rs. in Lacs)

| | Particulars | Notes | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|---|---|
| | **Other comprehensive Income** | | **115,619** | **136,003** |
| | | | | |
| (XI) | **Total Comprehensive Income for the year** | | **179,162** | **188,713** |
| (XII) | Earning Per Share (face value of Rs. 10 each) | | | |
| | Basic in Rs. | 31 | 109.49 | 90.83 |
| | Diluted in Rs. | 31 | 109.49 | 90.83 |
| | Significant accounting policies and notes to financial statements | 1-50 | | |
| | The accompanying notes forms an integral part of these financial statements | | | |

As per our report of even date

For **S C Ajmera & Co.**
**Chartered Accountants**
Firm Registration No.: 002908C

Sd/-
**CA S C Ajmera**
**Partner**
Membership No.: 081398

Place: Udaipur
Date: April 21, 2022

For and on behalf of Board of Directors

Sd/-
**Ashwini Kumar Tewari**
**Director**

Sd/-
**Arun Mehta**
**Managing Director & CEO**

Sd/-
**Krishnan Kutty Raghavan**
**Chief Financial Officer**

Sd/-
**Amit Shah**
**Company Secretary**

Place: Mumbai
Date: April 21, 2022

A. Equity share capital

(Rs. in Lacs)

| Particulars | No. of Shares (Lacs) | Amount |
|---|---|---|
| **Balance as at April 1, 2020** | **580** | **5,803** |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the previous reporting period | 580 | 5,803 |
| Changes in equity share capital | - | - |
| **Balance as at March 31, 2021** | **580** | **5,803** |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the previous reporting period | 580 | 5,803 |
| Changes in equity share capital | - | - |
| **Balance as at March 31, 2022** | **580** | **5,803** |

B. Other Equity

(Rs. in Lacs)

| Particulars | Reserves & Surplus | | | | Other Comprehensive Income | | | Total other equity attributable to equity holders of the Company |
|---|---|---|---|---|---|---|---|---|
| | General Reserve | Capital Redemption Reserve | Security premium reserve | Retained earnings | Foreign Currency Translation Reserve | Equity instruments through other comprehensive income | Other items of Other comprehensive income | |
| **Balance as at April 1, 2020** | **45,590** | **94** | **6,347** | **188,782** | **323** | **78,551** | **(188)** | **319,500** |
| Changes in accounting policy or prior year errors | - | - | - | - | - | - | - | - |
| **Restated balance at the beginning of the previous reporting year** | **45,590** | **94** | **6,347** | **188,782** | **323** | **78,551** | **(188)** | **319,500** |
| Profit for the year | - | - | - | 52,710 | - | - | - | 52,710 |
| Remeasurement of defined employee benefit plans (net of taxes) | - | - | - | - | - | - | (1) | (1) |
| Realised gain on Equity instruments through OCI (net of taxes) | | | | | | 40,099 | | 40,099 |
| Unrealised gain on Equity instruments through OCI (net of taxes) | - | - | - | - | | 95,905 | - | 95,905 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **52,710** | **-** | **136,004** | **(1)** | **188,713** |
| Dividends paid | | | | (11,607) | | | | (11,607) |
| Transition Impact of Ind AS 115 | | | | (1,951) | | | | (1,951) |
| Inter-Reserve Transfer | 130 | - | - | (130) | - | | - | - |

# Consolidated Statement of changes in equity as at 31st March 2022

(Rs. in Lacs)

| Particulars | Reserves & Surplus | | | | Other Comprehensive Income | | | Total other equity attributable to equity holders of the Company |
|---|---|---|---|---|---|---|---|---|
| | General Reserve | Capital Redemption Reserve | Security premium reserve | Retained earnings | Foreign Currency Translation Reserve | Equity instruments through other comprehensive income | Other items of Other comprehensive income | |
| Other Movements | - | - | - | 40,042 | 161 | (40,042) | - | 161 |
| **Balance as at March 31, 2021** | **45,720** | **94** | **6,347** | **267,847** | **484** | **174,513** | **(188)** | **494,816** |
| Changes in accounting policy or prior year errors | - | - | - | - | - | - | - | - |
| **Restated balance at the beginning of the previous reporting year** | **45,720** | **94** | **6,347** | **267,847** | **484** | **174,513** | **(188)** | **494,816** |
| Profit/additions for the year | - | - | - | 63,543 | - | - | - | 63,543 |
| Remeasurement of defined employee benefit plans (net of taxes) | | | | | | | (59) | (59) |
| Realised gain on Equity instruments through OCI (net of taxes) | - | - | - | - | - | 60 | - | 60 |
| Unrealised gain on Equity instruments through OCI (net of taxes) | - | - | - | - | - | 115,617 | - | 115,617 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **63,543** | **-** | **115,678** | **(59)** | **179,161** |
| Dividends paid | - | - | - | (11,607) | - | | - | (11,607) |
| Transition Impact of Ind AS 115 | | | | 525 | | | | 525 |
| Inter-Reserve Transfer | 157 | - | - | (157) | - | - | - | - |
| Other Movements | - | - | - | 60 | 179 | (60) | - | 179 |
| **Balance as at March 31, 2022** | **45,877** | **94** | **6,347** | **320,211** | **663** | **290,130** | **(247)** | **663,075** |

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

As per our report of even date

For **S C Ajmera & Co.**
**Chartered Accountants**
Firm Registration No.: 002908C

Sd/-
**CA S C Ajmera**
**Partner**
Membership No.: 081398

Place: Udaipur
Date: April 21, 2022

For and on behalf of Board of Directors

Sd/-
**Ashwini Kumar Tewari**
**Director**

Sd/-
**Arun Mehta**
**Managing Director & CEO**

Sd/-
**Krishnan Kutty Raghavan**
**Chief Financial Officer**

Place: Mumbai
Date: April 21, 2022

Sd/-
**Amit Shah**
**Company Secretary**

# Consolidated Cash Flow Statement for the year ended 31st March, 2022

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-21 | Year ended 31-Mar-20 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| **Net profit before taxation** | **80,939** | **72,478** |
| Adjustments for - | | |
| Fair valuation gain/loss on FVTPL Financial Instrument | (2,956) | (2,385) |
| Unwinding of Interest on fair valuation of security deposit | (14) | (21) |
| Provision for (written back)/doubtful debts | (359) | (2,300) |
| Provision for expected credit loss on cash and cash equivalents | - | 4 |
| Depreciation and amortisation expenses | 2,283 | 1,791 |
| Depreciation on Right of use assets | 687 | 573 |
| (Profit) / Loss on sale of Property, plant and equipment (net) | - | 32 |
| Interest income on investments | (748) | (714) |
| Interest income on fixed deposit with Banks | (2,577) | (2,311) |
| Interest on income Tax refund | (51) | (17) |
| Interest on delayed payment charges | - | (66) |
| Dividend income | (5,666) | (2,640) |
| Interest expenses | 1,064 | 2,338 |
| Interest expense on contract liabilities | 234 | 180 |
| Interest on lease liability | 341 | 249 |
| Increase in Foreign Currency Translation Reserve | 179 | 161 |
| (Decrease)/increase in provision for gratuity | (39) | 254 |
| (Decrease)/increase in Provision for compensated absences | 7 | 159 |
| **Operating profit before working capital changes** | **73,324** | **67,766** |
| | | |
| Decrease /(increase) in trade receivables | (43,282) | (20,297) |
| Decrease /(increase) in other cash and bank balances | (16,849) | (17,736) |
| Decrease /(increase) financial asset | 216 | 2,031 |
| Decrease /(increase) other non-financial assets | (736) | (920) |
| Decrease /(increase) securities for trade | 1,280 | (67,554) |
| (Decrease)/increase payables | (3,554) | 8,949 |
| (Decrease)/increase other financial liabilities | 84 | 2,973 |
| (Decrease)/increase non-financial liabilities | 1,533 | 553 |
| **Cash generated from operations** | **12,016** | **(24,236)** |
| | | |
| Income tax paid | (18,273) | (25,467) |
| | | |
| **I. Net cash from operating activities** | **(6,257)** | **(49,703)** |
| | | |
| **Cash flow from investing activities:** | | |
| Purchase of fixed assets | (2,518) | (2,944) |
| Sale of fixed assets | 34 | 33 |
| Interest received | 3,376 | 3,091 |
| Dividend income | 5,666 | 2,640 |
| Purchase of investments | (21,733) | (142,800) |
| Acquisition of Shares of Associates | (5,499) | - |
| Sale of investments | 6,195 | 193,819 |

# Consolidated Cash Flow Statement for the year ended 31st March, 2022

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-21 | Year ended 31-Mar-20 |
|---|---|---|
| **II. Net cash from investing activities** | **(14,479)** | **53,838** |
| **Cash flow from financing activities:** | | |
| Repayment of bank borrowing | 69,544 | (3,225) |
| Bank borrowing availed | - | - |
| Repayment of lease liabilities | (689) | (716) |
| Interest expenses | (1,064) | (2,338) |
| Dividend Paid | (11,607) | (11,607) |
| **III. Net cash used in financing activities** | **56,184** | **(17,886)** |
| **Net change in cash & cash equivalents (I+II+III)** | **35,448** | **(13,750)** |
| Cash & cash equivalents at the beginning of the year | 35,191 | 48,941 |
| Cash & cash equivalents at the end of the year | 70,639 | 35,191 |

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

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-21 | Year ended 31-Mar-20 |
|---|---|---|
| Cash on hand | - | - |
| Balances with scheduled banks (current & deposit accounts) | 48,289 | 17,124 |
| Deposit with maturity of less than 3 months | 6,119 | 13,146 |
| Fixed deposit with banks | 16,231 | 4,921 |
| **Total Cash and Cash Equivalents** | **70,639** | **35,191** |
| (Excludes lien marked as deposits with scheduled banks and current account balance in escrow account) | 52,321 | 35,472 |

**Note:**

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

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

As per our report of even date

For **S C Ajmera & Co.**
**Chartered Accountants**
Firm Registration No.: 002908C

Sd/-
**CA S C Ajmera**
**Partner**
Membership No.: 081398

Place: Udaipur
Date: April 21, 2022

For and on behalf of Board of Directors

Sd/-
**Ashwini Kumar Tewari**
**Director**

Sd/-
**Arun Mehta**
**Managing Director & CEO**

Sd/-
**Krishnan Kutty Raghavan**
**Chief Financial Officer**

Sd/-
**Amit Shah**
**Company Secretary**

Place: Mumbai
Date: April 21, 2022

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

## 1. Corporate Information

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

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

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

## 2. Significant Accounting Policies

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

### i. Basis of Preparation

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

Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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

The Consolidated financial statements for the year ended March 31, 2022 are being authorized for issue in accordance with a resolution of the director's on April 21, 2022.

### ii. Basis of Consolidation

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

#### a. Subsidiaries

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

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

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

#### b. Associates

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

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

c. **Principles of Consolidation:**

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

iii. **Use of Estimates**

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

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

iv. **Revenue recognition**

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

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

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

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

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

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

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

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

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

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

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

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

a. **Sale of Services Fee based Income**

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

b. **Interest Income**

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

c. **Sale of Securities**

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

d. **Dividend Income**

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

v. **Property, Plant and Equipment**

**Measurement at Recognition:**

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

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

**Depreciation:**

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

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

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

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

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

**Capital work-in-progress and capital advances:**

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

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

**Derecognition:**

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

**vi. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

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

**Amortisation:**

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

**vii. Financial Instruments**

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

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

For subsequent measurement, financial assets are categorized into:

a. **Amortised cost:**

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

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

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

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

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

- **Level -1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level - 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. In case of unquoted debt instruments, valuation would be done in accordance with the valuation guidelines issued by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

- **Level - 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

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

**Impairment of financial assets**

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

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

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

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

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

**De-recognition**

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

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

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

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

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

**Loans and borrowings**

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

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

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

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

**viii. Taxation**

Income tax expense comprise current and deferred tax incurred by The group.

**Current Tax:**

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

**Deferred taxes**

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

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

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

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

**ix. Impairment of Non-Financial Assets**

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets recoverable amount. An asset's recoverable amount is the higher of cash generating unit's ("CGU") fair value less costs of disposal and its value in use. The carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

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

**x. Leases**

**Group as a Lessee:**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

i. the contract involves the use of an identified asset

ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Group has the right to direct the use of the asset.

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

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

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

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

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

**Group as a Lessor:**

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

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

**xi. Borrowing Costs**

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

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

**xii. Equity Instruments**

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

**Dividend Provision**

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

**xiii. Provisions**

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

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

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

**xiv. Contingent Liabilities and Assets**

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

Contingent assets are neither recognized nor disclosed.

### xv. Cash and Cash Equivalents

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

### xvi. Employee Benefits

**Gratuity:**

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

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

As required by the Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

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

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

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

**Provident Fund:**

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

**Compensated absence:**

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

### xvii. Segment Reporting

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

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

### xviii. Foreign Exchange Transactions

The functional currency and the presentation currency of the Group is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets

and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the period in which they arise.

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

**xix. Earnings Per Share**

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

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

**xx. Critical Accounting Judgements and Estimates**

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

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

- **Defined benefit plans**

  The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

  Further details about gratuity obligations are given in Note 34.

- **Fair value measurement of financial instruments**

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

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

## 3. Cash and Bank Balances

(Rs. in Lacs)

| | Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|
| (a) | **Cash and Cash equivalents** | | |
| | Cash on hand | - | - |
| | **Balances with Scheduled banks** | | |
| | - In current accounts | 48,289 | 17,128 |
| | **Deposit Accounts** | | |
| | Deposit with maturity of less than 3 months | 6,119 | 13,146 |
| | Impairment loss on cash and equivalents | - | (4) |
| | **Total** | **54,408** | **30,270** |
| (b) | **Other bank balances** | | |
| | **Balances with Scheduled banks** | | |
| | - In current accounts-Escrow Accounts | 173 | 476 |
| | **Deposit Accounts** | | |
| | Deposit with original maturity Less than 12 months | 64,693 | 39,917 |
| | Deposit with original maturity more than 12 months | 3,685 | - |
| | **Total** | **68,551** | **40,393** |

3.1 There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

3.2 Fixed deposit amounting to Rs. 52,073 lacs (2021: Rs. 34,997 lacs) kept as collateral security deposit with Bank towards guarantees issued by bank's, Stock Exchanges and with regulatory authorities such as PFRDA and UIDAI.

4. Securities for trade

(Rs. in Lacs)

| | Particulars | As at 31-Mar-2022 | | As at 31-Mar-2021 | |
|---|---|---|---|---|---|
| | | Units | Amount | Units | Amount |
| A. | **At fair value through profit or loss** | | | | |
| (i) | **Debt securities - Bonds** | | | | |
| | 6.80% Canfin Homes 39 months | 2,000 | 20,000 | - | - |
| | 6.85% Canfin Homes 39 months | 250 | 2,500 | | |
| | **Subtotal** | | **22,500** | | **-** |
| (ii) | **Preference shares (unquoted) fully paid up** | | | | |
| | 0.0001% preference shares of Pasupati Fabrics Ltd. of Rs.10/- each | 140,000 | - | 140,000 | - |
| | **Subtotal** | | **-** | | **-** |
| (iii) | **Equity Instruments (unquoted)- fully paid up** | | | | |
| | Cremica Agro Foods Limited, face value Rs.10/- each, fully paid up | 46,200 | 9 | 46,200 | 9 |
| | **Subtotal** | | **9** | | **9** |
| (iv) | **Mutual Funds (unquoted)** | | | | |
| | - Arbitrage Funds | | 9,225 | | - |
| | - Money market funds | | - | | 63,284 |
| | - Liquid funds | | 117,233 | | 86,953 |
| | **Subtotal** | | **126,458** | | **150,237** |
| | **Total (A) Gross** | | **148,967** | | **150,246** |

## 5. Receivables

(Rs. in Lacs)

| | Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|
| (a) | **Trade Receivables** | | |
| | i) Receivables- Secured | 4,273 | 4,004 |
| | ii) Receivables- Unsecured, Considered good | 88,460 | 45,624 |
| | iii) Receivables which have significant increase in credit risk | 615 | 869 |
| | iv) Receivables credit impaired | 2,960 | 2,777 |
| | **Total (A)** | **96,308** | **53,274** |
| | Less: Allowance for expected credit loss | | |
| | i) Allowance for expected credit loss-Considered good-secured | - | - |
| | ii) Allowance for expected credit loss-Considered good-unsecured | 1,805 | 2,458 |
| | iii) Allowance for expected credit loss which have significant increase in credit risk | 615 | 869 |
| | iv) Allowance for expected credit loss - credit impaired | 2,960 | 2,594 |
| | **Total (B)** | **5,380** | **5,921** |
| | **Total (A+B)** | **90,928** | **47,353** |

**Trade receivables aging schedule:**

**Trade receivables aging schedule as at 31 March 2022:**

| | Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| | i) Undisputed Trade receivables - considered good | 91,257 | 584 | 240 | 360 | 292 | 92,733 |
| | ii) Undisputed Trade Receivables - which have significant increase in credit risk | 9 | 7 | 153 | 258 | 187 | 615 |
| | iii) Undisputed Trade Receivables - credit impaired | - | 822 | 681 | 125 | 1,333 | 2,960 |
| | iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| | v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| | vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| | **Total** | **91,266** | **1,413** | **1,074** | **743** | **1,812** | **96,308** |

**Trade receivables aging schedule as at 31 March 2021:**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| i) Undisputed Trade receivables - considered good | 46,206 | 1,034 | 1,075 | 932 | 381 | 49,628 |
| ii) Undisputed Trade Receivables - which have significant increase in credit risk | 181 | 29 | 391 | 86 | 182 | 869 |
| iii) Undisputed Trade Receivables - credit impaired | 299 | 7 | 1,228 | - | 1,243 | 2,777 |
| iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| **Total** | **46,686** | **1,070** | **2,695** | **1,018** | **1,806** | **53,274** |

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| (b) **Other Receivables** | | |
| (i) Receivables- Unsecured, Considered good | 132 | 67 |
| (ii) Receivables which have significant increase in credit risk | - | - |
| (iii) Receivables credit impaired | 90 | - |
| **Total (A)** | **222** | **67** |
| Less: Allowance for expected credit loss | | |
| (i) Allowance for expected credit loss- Considered good-unsecured | - | 1 |
| (ii) Allowance for expected credit loss which have significant increase in credit risk | - | - |
| (iii) Allowance for expected credit loss - credit impaired | 90 | - |
| **Total (B)** | **90** | **1** |
| **Total (A+B)** | **132** | **66** |

**5.1 Movements in allowance for expected credit loss:**

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Balance at the beginning of the year | 5,922 | 8,221 |
| Add/(Less): Allowance for the year | (359) | (2,299) |
| Add/(Less): Elimination Adjustments for the year | (93) | - |
| **Total** | **5,470** | **5,922** |

### 5.2 Receivables from Related parties

(Rs. in Lacs)

| | Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|
| | Trade Receivables | 19,366 | 17,797 |
| | Other Receivables | 31 | 50 |
| | **Total** | **19,397** | **17,847** |

## 6. Investments

(Rs. in Lacs)

| | Particulars | As at | | | |
|---|---|---|---|---|---|
| | | 31-Mar-2022 | | 31-Mar-2021 | |
| | | Units | Amount | Units | Amount |
| | **Non-Current** | | | | |
| I | **Investments carried at fair value through statement of other comprehensive income (FVOCI)** | | | | |
| | **(a) Investment in Equity instruments - Quoted** | | | | |
| | Yes Bank Limited, face value of Rs.2 each, fully paid up | - | - | 9,401,256 | 1,467 |
| | **Subtotal** | | **-** | | **1,467** |
| | **(b) Investment in Equity instruments - Unquoted** | | | | |
| | National Stock Exchange of India Limited, face value of Rs.1 each, fully paid up | 21,450,000 | 431,059 | 21,450,000 | 277,005 |
| | OTC Exchange of India Limited, face value of Rs. 10 each, fully paid up | 1,100,000 | *- | 1,100,000 | *- |
| | Investor Services India Limited, face value of Rs. 10 each, fully paid up (company under voluntary liquidation) | 535,768 | - | 535,768 | - |
| | India SME Technology Services Limited, face value of Rs. 10 each, fully paid up (company under voluntary liquidation) | 22,000 | 28 | 22,000 | 32 |
| | ONGC Mittal Energy Limited, face value USD 1 each, fully paid up | 1,000,000 | - | 1,000,000 | - |
| | Receivable Exchange of India Limited face value Rs. 10 each, fully paid up | 3,050,000 | 323 | 3,050,000 | 321 |
| | SBI Home Finance Limited, face value of Rs. 10 each, per share (Company under liquidation) | 1,032,500 | - | 1,032,500 | - |
| | **Subtotal** | | **431,410** | | **277,358** |
| | **(c) Investment in Equity Instruments - Parents Subsidiaries (unquoted)** | | | | |
| | SBI DFHI Limited, face value of Rs. 100 each, fully paid up | 595,295 | 4,116 | 595,295 | 7,889 |
| | State Bank of India Servicos Limitada Brazil* | 1 | - | 1 | - |
| | SBI Foundation Limited, face value of Rs. 10 each, fully paid up | 4,002 | 3.27 | 4,002 | 1 |
| | **Subtotal** | | **4,119** | | **7,890** |
| | **Total** | | **435,529** | | **286,715** |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

(Rs. in Lacs)

| | Particulars | As at | | | |
|---|---|---|---|---|---|
| | | 31-Mar-2022 | | 31-Mar-2021 | |
| | | Units | Amount | Units | Amount |
| II | **Investments carried at cost** | | | | |
| | **(a) Investment in Equity Instruments - Associates (unquoted)** | | | | |
| | SBI Pension Funds Pvt. Ltd. of Rs. 10 each (Percentage holding in the Company is 20%) | 6,000,000 | 1,922 | 6,000,000 | 882 |
| | Investec Capital Services (India) Private Limited, face value of Rs. 10 each, fully paid up | 472,820 | 5,992 | - | - |
| | **Total** | | **7,914** | | **882** |
| III | **Investments carried at fair value through Fair Value through Profit and Loss (FVTPL)** | | | | |
| | **(a) Investments in AIF units - unquoted** | | 15,852 | | 10,217 |
| | **Subtotal** | | **15,852** | | **10,217** |
| | **(b) Investments in Mutual funds - Unquoted** | | | | |
| | - Fixed Maturity plans | | 20,660 | | 3,077 |
| | - Debt funds | | 5,762 | | 8,706 |
| | - Liquid funds | | 1,676 | | 514 |
| | **Subtotal** | | **28,098** | | **12,297** |
| | **Total** | | **43,950** | | **22,514** |
| IV | **Investment carried at amortised cost** | | | | |
| | Investments in debentures or bonds - Quoted | | | | |
| | 8.20% bonds of National Highway Authority of India Ltd. of Rs. 1,000 each | | - | 54,876 | 549 |
| | 8.20% Power Finance Corporation Ltd. of Rs. 1,000 each | | - | 71,197 | 712 |
| | 8.10% bonds of India Railways Finance Corporation Ltd. of Rs. 1,000 each | 304,510 | 3,045 | 304,510 | 3,045 |
| | 7.38% Rural Electrification Corporation Ltd. of Rs. 1,000 each | 100,000 | 1,000 | 100,000 | 1,000 |
| | 7.34% Indian Railways Finance Corporation Ltd. of Rs. 1,000 each | 100,000 | 1,000 | 100,000 | 1,000 |
| | 8.63% Rural Electrification Corporation Ltd. of Rs. 1,000 each | 100,000 | 1,000 | 100,000 | 1,000 |
| | 8.55% India Infrastructure Finance Company Ltd. of Rs. 1,000 each | 100,000 | 1,000 | 100,000 | 1,000 |

| Particulars | As at | | | |
|---|---|---|---|---|
| | 31-Mar-2022 | | 31-Mar-2021 | |
| | Units | Amount | Units | Amount |
| 8.01% India Infrastructure Finance Company Ltd. of Rs. 1,000 each | 15,000 | 150 | 15,000 | 150 |
| **Total** | | **7,195** | | **8,456** |
| **Total Investment** | | **494,588** | | **318,567** |

*Fully provided for.

### 6.1 Category wise Investments

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Financial Assets** | | |
| - Amortised Cost | 7,195 | 8,456 |
| - Cost | 7,914 | 882 |
| - Fair value through other comprehensive income | 435,529 | 286,715 |
| - Fair value through profit or loss | 43,950 | 22,514 |
| **Total** | **494,588** | **318,567** |

**6.2** During the year, the Company has acquired 19.70% stake through acquisition of shares of Investec Capital Services (India) Private Limited (Investee) at Rs. 5500 lacs. The Investment agreement between the Company and the Investee Company gives rights and powers to the Company to exercise significant influence over the Invesee Company. The Company intends to jointly undertake business of Equity Capital Markets with the Investee Company. The Company has treated Investee Company as Associate in line with Ind AS 28 Investments in Associates and Joint Ventures.

Details of Purchase consideration, the net assets acquired and goodwill are as follows:

(Rs. in Lacs)

| Purchase consideration paid to Investec Capital Services (India) Private Limited | 31-Mar-21 |
|---|---|
| Cash paid | 5,500 |
| The net assets acquired | 2,883 |
| Goodwill acquired and included in value of Investments | **2,617** |

### 6.3 Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Cash Generating Unit (CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment.

Goodwill of Rs. 2617 Lacs (Previous year Nil), relating to Investment in associate of M/s Investec Capital Services (India) Private Limited has been evaluated based on the cash flow forecasts and recoverable amount of this Investment in Associate.

### 6.4 Break up of Investments

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Investments in India | 494,588 | 318,567 |
| Investments outside India | - | - |
| | **494,588** | **318,567** |

### 7. Other financial assets

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Unsecured, Considered good** | | |
| **Deposits** | | |
| - Security deposits for leased premises | 794 | 624 |
| - Deposits with stock exchanges/clearing house | 428 | 575 |
| - Other deposits | 195 | 59 |
| - Less: Provision for expected credit loss | (54) | (54) |
| Loans to employees | 62 | 35 |
| Accured interest | 954 | 1,177 |
| Accrued income from services | 9 | 175 |
| Other Advances | 3 | 2 |
| **Total** | **2,391** | **2,593** |

### 8. Income Tax Asset (Net)

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Advance tax and TDS (Net of provision for tax of Rs. 2,07,567 Lacs (2021: Rs.1,90,223 Lacs) | 11,818 | 11,767 |
| **Total** | **11,818** | **11,767** |

## 9. Property Plant and equipment

(Rs. in Lacs)

| | Particulars | Buildings | Plant & Machinery | Office Equipment | Furniture & Fixtures | Vehicles | Computers | Lease hold Improvement | Total | Right to Use Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| A. | **Gross carrying amount** | | | | | | | | | |
| | **Opening balance as at April 1, 2020** | **9,517** | **4,020** | **1,014** | **1,165** | **48** | **6,624** | **100** | **22,488** | **798** |
| | Additions | - | - | 74 | 12 | - | 1,219 | - | 1,305 | 4,880 |
| | Disposals | - | - | 116 | 146 | - | 280 | 61 | 603 | 282 |
| | **Balance as at March 31, 2021** | **9,517** | **4,020** | **972** | **1,031** | **48** | **7,563** | **39** | **23,190** | **5,396** |
| | Additions | - | - | 223 | 74 | - | 1,050 | 267 | 1,614 | 32 |
| | Disposals | - | - | 75 | 35 | - | 2,481 | - | 2,591 | - |
| | **Balance as at March 31, 2022** | **9,517** | **4,020** | **1,120** | **1,070** | **48** | **6,132** | **306** | **22,213** | **5,428** |
| B. | **Accumulated depreciation** | | | | | | | | | |
| | **Opening balance as at April 1, 2020** | **2,953** | **4,020** | **943** | **1,058** | **23** | **5,378** | **100** | **14,475** | **219** |
| | Depreciation charge for the year | 328 | - | 58 | 41 | 11 | 934 | - | 1,372 | 573 |
| | Disposals | - | - | 109 | 112 | - | 257 | 61 | 539 | 179 |
| | **Balance as at March 31, 2021** | **3,281** | **4,020** | **892** | **987** | **34** | **6,055** | **39** | **15,308** | **613** |
| | Depreciation charge for the year | 311 | | 95 | 30 | 6 | 945 | 86 | 1,473 | 687 |
| | Disposals | | | 70 | 35 | - | 2,452 | - | 2,557 | |
| | **Balance as at March 31, 2022** | **3,592** | **4,020** | **917** | **982** | **40** | **4,548** | **125** | **14,224** | **1,300** |
| C. | **Net carrying value** | | | | | | | | | |
| | Net carrying amount as at March 31, 2022 | 5,925 | - | 203 | 88 | 8 | 1,584 | 181 | 7,989 | 4,128 |
| | Net carrying amount as at March 31, 2021 | 6,236 | - | 80 | 43 | 14 | 1,508 | - | 7,882 | 4,783 |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

## 9.1 Capital Work in Progress

### Ageing Schedule as on March 31, 2022:

(Rs. in Lacs)

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in Progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

### Ageing Schedule as on March 31, 2021:

(Rs. in Lacs)

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in Progress | 269 | 6 | - | - | 275 |
| Projects temporarily suspended | - | - | - | - | - |

## 10. Intangible Assets

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Computer Software** | | |
| Opening gross carrying amount | 4,349 | 5,330 |
| Additions | 1,413 | 1,143 |
| Disposals | 1,541 | 2,124 |
| **Closing gross carrying amount** | **4,221** | **4,349** |
| **Accumulated amortisation** | | |
| Opening accumulated amortisation | 3,153 | 4,858 |
| Amortisation for the year | 810 | 419 |
| Disposals | 1,541 | 2,124 |
| **Closing accumulated amortisation** | **2,422** | **3,153** |
| **Total** | **1,799** | **1,196** |

## 10.1 Intangible Assets under Development

### Ageing Schedule as on March 31, 2022:

| Intangible Assets under Development | Amount in Intangible Assets under Development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in Progress | 8 | - | - | - | 8 |
| Projects temporarily suspended | - | - | - | - | - |

### Ageing Schedule as on March 31, 2021:

| Intangible Assets under Development | Amount in Intangible Assets under Development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in Progress | 227 | - | - | - | 227 |
| Projects temporarily suspended | - | - | - | - | - |

## 11. Other non-financial assets

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Deposit with Service tax authorities | 32 | - |
| Advances for expenses | 678 | 413 |
| Capital Advances | 13 | 359 |
| Prepaid expenses | 901 | 457 |
| Expenses recoverable from clients | 355 | 143 |
| Less: Expected credit loss on above | (1) | - |
| GST Credit | 1,471 | 1,342 |
| Other advances | 42 | 41 |
| **Total** | **3,491** | **2,755** |

## 12. Payables

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| (I) Trade Payables | | |
| - total outstanding dues of micro enterprises and small enterprises | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 20,498 | 24,097 |
| **Total (I)** | **20,498** | **24,097** |

**Trade payable ageing schedule as at 31 March 2022:**

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i) MSME - undisputed | - | - | - | - | - |
| ii) Others - undisputed | 20,392 | 106 | - | - | 20,498 |
| iii) Disputed dues - MSME | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - |
| **Total** | **20,392** | **106** | **-** | **-** | **20,498** |

**Trade payable ageing schedule as at 31 March 2021:**

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i) MSME - undisputed | - | - | - | - | - |
| ii) Others - undisputed | 24,097 | - | - | - | 24,097 |
| iii) Disputed dues - MSME | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - |
| **Total** | **24,097** | **-** | **-** | **-** | **24,097** |

(ii) Other Payables

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| - total outstanding dues of micro enterprises and small enterprises | 2 | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 551 | 509 |
| **Total (ii)** | **553** | **509** |

## 13. Debt Securities

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Unsecured** | | |
| **At amortised cost** | | |
| - From Commercial Papers | 29,798 | - |
| **Total** | **29,798** | **-** |

## 13.1 Debt securities within and outside india

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| - Within India | 29,798 | - |
| - Outside India | - | - |
| **Total** | **29,798** | **-** |

## 13.2 Other terms and conditions of Debt Securities

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| - Tenure | 90 days | - |
| - Rate of interest | 4.39% to 4.50% | - |
| - Repayment schedule | At maturity | - |

## 13.3 Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015:

During the year ended March 31, 2022, Wholly owned Subsidiary of the group namely SBICAP Securities Limited (Issuing Company) issued Commercial paper for Rs.30,000 Lacs (2021: Rs. Nil).

### a) Details of Credit Rating of Issuing Company:

Rating agencies CRISIL and ICRA have assigned a rating of CRISIL A1+ and ICRA A1+ respectively, for Rs.1,000 Crores Commercial paper programme of the Issuing Company of the group.

| Instrument Category | | |
|---|---|---|
| Commercial Papers Programme | CRISIL | ICRA |
| Ratings | A1+ | A1+ |
| Amount | 1000 | 1000 |

**b. Key Financial Information of Issuing Company:**

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Debt Equity Ratio *(in Times) | 0.92 | 0.06 |
| Debt Service Coverage Ratio **(in Times) | 0.44 | 7.60 |
| Interest Services Coverage Ratio ***(in Times) | 33.68 | 140.80 |
| Net Worth ****(in Lacs) | 79,998 | 56,704 |
| Net Profit after tax (in Lacs) | 23,307 | 20,712 |
| Earnings per share (Diluted) (Face Value ₹ 10/- per share) | 24.05 | 21.38 |
| Current Ratio | 1.79 | 2.63 |
| Long term debt to Working Capital | NA | NA |
| Bad debt to Account Receivables | 0.00 | 0.01 |
| Current Liability | 0.54 | 0.36 |
| Total Debt to total asset | 0.39 | 0.04 |
| Debtors Turnover | 1.08 | 0.64 |
| Operating Margin | 37.55% | 41.19% |
| Net Profit Margin | 28.04% | 30.78% |
| Asset cover available, in case of non-convertible debt securities | NA | NA |
| Outstanding redeemable preference shares | NA | NA |
| Capital redemption / Debenture redemption reserve | NA | NA |

*Debt Equity Ratio = Debt (Borrowings + Accrued Interest) / Equity (Equity share capital + Other Equity)

**Debt Service Coverage Ratio = Profit before interest and tax / (Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases) + Principal Repayments)

***Interest Service Coverage Ratio = Profit before interest and tax / Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases)

****Net Worth = Equity + Other Equity

**C. Details of previous due date, next due date for the payment of interest and repayment of commercial papers:**

(Rs in Lacs)

| Commercial Papers - Date of issue | Redemption amount | Previous due date | Whether paid or not | Next due date |
|---|---|---|---|---|
| 28-Jan-22 | 10,000 | NA | NA | 28-Apr-22 |
| 10-Mar-22 | 20,000 | NA | NA | 9-Jun-22 |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

## 14. Borrowings

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Current** | | |
| **Unsecured, Payable on demand** | | |
| Working capital loan from SBI | 43,420 | 3,674 |
| **Total** | **43,420** | **3,674** |

**14.1** Bank Overdraft amounting to Rs. 25,420 lacs drawn from State Bank of India carries interest rate of 3.40% per annum. (Previous Year 7.15% per annum) secured by Fixed deposit of the group. Bank Overdraft amounting to Rs. 18,000 lacs drawn from Indusind Bank carries interest rate of 6.75% per annum. (Previous Year Nil per annum) secured by Fixed deposit of the group.

## 15. Other Financial Liabilities

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Incentive payable | 3,339 | 4,018 |
| Payable for Capital Expenditure | 9 | 1 |
| Payable in respect of employees | 4,594 | 4,047 |
| Payable for expenses | 4,502 | 3,906 |
| Trust Settlement Fees | 23 | 1 |
| Retention money for Capital expenditure | 13 | 15 |
| **Deposits** | | |
| - Lease deposits | 35 | 35 |
| - Other deposits | 133 | 87 |
| Other Liabilities | 4 | 458 |
| **Total** | **12,652** | **12,568** |

## 16. Deferred Tax Liability/ (Asset)

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Deferred Tax Liability (Refer note no. 39) | 98,178 | 62,997 |
| **Total** | **98,178** | **62,997** |

## 17. Provisions

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Provision for compensated absences | 1,358 | 1,365 |
| Provision for gratuity | 465 | 331 |
| **Total** | **1,823** | **1,696** |

## 18. Other Non-financial Liabilities

(Rs in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Current** | | |
| Income received in advance | 220 | 44 |
| Statutory Liabilities | 4,419 | 2,907 |
| Contract Liabilities | 4,287 | 4,515 |
| Other non-financial liabilities | 73 | - |
| **Total** | **8,999** | **7,466** |

## 19. Equity Share Capital

(Rs in Lacs)

| | Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|
| A. | **Authorised** | | |
| | 10,00,000 Preference Shares of Rs.100 each | 1,000 | 1,000 |
| | 10,00,00,000 Equity Shares of Rs.10 each | 10,000 | 10,000 |
| | **Total** | **11,000** | **11,000** |
| B. | **Issued, subscribed and fully paid- up** | | |
| | 5,80,33,711 Equity Shares of Rs.10 each, fully paid | 5,803 | 5,803 |
| | **Total issued, subscribed and Fully paid-up share capital** | **5,803** | **5,803** |

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

(Rs in Lacs)

| Equity Shares | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the year | 58,033,711 | 5,803 | 58,033,711 | 5,803 |
| At the end of the year | 58,033,711 | 5,803 | 58,033,711 | 5,803 |

### D. Terms/rights attached to equity shares

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

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

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

E. **Pattern of shareholding**

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

| Shareholder | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| State Bank of India & Its nominees | 58,033,711 | 100% | 58,033,711 | 100% |
| **Total** | **58,033,711** | **100%** | **58,033,711** | **100%** |

F. **Other details of equity shares for a period of five years immediately preceding March 31, 2022:**

| Particulars | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| Aggregate no of shares allotted as fully paid up pursuant to contracts without payment being received in cash | - | - | - | - | - |
| Aggregate no of shares allotted as fully paid bonus shares | - | - | - | - | - |
| Aggregate no of shares bought back | - | - | - | - | - |

G. **Capital Management:**

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

H. **Details of shares held by promoters:**

**As at March 31, 2022:**

| Name of Promoter | No. of Shares | % of Total Shares | % change during the year |
|---|---|---|---|
| State Bank of India | 58,033,711 | 100% | - |

**As at March 31, 2021:**

| Name of Promoter | No. of Shares | % of Total Shares | % change during the year |
|---|---|---|---|
| State Bank of India | 58,033,711 | 100% | - |

## 20. Other Equity

(Rs in Lacs)

| | Reserves & Surplus | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|
| A | **General Reserve** | | |
| | Balance as per the last financial statements | 45,720 | 45,590 |
| | Add: addition during the year | 157 | 130 |
| | **Closing Balance** | **45,877** | **45,720** |
| B | **Securities Premium Account** | | |
| | Balance as per the last financial statements | 6,347 | 6,347 |
| | Add: addition during the year | - | - |
| | **Closing Balance** | **6,347** | **6,347** |
| C | **Capital Redemption Reserve** | | |
| | Balance as per the last financial statements | 94 | 94 |
| | Add: addition during the year | - | - |
| | **Closing Balance** | **94** | **94** |
| D | **Foreign Currency Translation Reserve** | | |
| | Balance as per the last financial statements | 484 | 323.29 |
| | Add: addition during the year | 179 | 161.13 |
| | Less: Transferred to Retained Earnings | - | - |
| | **Closing Balance** | **663** | **484.42** |
| E | **Retained Earnings** | | |
| | Balance as per the last financial statements | 267,847 | 188,782 |
| | Profit for the year | 63,543 | 52,710 |
| | Add: Realised gain on Equity instruments through OCI transferred to Retained Earnings | 60 | 40,042 |
| | Add/Less: Appropriations/ Adjustments | | |
| | - Interim dividend | (11,607) | (11,607) |
| | - Transfer to general reserve | (157) | (130) |
| | - Transition Impact of Ind AS 115 | 525 | (1,951) |
| | **Closing Balance** | **320,211** | **267,847** |
| F | **Other Comprehensive Income (OCI)** | | |
| | Balance as per the last financial statements | 174,324 | 78,364 |
| | Add: addition during the year | 115,619 | 136,003 |
| | Less: Transferred to Retained earnings | (60) | (40,043) |
| | **Closing Balance** | **289,883** | **174,324** |
| | **Total** | **663,075** | **494,816** |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

## 21. Interest Income

(Rs. in Lacs)

| | Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|---|
| A. | **Interest income on financial assets measured at amortised cost:** | | |
| | - Investments | 663 | 682 |
| | - Fixed deposit with banks | 2,577 | 2,311 |
| B. | **Interest income on financial assets measured at fair value through profit or loss:** | | |
| | - AIF Funds | 85 | 32 |
| | - Securities held for trade | 817 | 513 |
| | **Total** | **4,142** | **3,538** |

## 22. Dividend Income

(Rs. in Lacs)

| | Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|---|
| | Dividend income on Financial Instruments measured at | | |
| | - Fair value through other comprehensive income | 5,666 | 2,627 |
| | - Fair value through profit or loss | - | 13 |
| | **Total** | **5,666** | **2,640** |

## 23. Fees and Commission Income

(Rs. in Lacs)

| | Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|---|
| | Issue management Fees | 6,116 | 3,718 |
| | Underwriting commission | - | 4,650 |
| | Arranger's fees | 3,509 | 4,802 |
| | Advisory fees | 35,883 | 36,524 |
| | Brokerage | 27,943 | 23,679 |
| | Selling and distribution commission | 41,025 | 32,522 |
| | Trusteeship acceptance fees & service charges | 3,834 | 2,999 |
| | Depository service income | 3,579 | 3,165 |
| | Fund management fees | 7,948 | 6,668 |
| | - Other Operating Revenue | | |
| | Legal & Documentation Charges | 9 | 8 |
| | Other Operating Income | 8,007 | 5,945 |
| | **Total** | **137,853** | **124,680** |

## 24. Net gain on fair value changes

(Rs in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Net gain/loss on financial instruments at fair value through profit or loss | | |
| - Profit/loss on securities held for trade | 5,161 | 3,075 |
| - Profit/(loss) on sale of investments (net) | 3,441 | 2,385 |
| **Total** | **8,602** | **5,460** |

## 24.1 Fair value changes

(Rs in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| - Realised | 5,646 | 3,716 |
| - Unrealised | 2,956 | 1,744 |
| **Total** | **8,602** | **5,460** |

## 25. Other Income

(Rs in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Bad debts recovered | 593 | 129 |
| Interest on Income Tax refund | 51 | 17 |
| Interest income on delayed payment | - | 66 |
| Exchange differences (net) | 73 | - |
| Unwinding of Interest on security deposit | 14 | 21 |
| Gain on disposal of Subsidiary | | |
| Others | 279 | 46 |
| Write back of Provisions | | |
| - Leave Encashment | 55 | - |
| - S&D sub-commission payable written back | 5 | - |
| - Others | 5 | 234 |
| **Total** | **1,075** | **513** |

## 26. Finance Costs

(Rs in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Interest expense | 1,064 | 2,331 |
| Interest on lease liability | 341 | 249 |
| Unwinding of Interest expense | 235 | 180 |
| Other borrowing cost | - | 8 |
| **Total** | **1,640** | **2,768** |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

## 27. Fees and commission expenses

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Fees and commission expenses | 5,367 | 4,370 |
| Other Operating Expenses | 11,639 | 10,365 |
| **Total** | **17,006** | **14,735** |

## 28. Employee Benefits Expenses

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Salaries, wages and bonus | 37,397 | 30,461 |
| Contribution to provident and other funds | 2,428 | 1,707 |
| Contribution to Superannuation | 60 | 138 |
| Contribution to gratuity (Refer note 34) | 409 | 304 |
| Leave Encashment (Refer note 34) | - | 187 |
| Staff welfare expenses | 931 | 507 |
| **Total** | **41,225** | **33,304** |

## 29. Depreciation, amortization and impairment

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Depreciation and amortisation expense | 2,283 | 1,791 |
| Depreciation on Right of use assets | 687 | 573 |
| **Total** | **2,970** | **2,364** |

## 30. Other expenses

(Rs in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Legal & Professional Fees | 3,188 | 2,659 |
| Conveyance & Travelling | 865 | 578 |
| Rental charges | 847 | 770 |
| Rates & Taxes | 72 | 129 |
| Royalty Expenses | 1,122 | 917 |
| Bad Debts Written off (net of Provisions for doubtful debts) | 877 | 826 |
| Postage, telephone and telex | 1,273 | 919 |
| Advertisement Expenses | 44 | 23 |
| Printing & Stationery | 167 | 203 |
| Electricity Expenses | 261 | 176 |
| Repairs & Maintenance Building | 168 | 180 |
| Repairs & Maintenance Others | 1,361 | 958 |
| Insurance | 243 | 174 |
| Auditor's Remuneration (Refer note 33) | 67 | 59 |
| Director's Sitting Fees | 48 | 47 |
| Tax on Perquisites | - | 13 |
| Training Charges | 115 | 3 |
| Membership & Subscription | 870 | 850 |
| Filing Fees & Other Charges | 26 | 42 |
| Corporate Social Responsibility expenses (Refer note 37) | 991 | 829 |
| Exchange differences (net) | - | 68 |
| Loss on sale of Property, plant and equipment | - | 31 |
| Miscellaneous expenses | 953 | 728 |
| **Total** | **13,558** | **11,182** |

## 30.1 Break up of Bad Debts Written off (net of Provisions for doubtful debts)

(Rs in Lacs)

| Particulars | Year ended Mar-22 | Year ended Mar-21 |
|---|---|---|
| Bad debts written off | 1,236 | 3,125 |
| Provision for doubtful debts written back | (359) | (2,299) |
| | **877** | **826** |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

## 31. Earnings per equity share (EPS)

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

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| Profit after tax | 63,543 | 52,710 |
| **Weighted average number of equity shares:** | | |
| - For Basic EPS (No.) | 58,033,711 | 58,033,711 |
| - For Diluted EPS (No.) | 58,033,711 | 58,033,711 |
| Nominal value per share (Rs.) | 10 | 10 |
| Earnings per share | | |
| - Basic in Rs. | 109.49 | 90.83 |
| - Diluted in Rs. | 109.49 | 90.83 |

## 32. Contingent Liabilities and Commitments

(Rs. in Lacs)

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| **A) Contingent Liabilities** | | |
| Claims against the Group/disputed liabilities not acknowledged as debts | | |
| (i) For income tax matters | 4,612 | 5,913 |
| (ii) For service tax matters | 720 | - |
| (iii) For other matters | 282 | 308 |
| **Guarantees** | | |
| - Performance Guarantees | 30,861 | 27,032 |
| - In respect of Associates | 8 | 122 |
| **B) Commitments** | | |
| - Capital Commitments | 556 | 1,165 |
| - Other commitments- Investments | 14,405 | 666 |

## 33. Auditor's Remuneration

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| - Audit Fees | 31 | 29 |
| - Tax audit | 6 | 6 |
| - Limited Review | 9 | 7 |
| - Other services (certification) | 20 | 16 |
| - Out-of-pocket expenses | 1 | 1 |
| **Total** | **67** | **59** |

## 34. Employee Benefits

### A. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

**Reconciliation of Defined benefit obligation**

**Changes in defined benefit obligation**

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Opening of defined benefit obligation | 1,580 | 1,422 |
| Current service cost | 318 | 243 |
| Interest on defined benefit obligation | 92 | 87 |
| Remeasurements due to : | - | - |
| - Actuarial loss/(gain) arising from change in financial assumptions | (92) | 32 |
| - Actuarial loss/(gain) arising from change in demographic assumptions | 8 | - |
| - Actuarial loss/(gain) arising on account of experience changes | 170 | (20) |
| Benefits paid | (181) | (184) |
| **Closing of defined benefit obligation** | **1,896** | **1,580** |

**Movement in Plan Assets**

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Opening fair value of plan assets | 1,249 | 652 |
| Employer contributions | 263 | 741 |
| Interest on plan assets | 82 | 43 |
| Remeasurements due to : | - | - |
| - Actual return on plan assets less interest on plan assets | 17 | (3) |
| Benefits paid | (180) | (184) |
| **Closing fair value of plan assets** | **1,431** | **1249** |

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

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Investments with insurer | 100% | 100% |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

**Balance sheet**

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

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Present value of the funded defined benefit obligation | 1,896 | 1,580 |
| Fair value of plan assets at the end of the year | 1,431 | 1,249 |
| **Liability recognized in the balance sheet (i-ii)** | **465** | **331** |

**Statement of profit & loss**

**Expenses recognised in the Statement of profit and loss:**

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Current service cost | 318 | 243 |
| Past service cost | - | - |
| Expected return on plan assets | 11 | 44 |
| **Total expense charged to profit and loss account** | **329** | **287** |

Statement of other Comprehensive Income (OCI)

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Opening amount recognized in OCI outside profit and loss account | 179 | 163 |
| Re-measurements during the year due to: | | |
| Changes in financial assumptions | (92) | 32 |
| Changes in demographic assumptions | 7 | - |
| Experience adjustment | 170 | (19) |
| Actual return on plan assets less interest on plan assets | (17) | 3 |
| Adjustment to recognized the effect of asset ceiling | | |
| **Closing amount recognized in OCI outside profit and loss account** | **247** | **179** |

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

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| | % | % |
| Discount rate | 5.65%-7.25% | 5.20%-7.03% |
| Salary Escalation rate | 6.00%-10.00% | 8.00%-10.00% |

**Sensitivity Analysis**

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

| Particulars | Discount Rate | Salary Escalation Rate |
|---|---|---|
| Defined Benefit obligation on increase in 50 bps | 1,850 | 1934 |
| Impact of increase in 50 bps on DBO | -1.28% | 3.21% |
| Defined Benefit obligation on decrease in 50 bps | 1,945 | 1897 |
| Impact of decrease in 50 bps on DBO | 3.83% | 1.23% |

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

**Investment details of plan assets**

**Projected plan cash flow:**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

| Maturity Profile | Rs. in Lacs |
|---|---|
| Expected benefits for year 1 | 297 |
| Expected benefits for year 2 | 251 |
| Expected benefits for year 3 | 227 |
| Expected benefits for year 4 | 220 |
| Expected benefits for year 5 | 200 |
| Expected benefits for year 6 years and above | 1,118 |

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

**B. Compensated Absence**

The liability towards compensated absences for the year ended March 31, 2022 is based on actuarial valuation carried out by using the projected unit credit method.

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| | % | % |
| Interest rate | 5.65% - 7.25% | 5.20% - 7.03% |
| Salary Escalation rate | 6.00% - 10.00% | 8.00% - 10.00% |

## 35. SEGMENTAL REPORTING

**- Primary Segment**

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

**- Geographical Segment**

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

## 36. RELATED PARTY DISCLOSURES

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

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

| | |
|---|---|
| a) Holding Company | State Bank of India |

**B. Other related parties where transactions have occurred during the year**

| | |
|---|---|
| a) Fellow Subsidiaries & Associates | SBI DFHI Limited<br>SBI Funds Management Limited<br>SBI Life Insurance Company Limited<br>SBI Cards & Payment Services Limited<br>SBI General Insurance Company Ltd.<br>SBI Foundation Limited<br>State Bank of India Servicos Limitada Brazil<br>SBI Home Finance Limited<br>SBI Pension Funds Private Limited<br>SBI - SG Global Securities Services Private Limited<br>Investec Capital Services (India) Private Limited<br>SBI Canada Limited<br>SBI Global Factors Limited |
| b) Staff Welfare Fund | SBICAPS Employee's Provident Fund |
| c) Sponsor of the Trust | SLS Trust |
| d) Directors and Key Management Personnel of the Company | |
| Managing Director & CEO | Shri. Arun Mehta<br>(from 21st January 2020 onwards) |
| | Shri. Sanjiv Chadha<br>(from 21st February 2019 to 20th January 2020) |
| Whole-Time Director | Smt. Uma Shanmukhi Sistla<br>(from 12th July 2018 to 22nd May 2020) |

| | |
|---|---|
| | Shri. R. Vishwanathan (from 27th May 2020 to 21st June 2021) |
| | Shri. BRS Satyanarayana (from 29th June 2021 onwards) |
| Non-Executive Independent Director | Shri. Narayan K. Seshadri (Upto 30th September 2020) |
| | Shri. Ananth Narayan Gopalakrishnan |
| | Shri. Dalip Kumar Kaul (from 7th June 2021 onwards) |
| Non-Executive Director | Smt. Bharati Rao (Upto 17th December 2021) |
| | Shri. T. L. Palani Kumar (Upto 29th September 2021) |
| | Shri. Sharad Sharma (Upto 21st October 2021) |
| | Shri. Rajeev Krishnan (from 26th July 2021 onwards) |
| | Smt. Shilpa Naval Kumar (from 29th December 2021 onwards) |

**36.1 Managerial Remuneration**

(Rs in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| **Shri. Sanjiv Chadha** | | |
| Short term employee benefits | - | 10 |
| Post employee benefits | - | - |
| **Shri. Arun Mehta** | | |
| Short term employee benefits | 73 | 56 |
| Post employee benefits | 6 | 5 |
| **Shri. R. Viswanathan** | | |
| Short term employee benefits | 18 | 34 |
| Post employee benefits | 1 | 4 |
| **Smt. Uma Shanmukhi Sistla** | | |
| Short term employee benefits | 2 | 20 |
| Post employee benefits | - | 1 |
| **Shri. BRS Satyanarayana** | | |
| Short term employee benefits | 51 | - |
| Post employee benefits | 5 | - |
| **Total** | **156** | **130** |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

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

| Particulars | Holding Company | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|
| | March-22 | March-21 | March-22 | March-21 | March-22 | March-21 |
| **Income and Expense items: (For the year ended)** | | | | | | |
| **Income during the year ended** | | | | | | |
| **Issue Management Fees** | - | 2,333 | | | | |
| **Arranger Fees** | 2,026 | - | | | | |
| SBI Cards & Payment Services Private Limited | | | 29 | - | | |
| SBI Global Factors Limited | | | 7 | - | | |
| **Advisory Fees** | 7,861 | 8,112 | | | | |
| SBI General Insurance Company Ltd | | | 100 | - | | |
| SLS Trust | | | - | - | - | 878 |
| **Trusteeship Fees** | 117 | 19 | | | | |
| **Brokerage Income** | 53 | 37 | | | | |
| SBI Life Insurance Company Limited | | | 177 | 258 | | |
| SBI General Insurance Company Limited | | | 5 | 4 | | |
| SBI Funds Management Private Limited | | | 0* | 1 | | |
| SBI DFHI Limited | | | 0* | | | |
| **Interest Income** | 885 | 889 | | | | |
| SBI Life Insurance Company Limited | | | 48 | | | |
| **Bad Debts Recovered** | 13 | - | | | | |
| **Dividend received** | | | | | | |
| SBI DFHI Limited | | | 357 | 268 | | |
| **Selling and distribution commission** | 41,807 | 33,528 | | | | |
| SBI Life Insurance Company Limited | | | - | 2 | | |
| SBI General Insurance Company Limited | | | - | 433 | | |
| **Other Operating Income** | | | | | | |
| SBI Life Insurance Company Limited | | | 2 | - | | |
| SBI General Insurance Company Limited | | | 321 | - | | |
| **Expenses during the year ended** | | | | | | |
| **Deputation of Employees#** | 630 | 556 | | | | |
| **Ex-gratia paid** | | | | | | |
| Shri. Arun Mehta | | | | | 14 | 4 |
| Shri. Sanjiv Chadha | | | | | - | 11 |
| Smt. Uma Shanmukhi Sistla | | | | | 2 | 15 |

| Particulars | Holding Company | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|
| | March-22 | March-21 | March-22 | March-21 | March-22 | March-21 |
| Shri. R. Vishwanathan | | | | | 11 | - |
| **Director's Sitting Fees** | | | | | | |
| Smt. Bharati Rao | | | | | 7 | 11 |
| Shri. T.L. Palani Kumar | | | | | 4 | 8 |
| Shri. Sharad Sharma | | | | | 1 | 4 |
| Shri. Narayan K Seshadri | | | | | - | 6 |
| Shri. Ananth Narayan Gopalakrishnan | | | | | 8 | 8 |
| Shri. Rajeev Krishnan | | | | | 4 | - |
| Shri. Dalip Kumar Kaul | | | | | 9 | - |
| Smt. Shilpa Naval Kumar | | | | | 1 | - |
| **Finance Charges** | 681 | 2,331 | | | | |
| **Other Borrowing cost** | - | 8 | | | | |
| **Fees & Commission** | - | | | | | |
| Investec Capital Services (India) Private Limited | | | 1,261 | - | | |
| **Legal & Professional Fees** | - | | | | | |
| SBI - SG Global Securities Services Private Limited | | | 8 | - | | |
| **Royalty Expense** | 1,122 | 917 | | | | |
| **Insurance Expense** | - | | | | | |
| SBI Life Insurance Company Limited | | | 28 | 29 | | |
| SBI General Insurance Company Limited | | | 37 | 137 | | |
| **Rent Expense** | 46 | 90 | | | | |
| SBI Funds Management Private Limited | | | 2 | 4 | | |
| **Contribution towards CSR** | - | | | | | |
| SBI Foundation Limited | | | 189 | 141 | | |
| **Bank & Other Charges** | 12 | 6 | | | | |
| SBI DFHI Limited | | | - | 0* | | |
| **Referral Fees** | 529 | 239 | | | | |
| Bad Debts written off | 4 | 171 | | | | |
| **Other expenses** | 1 | 1 | | | | |
| SBI Cards and Payment Services Limited | | | 0* | 1 | | |
| SBI Pension Funds Private Limited | | | 7 | - | | |
| **Balance Sheet Items: (Outstanding As on)** | | | | | | |
| Share Capital | 5,803 | 5,803 | | | | |
| **Balance payable as at** | | | | | | |
| **Payables** | 428 | 17,832 | | | | |
| SBI General Insurance Company Limited | | | - | 0* | | |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

| Particulars | Holding Company | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|
| | March-22 | March-21 | March-22 | March-21 | March-22 | March-21 |
| SBI Funds Management Pvt. Limited | | | - | 2 | | |
| SBI Life Insurance Company Limited | | | - | 2 | | |
| Investec Capital Services (India) Private Limited | | | 58 | - | | |
| **Short term borrowings** | 19,194 | 3,674 | | | | |
| **Advance received from Customers** | - | 25 | | | | |
| **Balance receivable as at** | | | | | | |
| **Bank Balance** | 40,778 | 15,329 | | | | |
| **Deposit with Banks** | 44,374 | 18,684 | | | | |
| **Receivables** | 19,437 | 18,417 | | | | |
| SBI Life Insurance Company Limited | | | 0* | - | | |
| SBI General Insurance Company Limited | | | 11 | 16 | | |
| **Investments** | - | | | | | |
| SBI Pension Funds Private Limited | | | 600 | 601 | | |
| SBI DFHI Limited | | | 7,889 | 7,889 | | |
| SBICAP Home Finance Limited@ | | | 0* | 0* | | |
| SBI Foundation Limited | | | 1 | 1 | | |
| State Bank of India Servicos Limitada Brazil@ | | | - | 0* | | |
| Investec Capital Services (India) Private Limited | | | 5,500 | - | | |
| **Gratuity Fund** | | | | | | |
| SBI Life Insurance Company Limited | | | 598 | 537 | | |
| **Accrued interest on Deposit with Banks** | 463 | 612 | | | | |
| **Others transactions during the year ended** | | | | | | |
| **Investments in equity shares of associate** | | | | | | |
| Investec Capital Services (India) Private Limited | | | 5,500 | - | | |
| **Dividends paid** | 11,607 | - | | | | |
| **Investment in Bonds** | | | | | | |
| SBI Cards & Payment Services Private Limited$ | | | 20,000 | - | | |
| SBI Global Factors Limited$ | | | 10,000 | - | | |
| **Sale of Securities** | 147,648 | 170,072 | | | | |
| SBI General Insurance Company Limited | | | 37,540 | 32,592 | | |
| SBI DFHI Limited | | | 2,501 | 36,515 | | |
| SBI Life Insurance Company Limited | | | 195,170 | 100,575 | | |
| SBI Funds Management Private Limited | | | - | 70,052 | | |
| **Benefits paid from Gratuity fund** | | | | | | |
| SBI Life Insurance Company Limited | | | 94 | 100 | | |

| Particulars | Holding Company | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|
| | March-22 | March-21 | March-22 | March-21 | March-22 | March-21 |
| Borrowings availed | - | 107,000 | | | | |
| Borrowings repaid | - | 107,000 | | | | |
| Guarantees | 331 | 407 | | | | |
| Expenses shared | - | 44 | | | | |

#. Included in expenses relating to deputation of employees are amounts aggregating to Rs. 156 (2021: Rs. 99) pertaining to salaries paid to key management personnel.
* Insignificant amount.

* Represents amount below Rs. 0.50 Lacs.
@Fully provided
$Outstanding as at 31st March 2022 is Nil.

The Company has contributed Rs. 101 Lacs (March 31, 2021: 914 Lacs) to SBICAPS Employee's Provident Fund during the year.

## 37. Statement of corporate social responsibility expenditure

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

(Rs. in Lacs)

| | Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|---|
| a) | Gross amount required to be spent during the year | 990 | 825 |
| b) | Amount spent during the year on | | |
| i) | Construction/acquisition of any asset | - | - |
| ii) | On purposes other than (i) above - in cash | 863 | 829 |
| iii) | provision made with respect to liability incurred by entering in contractual obligation | 128 | - |
| | Out of the above, contribution made to related party is as below | | |
| | SBI Foundation Limited | 190 | 141 |

During the year company has provided liability of Rs. 128 lacs (2021: Nil) towards contractual obligation with respect to unspent amount in case of ongoing Corporate Social Responsibility (CSR) Projects. The said amount has been transferred to separate bank account maintained by the Company in accordance with amended Section 135 of Companies Act, 2013 read alongwith Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by Ministry of Corporate Affairs effective from January 22, 2021.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

## 38. Micro and small enterprises

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 that has been determined to the extent such parties have been identified on the basis of information available with the Company.

| | Particulars | As at March-22 | As at March-21 |
|---|---|---|---|
| | The amounts remaining unpaid to any supplier at the end of the year: | | |
| | 1. Principal amount | 2 | - |
| | 2. Interest amount | - | - |
| | The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 | - | - |
| | The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year | - | - |
| | The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - |
| | The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of dis-allowance as a deductible expenditure under the MSMED Act, 2006 | - | - |

## 39. Income taxes

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

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| **Current Tax** | | |
| In respect of current year | 18,223 | 17,768 |
| In respect of earlier years | - | (86) |
| **Total (A)** | **18,223** | **17,682** |
| | | |
| **Deferred Tax** | | |
| Origination of reversal of temporary differences | 706 | 2,155 |
| Impact of change in tax rate | - | - |
| **Total (B)** | **706** | **2,155** |
| **Income Tax recognised in the statement of Profit and Loss (A+B)** | **18,930** | **19,837** |
| | | |
| Income tax expenses recognized in OCI | | |
| Income tax relating to items that will not be classified to profit or loss | 34,297 | 36,768 |
| **Total** | **34,297** | **36,768** |

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

(Rs in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| Profit before tax | 80,939 | 72,478 |
| Enacted tax rates in India | 25.168 | 25.168 |
| Computed tax expense | 20,371 | 18,241 |
| Tax on expenses not tax deductible | 979 | 2,909 |
| Tax on exempt income | (2,390) | (1,320) |
| Other adjustments | (30) | 93 |
| **Total Tax expenses as per statement of profit and loss** | **18,930** | **19,923** |

The applicable Indian corporate statutory tax rate to the group for the year is 25.168%.

### C. Movement of Deferred tax assets and Liabilities

**As at March 31, 2022**

(Rs in Lacs)

| Movement during the year ended March 31, 2022 | As at April 1, 2021 | Credit/(Charge) in the statement of profit and loss | Credit/(Charge) in other comprehensive income/Equity | As at March 31, 2022 |
|---|---|---|---|---|
| Difference between book and tax depreciation | 110 | (14) | - | 101 |
| Allowances for doubtful debts and advances | 1,444 | (68) | - | 1,377 |
| Fair value gain/(loss) on investments | (66,267) | (693) | (34,325) | (101,290) |
| Provision for post retirement benefits | 301 | (10) | - | 291 |
| Other temporary differences | 1,415 | 79 | (150) | 1,343 |
| Net deferred tax assets/(Liabilities) | (62,997) | (706) | (34,475) | (98,178) |

As at March 31, 2021

(Rs. in Lacs)

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

## 40. Financial Instruments

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

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(Rs. in Lacs)

| Particulars | Amortised Cost | Fair Value through P&L | Fair Value through OCI | Total Carrying Value | Total Fair Value |
|---|---|---|---|---|---|
| **ASSETS:** | | | | | |
| Cash and cash equivalents | 54,408 | - | - | 54,408 | 54,408 |
| Other balances with banks | 68,551 | - | - | 68,551 | 68,551 |
| Securities for trade | - | 148,967 | - | 148,967 | 148,967 |
| Receivables | 91,060 | - | - | 91,060 | 91,060 |
| Investments excluding Associate | 7,195 | 43,950 | 435,529 | 486,674 | 486,674 |
| Other Financial Assets | 2,391 | - | - | 2,391 | 2,391 |
| **Total** | **223,605** | **192,917** | **435,529** | **852,051** | **852,051** |
| **LIABILITIES:** | | | | | |
| Trade Payables | 21,051 | - | - | 21,051 | 21,051 |
| Debt Securities | 29,798 | - | - | 29,798 | 29,798 |
| Borrowings | 43,420 | - | - | 43,420 | 43,420 |
| Lease Liabilities | 4,399 | - | - | 4,399 | 4,399 |
| Other Financial Liabilities | 12,652 | - | - | 12,652 | 12,652 |
| **Total** | **111,320** | **-** | **-** | **111,320** | **111,320** |

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

(Rs. in Lacs)

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

**Fair Value Hierarchy:**

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

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

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

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

(Rs. in Lacs)

| As at March 31, 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Instruments** | | | | |
| **Securities for trade** | | | | |
| - Debt Securities | 22,500 | - | - | 22,500 |
| - Equity Shares | - | - | 9 | 9 |
| - Mutual Funds | 126,458 | - | - | 126,458 |
| **Subtotal** | **148,958** | **-** | **9** | **148,967** |
| | | | | |
| **Investments** | | | | |
| - Debt Securities | | | | |
| - Equity Shares | - | - | 435,529 | 435,529 |
| - Mutual Funds | 28,098 | - | - | 28,098 |
| - AIF Funds | - | - | 15,852 | 15,852 |
| **Subtotal** | **28,098** | **-** | **451,381** | **479,479** |
| | | | | |
| **Total** | **177,056** | **-** | **451,390** | **628,446** |

(Rs. in Lacs)

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

**Movements in Level 3 Financial instruments measured at fair value**

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

(Rs. in Lacs)

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| Opening Balance | 295,474 | 168,875 |
| Add: Purchase | 3,813 | 1,213 |
| Less: Sales | (449) | - |
| Add: Fair Value Gain/(Loss) | 152,552 | 125,386 |
| **Closing Balance** | **451,390** | **295,474** |

**Financial assets subject to offsetting, netting arrangements**

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

**Financial Risk Management**

**Risk Management Framework**

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

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

a) Credit Risk

b) Liquidity Risk

c) Market Risk

The Company has formulated various policies with respect to such risks, mitigation strategies and internal controls to be implemented. The Board oversees the Company's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

**a) Credit Risk**

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to the financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits.

The maximum exposure to credit risk at the reporting date is primarily from Company's Trade receivable, Debt instruments in Securities for trade and investment portfolio.

The following table provides exposures to credit risk for trade receivables, securities for trade and investments:

(Rs. in Lacs)

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| Trade Receivables | 90,928 | 47,353 |
| Debt Instruments in Securities for trade and Investment portfolio | 29,695 | 8,456 |
| **Total** | **120,623** | **55,809** |

**Trade Receivables**

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables except trade receivables of Broking and Selling and Distribution business that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

The expected credit loss rates are based on the payment profiles over a period of 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macro economic factors affecting the ability of the customers to settle the receivables.

Following table provides information about rate Expected credit loss for trade receivables under simplified approach:

**As at March 31, 2022:** (Rs. in Lacs)

| Age of Trade Receivables | Gross Carrying Amount | Expected Credit Loss | Net Carrying Amount |
|---|---|---|---|
| 0-3 Months | 11,854 | 590 | 11,264 |
| 3-6 Months | 609 | 90 | 519 |
| 6-9 Months | 83 | 19 | 63 |
| 9-12 Months | 371 | 121 | 251 |
| 12-15 Months | 61 | 28 | 34 |
| 15-18 Months | 42 | 23 | 19 |
| 18-21 Months | 6 | 4 | 2 |
| 21-24 Months | - | - | - |
| 24 Months and above | 1,885 | 1,885 | - |
| Doubtful receivables | 960 | 960 | - |
| **Total** | **15,871** | **3,720** | **12,152** |

**As at March 31, 2021:** (Rs. in Lacs)

| Age of Trade Receivables | Gross Carrying Amount | Expected Credit Loss | Net Carrying Amount |
|---|---|---|---|
| 0-3 Months | 7,251 | 411 | 6,840 |
| 3-6 Months | 1,033 | 108 | 925 |
| 6-9 Months | 382 | 77 | 305 |
| 9-12 Months | 680 | 140 | 541 |
| 12-15 Months | 390 | 151 | 239 |
| 15-18 Months | 378 | 171 | 207 |
| 18-21 Months | 142 | 87 | 56 |
| 21-24 Months | 556 | 418 | 137 |
| 24 Months and above | 2,825 | 2,825 | - |
| Doubtful receivables | 183 | 183 | - |
| **Total** | **13,820** | **4,570** | **9,250** |

**Trade Receivables in Respect of Broking and Selling and Distribution Activities:**

In respect of Broking activities, Management considers that trade receivables are in default if the payment is 7 days overdue. ECL has been provided fully on unsecured dues (not backed by securities) outstanding for more than 7 days. Out of the total trade receivable pertaining to Broking activity of Rs. 61,987 lacs Rs (2021: Rs. 20,446 lacs) Rs. 1,651 lacs (2021: Rs.1340) is unsecured over due for than 7 days. Probability of default has been considered at 100% and treated as credit impaired.

In respect of Selling and distribution of Third Party Products, Management considers that trade receivables are in default if the trade receivables are in default if the payment is 60 days. ECL has been provided fully on dues outstanding for more than 60 days except for dues outstanding from group company. Out of the total trade receivable pertaining to Selling and distribution activity of Rs.18,451 lacs (2021: Rs. 19,036 lacs) Rs. 9 lacs (2021: Rs. 11 lacs) is over due for 60 days. Probability of default has been considered at 100% and treated as credit impaired.

During the year company made write off of Rs. 1,236 Lacs (2021: Rs. 3125 Lacs) it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off

**Debt Instruments in Securities for trade and Investment Portfolio:**

All of the entity's debt investments are considered to have low credit risk. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

**Other Financial Assets considered to have low risk:**

Credit risk on cash and cash equivalents is limited to the current account and deposit account balance with banks with high credit ratings assigned by International and domestic credit rating agencies. Investments comprised of Equity Instruments, Mutual Funds and commercial papers which are market tradeable. Other financial assets include deposits for assets acquired on lease, deposit with electricity department and interest accrued on securities but not due.

**b) Liquidity Risk**

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at March 31, 2022.

(Rs. in Lacs)

| Particulars | Less than 1 year | 1-5 years | Greater than 5 years | Total |
|---|---|---|---|---|
| Cash and bank balance | 122,959 | - | - | 122,959 |
| Securities for trade | 148,967 | - | - | 148,967 |
| Receivables | 91,060 | - | - | 91,060 |
| Investments | 15,483 | 35,294 | 443,811 | 494,588 |
| Other Financial assets | 726 | 1,664 | - | 2,391 |
| **Total** | **379,196** | **36,958** | **443,811** | **859,965** |
| **Liabilities** | | | | |
| Payables | 21,049 | - | - | 21,049 |
| Debt Securities | 29,798 | | | 29,798 |
| Borrowings | 43,420 | - | - | 43,420 |
| Lease liabilities | 1,075 | 3,324 | - | 4,399 |
| Other financial liabilities | 11,992 | 660 | - | 12,652 |
| **Total** | **107,334** | **3,984** | **-** | **111,318** |
| **Net Excess/(shortfall)** | **271,862** | **32,974** | **443,811** | **748,647** |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

The table below summarises the maturity profile of the un-discounted cash flows of the Company's financial liabilities as at March 31, 2021.

(Rs. in Lacs)

| Particulars | Less than 1 year | 1-5 years | Greater than 5 years | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and bank balance | 70,663 | - | - | 70,663 |
| Securities for trade | 150,246 | - | - | 150,246 |
| Receivables | 47,419 | - | - | 47,419 |
| Investments | 6,765 | 13,987 | 297,814 | 318,567 |
| Other Financial assets | 1,214 | 1,379 | - | 2,593 |
| **Total** | **276,307** | **15,366** | **297,814** | **589,488** |
| **Liabilities** | | | | |
| Payables | 24,606 | - | - | 24,606 |
| Borrowings | 3,674 | - | - | 3,674 |
| Lease Liabilities | 767 | 1,923 | 2,056 | 4,747 |
| Other Financial Liabilities | 12,276 | 292 | - | 12,568 |
| **Total** | **41,323** | **2,215** | **2,056** | **45,595** |
| **Net Excess/(shortfall)** | **234,984** | **13,151** | **295,758** | **543,893** |

### C. Market Risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices and interest rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

#### i) Interest rate risk

The company's investments are primarily in fixed rate interest/ dividend bearing instruments. Accordingly there is no significant risk exposure to interest rate risk with respect to investment in debt securities.

The exposure of group's borrowings to interest rate changes at the end of the reporting period is given in the table below. At the end of reporting period, the group had the following variable rate borrowings outstanding:

(Rs. in Lacs)

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Weighted Average Interest Rate | Balance | Weighted Average Interest Rate | Balance |
| **Debt Securities** | | | | |
| Borrowings and Debt securities | 5.26% | 73,218 | 7.15% | 3,674 |

**Sensitivity**

The table below set out the effect on profit or loss due to parallel shift of 10% in interest rates

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| **Effect on Profit and loss** | | |
| 10% decrease in Interest rates | (385) | (26) |
| 10% increase in Interest rates | 385 | 26 |

**ii) Price Risk**

Price risk is the risk that value of the financial instrument will fluctuate as a result of change in market prices and related market variables including interest rate for investment in mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer and markets. The company's exposure to price risk arises from investments in unquoted equity securities, debt securities units of mutual funds and alternative investment funds which are classified as financial assets either at fair value through other comprehensive income or at fair values through profit and loss.

(Rs. in Lacs)

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| Securities for trade | 148,967 | 150,246 |
| Investments | 479,479 | 309,229 |
| **Total** | **628,446** | **459,475** |

**Sensitivity Analysis**

The table below set out the effect on profit or loss and equity due to reasonable possible weakening/strengthening in prices of 10%

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| **Effect on Profit and loss** | | |
| 10% increase in prices | 14,537 | 12,980 |
| 10% decrease in prices | (14,537) | (12,980) |
| | | |
| **Effect on Equity** | | |
| 10% increase in prices | 33,588 | 22,120 |
| 10% decrease in prices | (33,588) | (22,120) |

## 41. Leases

### 41.1 As a Lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### 41.2 The following is the movement in lease liability:

(Rs. in Lacs)

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| Opening Balance | 4,746 | 598 |
| Add: Lease liability created | 22 | 4,718 |
| Add: Interest on lease liability | 341 | 249 |
| Less: Lease modification | (6) | (103) |
| Less: Repayment of lease liability | (704) | (716) |
| **Total** | **4,399** | **4,746** |

### 41.3 The details of the right-of-use assets held by the Company is as follows:

**As at March 31, 2022:**

(Rs. in Lacs)

| Particulars | Additions for the year | Carrying Amount |
|---|---|---|
| Buildings | 32 | 3,968 |
| Furniture & Fixtures | - | 160 |
| **Total** | **32** | **4,128** |

**As at March 31, 2021:**

(Rs. in Lacs)

| Particulars | Additions for the year | Carrying Amount |
|---|---|---|
| Buildings | 4,640 | 4,574 |
| Furniture & Fixtures | 240 | 208 |
| Office Equipment | - | 1 |
| **Total** | **4,880** | **4,783** |

### 41.4 Depreciation on Right of use assets is as follows:

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| Buildings | 638 | 512 |
| Furniture & Fixtures | 48 | 60 |
| Office Equipment | 1 | 1 |
| **Total** | **687** | **573** |

**41.5 The company has taken certain premises on short term leases and leases of low value and lease rent charged in respect of same have been charged under Rent expenses in Note. 30 to the statement of Profit and Loss. Lease rent amounting to Rs. 847 lacs (2021: Rs. 770 lacs) has been debited to statement of profit and loss during the year ended March 31, 2022.**

**41.6 As a Lessor**

The group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.

**42. Revenue from contracts with customers**

The group is engaged in the business of investment banking and corporate advisory services, equity broking and research, Selling and distribution of third party products, Security agency, debenture trustee ship and Private Equity Investment and Asset Management in accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner under each head.

A. **Merchant Banking and Corporate Advisory Services**

The group provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, corporate advisory services etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Company may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognized until the outcome of those events or values are known. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

B. **Equity Broking**

The group provides trade execution and settlement services to the customers in retail and institutional segment. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognised as revenue on trade date basis. Related receivables are generally recovered in a period of 2 days as per the settlement cycle.

C. **Selling and Distribution Income**

The group distributes various financial products and other services to the customers on behalf of third party i.e. the group acts as an intermediary for distribution of financial products and services. The Company executes contracts with the Principal, viz AMC's, Mutual Funds, Bank, Insurance Company etc. to procure customers for its products. As a consideration, the group earns commission income from the third parties for the distribution of their financial products. The commission is accounted net of claw back if any, due to non-fulfilment of contract by the customer with the principal. The customer obtains control of the service on the date when customer enters into a contract with principal and hence subscription or contract date is considered as the point in time when the performance obligation has been satisfied.

D. **Depository service income**

Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

E. **Trusteeship Acceptance Fees & Service charges**

Revenue from trusteeship services is recognised on a straight-line basis using time elapsed method over the contract term.

F. **Remaining performance obligation disclosure:**

The group recognises revenue from a customer in an amount that corresponds directly with the value to the customer provided on the basis of performance completed to date. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation-related disclosures for contracts. The group has further not disclosed the amount of remaining performance obligations for the contracts with customers duration of less than one year applying practical expedient as given in Ind AS 115.

Unsatisfied performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, economic factors etc. The aggregate value of transaction price allocated to unsatisfied performance obligations in respect of trusteeship acceptance fees and service charges is Rs. 2,849 lacs out of which Rs. 717 lacs (25.17%) is expected to be recognised as revenue in the next reporting period and the balance Rs. 2132 lacs (74.83%) thereafter.

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

**Reconciliation of Contract liabilities is as given below:**

(Rs. in Lacs)

| | Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|---|
| | Opening Balance | 4,515 | 796 |
| | Add: Contract liabilities recognised during the year | 4,350 | 7,501 |
| | Add: Interest expense recognized during the year | 235 | 180 |
| | Less: Revenue recognised during the year | (4,644) | (3,793) |
| | Less: Written back of contract liabilities due to Bad debts/NCLT | (169) | (169) |
| | **Closing Balance** | **4,287** | **4,515** |

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

(Rs. in Lacs)

| | Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|---|
| | Revenue from the contracts (as per contract) | 137,747 | 124,975 |
| | Add : Interest expenses recognised | 235 | 180 |
| | Less: Adjustment for Contract Liabilities | 129 | 475 |
| | Revenue from the Contracts (as per Statement of Profit and Loss) | 137,853 | 124,680 |

## 43. Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| Particulars | As at March-22 | Within 12 months | After 12 months | As at March-21 | Within 12 months | After 12 months |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Financial Assets** | | | | | | |
| Cash and cash equivalents | 54,408 | 54,408 | - | 30,270 | 30,270 | - |
| Bank balance other than above | 68,551 | 68,551 | - | 40,393 | 40,393 | - |
| Securities for trade | 148,967 | 148,967 | - | 150,246 | 150,246 | - |
| Receivables | | | | | | |
| Trade Receivables | 90,928 | 90,928 | - | 47,353 | 47,353 | - |
| Other Receivables | 132 | 132 | - | 66 | 66 | - |
| Investments | 494,588 | 15,483 | 479,105 | 318,567 | 6,765 | 311,802 |
| Other Financial assets | 2,391 | 727 | 1,664 | 2,593 | 1,214 | 1,379 |
| **Total Financial Assets** | **859,965** | **379,196** | **480,769** | **589,488** | **276,307** | **313,181** |
| **Non-financial Assets** | | | | | | |
| Current tax asset (Net) | 11,818 | 1,714 | 10,104 | 11,767 | 947 | 10,820 |
| Property, Plant and Equipment | 7,989 | - | 7,989 | 7,882 | 595 | 7,287 |
| Right-of-use assets | 4,128 | 428 | 3,700 | 4,783 | 441 | 4,341 |
| Capital work in progress | - | - | - | 275 | 97 | 178 |
| Intangible assets under development | 8 | 8 | - | 227 | 227 | - |
| Intangible assets | 1,799 | - | 1,799 | 1,196 | - | 1,196 |
| Other non-financial assets | 3,491 | 3,463 | 28 | 2,755 | 642 | 2,114 |
| **Total Non - Financial Assets** | **29,233** | **5,613** | **23,620** | **28,885** | **2,949** | **25,936** |
| **TOTAL ASSETS** | **889,198** | **384,809** | **504,389** | **618,373** | **279,256** | **339,117** |
| **LIABILITIES AND EQUITY** | | | | | | |
| **LIABILITIES** | | | | | | |
| **Financial Liabilities** | | | | | | |
| Payables | 21,051 | 20,475 | 576 | 24,606 | 24,136 | 470 |
| Debt securities | 29,798 | 29,798 | - | | | |
| Borrowings | 43,420 | 43,420 | - | 3,674 | 3,674 | - |
| Lease liabilities | 4,399 | 1,075 | 3,324 | 4,747 | 767 | 3,980 |
| Other financial liabilities | 12,652 | 11,992 | 660 | 12,568 | 12,276 | 292 |
| **Total Financial Liability** | **111,320** | **106,760** | **4,560** | **45,595** | **40,853** | **4,742** |
| **Non-Financial Liabilities** | | | | | | |
| Deferred tax Liabilities (Net) | 98,178 | - | 98,178 | 62,997 | 289 | 62,709 |
| Provisions | 1,823 | 780 | 1,043 | 1,696 | 1,321 | 374 |
| Other non-financial liabilities | 8,999 | 8,139 | 860 | 7,466 | 6,403 | 1,063 |
| **Total non financial Liability** | **109,000** | **8,919** | **100,081** | **72,159** | **8,013** | **64,146** |
| **Total Liabilities** | **220,320** | **115,679** | **104,641** | **117,754** | **48,866** | **68,888** |
| **Net** | **668,878** | **269,130** | **399,748** | **500,619** | **230,390** | **270,229** |

# Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

**44. Enterprises Consolidated as Subsidiary in accordance with Ind AS-110 Consolidated Financial Statements and as Associates as per Ind AS-28 Investment in Associates and Joint Ventures.**

| | Name of the Enterprise | Country of Incorporation | Proportion of Ownership Interest |
|---|---|---|---|
| | SBICAP Securities Ltd. | India | 100.00% |
| | SBICAP Trustee Company Ltd. | India | 100.00% |
| | SBICAP Ventures Ltd. | India | 100.00% |
| | SBICAP (Singapore) Ltd. | Singapore | 100.00% |
| | SBI Pension Funds Private Limited | India | 20.00% |
| | Investec Capital Services (India) Private Limited | India | 19.70% |

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

(Rs. in Lacs)

| | Name of Establishments | Net Asset | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| | **Parent** | | | | | | | | |
| | SBI Capital Markets Limited | 82% | 547,623 | 52% | 33,108 | 100% | 115,648 | 83% | 148,756 |
| | **Subsidiaries** | | | | | | | | |
| | **Indian** | | | | | | | | |
| | 1) SBICAP Securities Limited | 12% | 80,037 | 38% | 23,889 | -0% | (13) | 13% | 23,876 |
| | 2) SBICAP Trustee Company Limited | 2% | 12,744 | 2% | 1,571 | 0% | 2 | 1% | 1,573 |
| | 3) SBICAP Ventures Limited. | 2% | 15,207 | 6% | 3,610 | -0% | (18) | 2% | 3,592 |
| | **Foreign** | | | | | | | | |
| | 1) SBICAP (Singapore) Limited. | 1% | 5,954 | -0% | (169) | 0% | - | -0% | (169) |
| | **Associate** | | | | | | | | |
| | 1) SBI Pension Fund Private Limited | 0% | 1,321 | 2% | 1,040 | 0% | 0 | 1% | 1,040 |
| | 2) Investec Capital Services (India) Private Limited | 1% | 5,992 | 1% | 494 | 0% | 0 | 0% | 494 |
| | **Total** | | **668,878** | | **63,543** | | **115,619** | | **179,162** |

## 46. Winding up of Subsidiary SBICAP (Singapore) Limited

SBICAP (Singapore) Limited the wholly owned subsidiary of the Company has been incurring losses consistently. The Board of Directors of the company in their meeting held on January 22, 2021 have approved the winding up of SBICAP (Singapore) Limited.

The Board of Directors of SBICAP (Singapore) Limited through a circular resolution dated 25 March 2021 resolved that the Company would (i) surrender the Capital Markets Services License ('CMSL') issued by Monetary Authority of Singapore ('MAS'), (ii) On May 4, 2021, the Company surrendered its CMSL to MAS. and (iii) initiate the process of cessation of business after the procedure of surrendering the CMSL is completed.

As a result, SBICAP (Singapore) Limited changed its basis of accounting from the going concern basis to a non-going concern basis during the financial year ended March 31, 2022. There is no material effect on the financial statements of the group due to change in the basis of accounting from going concern to a non-going concern for SBICAP (Singapore) Limited.

Financial performance of SBICAP (Singapore) Limited is as given below:

**A) Financial Performance**

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| Revenue from operations | 3 | 167 |
| Other Income | 92 | 5 |
| **Total Income** | **95** | **172** |
| Expenses | | |
| Finance Costs | - | 1 |
| Employee Benefits Expenses | 149 | 201 |
| Depreciation and Amortization | 15 | 43 |
| Others Expenses | 100 | 343 |
| **Total Expenses** | **264** | **588** |
| **Profit/(loss) for the year** | **(169)** | **(416)** |

**B) Cash flow statement**

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| Net cash used in operating activities | (192) | (186) |
| Net cash from investing activities | 4 | 21 |
| Net cash used in financing activities | (7) | (38) |

## 47. Additional regulatory information required under (WB) (xiv) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the company as company is in the business of Merchant Banking and Advisory Services and not an NBFC registered under section 45-IA of Reserve Bank of India Act, 1934.

**48. Balance held in Escrow accounts on behalf of clients which does not meet the criteria of Recognition of Assets**

| | Particulars | As at March-22 | As at March-21 |
|---|---|---|---|
| | A) In Current Account - Escrow accounts | 397 | 441 |
| | B) Amount held in escrow account for remittance | 388 | 440 |
| | C) Expenses Recoverble from Clients | 9 | 1 |
| | **Total (B+C)** | **397** | **441** |

**49. Events occurring after the balance sheet date**

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

**50. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.**

For **S C Ajmera & Co.**
**Chartered Accountants**
Firm Registration No.: 002908C

Sd/-
**CA S C Ajmera**
**Partner**
Membership No.: 081398

Place: Udaipur
Date: April 21, 2022

For and on behalf of Board of Directors

Sd/-
**Ashwini Kumar Tewari**
**Director**

Sd/-
**Arun Mehta**
**Managing Director & CEO**

Sd/-
**Krishnan Kutty Raghavan**
**Chief Financial Officer**

Sd/-
**Amit Shah**
**Company Secretary**

Place: Mumbai
Date: April 21, 2022

SBI Capital Markets Limited

# Standalone Financial Statements

**To the Members of SBI Capital Markets Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of SBI Capital Markets Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and Notes to the Financial Statements including a summary of the significant accounting policies and other explanatory information.

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

| S. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| i) | **Assessment of Valuation of investments measured at fair value for which no listed price in an active market is available and valued using market information and significant unobservable input:**<br><br>The Company has certain Investments of which listed price in an active market is not available and has valued at fair value at Rs. 4355.28 Crores (Rs. 2852.48 Crores as on 31.03.2021) as required by Ind-AS. The corresponding fair value change is recognized in Other Comprehensive Income (OCI) and deferred tax in accordance with related Accounting Standard (Ind-AS 109). In measuring these Investments, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The Management has also used the services of an independent professional valuer. Key inputs used in the valuation of above investments are market multiples and growth rate, terminal rate, discount rate, NAV etc. | **Principal Audit Procedures**<br><br>We understood and tested the design and operating effectiveness of the Company's control over the assessment of valuation of investments.<br><br>▪ We evaluated the independence, competence, capabilities and objectivity of Management's expert (Independent professional valuer).<br><br>▪ We evaluated together with the auditor's expert to assess the reasonableness of the valuation methodology and underlying assumptions relating to market multiples and growth rate, discount rate, NAV etc. used by the independent professional valuer to estimate the fair value of investments.<br><br>▪ We validated the source data on sample basis and tested the arithmetical accuracy of the calculation of valuation of investments. |

| | | |
|---|---|---|
| | The valuation of these assets is important to our audit as it is highly dependent on estimates (various assumptions and techniques used) which contain assumptions that are not observable in the market. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the standalone financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.<br><br>*(Refer Note 2 (vii)(b) and Note 6(1) to the Standalone Financial Statements)* | ▪ We assessed the adequacy of the disclosures in the standalone financial statements.<br><br>Based on our above audit procedures we consider that the management's assessment of the investment for which non-listed price in an active market is available is reasonable. |
| ii) | **Evaluation of uncertain tax positions**<br><br>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.<br><br>*(Refer Note 8 to the Standalone Financial Statements)* | **Principal Audit Procedures**<br><br>We evaluated the Company's processes and controls for monitoring the tax disputes.<br><br>Obtained risk assessment of tax litigation from our internal tax expert to assess management's judgement and assumption on such matters to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. They also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. |

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

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management discussion and Analysis, Board's Report including its annexure containing details of its subsidiaries & associate and Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

   If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements' and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

   Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

   Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

   We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

   From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and accounting to the information and explanations give to us, we give in the "Annexure - I" a statement on the matters specified in paragraphs 3 and 4 of the Order.

# Independent Auditors' Report

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

   i) 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.

   ii) 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.

   iii) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   iv) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   v) On the basis of the written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.

   vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   vii) With respect to the matter to be included in the Auditor's Report under section 197(16), in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.

   viii) 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:

      a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

      b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      d) The management has represented that

         i) to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

         ii) to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

         iii) Based on the audit procedures, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

      e) The dividend paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

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

For **S. C. Ajmera & Co.**
**Chartered Accountants**
FRN: 0002908C

Sd/-
**[S. C. Ajmera – Partner]**
M. No.: 081398
UDIN: 22081398AHNJNX199

Date: 21st April 2022
Place: Udaipur

# Independent Auditors' Report - Annexure I

(Referred to in paragraph 7 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the SBI Capital Markets Limited for the year ended March 31, 2022 on the matters required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013)

i. In respect of Tangible & Intangible Assets :

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The company is maintaining proper records showing full particulars of Intangible assets.

b) As explained to us all the Property, Plant and Equipment, except certain leased assets were physically verified by the management in the current year in accordance with a planned programme of verifying them which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed no material discrepancies were noted on such verification.

c) According to the information and explanations given to us and based on our examination of the records of the Company, out of five immovable properties of the Company, the title deeds of four of the immovable property was provided for our verification and the same is in the name of the Company. We are informed that the title deed of one immovable property has been deposited with the Registrar; and the same could not be verified by us and hence we are not able to comment on the same.

d) According to the information and explanations given to us and based on our examination of the records of the Company, no revaluation of property, plant & equipment or intangible assets or both has been done. Hence, Clause (d) of this para is not applicable to the Company.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence, Clause (e) of this para is not applicable to the Company.

ii. In respect of Inventories:

a) 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, coverage and procedure of such verification by the management is appropriate. The Company is maintaining proper records of inventory and no discrepancies were noticed on comparing the physical securities/ statement from custodian with book records.

b) The company has not been sanctioned, any working capital from banks or financial institutions on the basis of security of current assets. Hence, Clause (b) of this para is not applicable to the Company.

iii. According to the information and explanations given to us, during the year, the Company has made investments of Rs. 55 Crores in Investec Capital Services (India) Private Limited, which is not prejudicial to the company's interest. Further, the company, has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties. Accordingly, sub clauses (a), (c), (d), (e) and (f) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

v) The Company has not accepted any deposits from the public. Hence this para of the Order is not applicable to the Company.

vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

vii) In respect of Statutory Dues:

a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Service Tax, 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, 2022 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, goods & service tax, outstanding on account of any dispute except as under:

| Nature of Statute | Nature of Dues | Demand disputed (Rs. in Crores) | Assessment Year to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Issue relating to dis-allowance of expenses | 22.16 | 1989-90, 1991-92, 2011-12, 2015-16, 2016-17 | Commissioner Income Tax (Appeals) |
| Income Tax Act, 1961 | Issue relating to dis-allowance of expenses | 15.69 | 1996-97 to1999-00, 2001-02, 2003-04, 2004-05, 2005-06 | Income Tax Appellate Tribunal (ITAT) |
| Service Tax | Issues relating to reconciliation of Income | 1.94 | FY 2000-2003 | Commissioner CGST (Appeals) |
| Service Tax | Issues relating to dis-allowance on Export of Service | 4.94 | FY 2011-2017 to June'2017 | Commissioner CGST (Appeals) |

viii. According to information and explanations given to us and on the basis of our examination of the books of account, and records, there are no transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. In our opinion and according to the information and explanations given to us, the company has not taken any loans or other borrowings, hence provisions of clause 3(ix) of the Order are not applicable.

x. The company has

(a) not raised moneys by way of initial public offer or further public offer. Accordingly, the provisions of clause 3 (x) (a) of the Order are not applicable to the Company.

(b) 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 (x) (b) of the Order are not applicable to the Company.

xi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us,

(a) no fraud by the Company or fraud on the company has been noticed or reported during the year.

(b) no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) No whistle-blower complaints have been received during the year by the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

xiv. The company has

(a) an internal audit system commensurate with the size and nature of its business

(b) The reports of the Internal Auditors for the period under audit were considered by us.

SBI Capital Markets Limited

# Independent Auditors' Report - Annexure I

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

xvii. Based on our examination of the records of the Company, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. As per the information and explanation given to us, there has been no resignation of the statutory auditors during the year, hence the provisions of clause 3(xviii) of the Order are not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and as per our knowledge of the Board of Directors and management plans, in our opinion, no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. According to the information and explanations given to us and based on our examination of the records of the Company,

a) In respect of other than ongoing projects, there is no unspent amount. Hence, clause 3 (xx) (a) of the Order are not applicable to the Company.

b) An amount of Rs. 1.28 Crores remaining unspent under subsection (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to separate bank account maintained by the Company in compliance with the provision of subsection (6) of section 135 of the said Act.

xxi. According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion the provisions of clause 3(xxi) are not applicable to Standalone Financial Statements.

For **S. C. Ajmera & Co.**
**Chartered Accountants**
FRN: 0002908C

Sd/-
**[S. C. Ajmera – Partner]**
M. No.: 081398
UDIN: 22081398AHNJNX199

Date: 21st April 2022
Place: Udaipur

# Independent Auditors' Report - Annexure II

Referred to in paragraph 8(vi) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the SBI Capital Markets Limited for the year ended March 31, 2022 on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013). We have audited the internal financial controls over financial reporting of SBI Capital Markets Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

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

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

# Independent Auditors' Report - Annexure II

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. C. Ajmera & Co.**
**Chartered Accountants**
FRN: 0002908C

Sd/-
**[S. C. Ajmera – Partner]**
M. No.: 081398
UDIN: 22081398AHNJNX199

Date: 21st April 2022
Place: Udaipur

# Independent Auditors' Report - Annexure III

(Referred to in paragraph 9 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the SBI Capital Markets Limited for the year ended March 31, 2022 on Directions issued by the Comptroller and Auditor General of India under section 143(5) of Companies Act, 2013).

1. Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

   - **According to the information and explanations given to us and based on our examination of the records of the Company, the Company has system in place to process all the accounting transactions through IT system, Oracle, which is an ERP system. There is no processing of accounting transactions outside the IT system.**

2. Whether there is any restructuring of an existing loan or cases of waiver/write-off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? if yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).

   - **There is/are no case/cases of restructuring of an existing loan or cases of waiver/write off of debts/ loans/ Interest etc. made by a lender to the Company at all.**

3. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.

   - **According to the information and explanations given to us and based on our examination of the records of the Company, no funds have been received / receivable for specific schemes from central / state agencies.**

For **S. C. Ajmera & Co.**
**Chartered Accountants**
FRN: 0002908C

Sd/-
**[S. C. Ajmera – Partner]**
M. No.: 081398
UDIN: 22081398AHNJNX199

Date: 21st April 2022
Place: Udaipur

# CAG Comments

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI CAPITAL MARKETS LIMITED FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of financial statements of SBI Capital Markets Limited for the year ended 31 March 2022 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 21 April 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SBI Capital Markets Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report under section 143(6)(b) of the Act.

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

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

Place: Mumbai
Date: 28.06.2022

# Balance sheet as at 31st March, 2022

(Rs. in Lacs)

| | Particulars | Note | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| (1) | Financial Assets | | | |
| (a) | Cash and cash equivalents | 3 | 1,390 | 1,347 |
| (b) | Bank balance other than included in (a) above | 3 | 517 | 560 |
| (c) | Securities for trade | 4 | 148,967 | 150,246 |
| (d) | Receivables | | | |
| | (I) Trade Receivables | 5 | 11,640 | 6,901 |
| | (II) Other Receivables | 5 | 37 | 71 |
| (e) | Investments | 6 | 504,830 | 333,883 |
| (f) | Other Financial assets | 7 | 653 | 833 |
| | **Total Financial Assets** | | **668,034** | **493,841** |
| (2) | Non-financial Assets | | | |
| (a) | Current tax asset (Net) | 8 | 9,996 | 10,713 |
| (b) | Investment Property | 9 | 5,625 | 5,922 |
| (c) | Property, Plant and Equipment | 10 | 550 | 547 |
| (d) | Right-of-use assets | 10 | 3,220 | 3,648 |
| (e) | Intangible assets | 11 | 14 | 18 |
| (f) | Other non-financial assets | 12 | 888 | 595 |
| | **Total Non-Financial Assets** | | **20,293** | **21,443** |
| | **TOTAL ASSETS** | | **688,327** | **515,284** |
| | **LIABILITIES AND EQUITY** | | | |
| | **LIABILITIES** | | | |
| (1) | **Financial Liabilities** | | | |
| (a) | Payables | 13 | | |
| | (I) Trade Payables | | | |
| | - total outstanding dues of MSME | | - | - |
| | - total outstanding dues of creditors other than MSME | | 63 | 821 |
| | (II) Other Payables | | | |
| | - total outstanding dues of MSME | | 2 | - |
| | - total outstanding dues of creditors other than MSME | | 551 | 498 |
| (b) | Lease Liabilities | | 3,402 | 3,573 |
| (c) | Other financial liabilities | 14 | 4,163 | 4,052 |
| | **Total Financial Liability** | | **8,181** | **8,944** |
| (2) | **Non-Financial Liabilities** | | | |
| (a) | Deferred tax Liabilities (Net) | 15 | 99,652 | 64,709 |
| (b) | Provisions | 16 | 1,015 | 1,065 |
| (c) | Other non-financial liabilities | 17 | 1,942 | 1,040 |
| | **Total Non-financial Liability** | | **102,609** | **66,814** |

# Balance sheet as at 31st March, 2022

(Rs. in Lacs)

| | Particulars | Note | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|---|
| (3) | **EQUITY** | | | |
| (a) | Equity Share capital | 18 | 5,803 | 5,803 |
| (b) | Other Equity | 19 | 571,734 | 433,723 |
| | **Total Equity** | | **577,537** | **439,526** |
| | **TOTAL LIABILITIES AND EQUITY** | | **688,327** | **515,284** |

Significant Accounting policies and notes to financial statements 1-48

The accompanying notes forms an integral part of these financial statements

As per our report of even date

For **S C Ajmera & Co.**
**Chartered Accountants**
Firm Registration No.: 002908C

Sd/-
**CA S C Ajmera**
**Partner**
Membership No.: 081398

Place: Udaipur
Date: April 21, 2022

For and on behalf of Board of Directors

Sd/-
**Ashwini Kumar Tewari**
**Director**

Sd/-
**Arun Mehta**
**Managing Director & CEO**

Sd/-
**Krishnan Kutty Raghavan**
**Chief Financial Officer**

Sd/-
**Amit Shah**
**Company Secretary**

Place: Mumbai
Date: April 21, 2022

# Statement of Profit and Loss for the year ended 31st March, 2022

(Rs. in Lacs)

| | Particulars | Notes | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|---|---|
| (I) | **Revenue from operations** | | | |
| (i) | Interest Income | 20 | 1,620 | 1,457 |
| (ii) | Dividend Income | 21 | 5,666 | 2,640 |
| (iii) | Fees and Commission Income | 22 | 45,507 | 49,540 |
| (iv) | Net gain on fair value changes | 23 | 7,774 | 4,263 |
| | **Total Revenue from Operations** | | **60,567** | **57,900** |
| (II) | Other Income | 24 | 2,080 | 1,174 |
| (III) | **Total Income** | | **62,647** | **59,074** |
| | **Expenses** | | | |
| (i) | Finance Costs | 25 | 240 | 2,303 |
| (ii) | Fees and Commission expenses | 26 | 2,007 | 1,776 |
| (iii) | Impairment of Financial instruments | 27 | 69 | 78 |
| (iv) | Employee Benefits Expenses | 28 | 11,853 | 11,817 |
| (v) | Depreciation and Amortization | 29 | 888 | 750 |
| (vi) | Others expenses | 30 | 4,362 | 4,025 |
| (IV) | **Total Expenses** | | **19,419** | **20,749** |
| (V) | **Profit/(loss) before tax** | | **43,228** | **38,325** |
| (VI) | **Tax Expense:** | | | |
| | (1) Current Tax | | 8,640 | 8,930 |
| | (2) Tax expense/(credit) of earlier years | | - | - |
| | (3) Deferred Tax | | 618 | 2,070 |
| (VII) | **Profit/(loss) after tax for the period/year** | | **33,970** | **27,325** |
| (VIII) | Other Comprehensive Income (OCI) | | | |
| | **A) Items that will not be reclassified to profit or loss** | | | |
| | - Remeasurement of defined employee benefit plans | | (40) | (64) |
| | - Realised gain on Equity instruments through OCI | | 68 | 48,377 |
| | - Unrealised gain on Equity instruments through OCI | | 149,942 | 124,334 |
| | - Income tax relating to items that will not be reclassified to Profit or Loss | | (34,323) | (36,747) |
| | **Subtotal (A)** | | **115,647** | **135,900** |
| | **B)** Items that will be reclassified to profit or loss | | - | - |
| | - Income tax relating to items that will be reclassified to Profit or Loss | | - | - |
| | **Subtotal (B)** | | **-** | **-** |

# Statement of Profit and Loss for the year ended 31st March, 2022

(Rs. in Lacs)

| | Particulars | Notes | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|---|---|
| | **Other comprehensive income** | | **115,647** | **135,900** |
| (IX) | **Total Comprehensive Income for the period/year** | | **149,617** | **163,225** |
| (X) | Earning Per Share (face value of ₹ 10/- each) | | | |
| | Basic in ₹ | | 58.54 | 47.09 |
| | Diluted in ₹ | | 58.54 | 47.09 |
| | Significant Accounting policies and notes to financial statements | 1-48 | | |

The accompanying notes form an integral part of these financial statements

As per our report of even date

For **S C Ajmera & Co.**
**Chartered Accountants**
Firm Registration No.: 002908C

Sd/-
**CA S C Ajmera**
**Partner**
Membership No.: 081398

Place: Udaipur
Date: April 21, 2022

For and on behalf of Board of Directors

Sd/-
**Ashwini Kumar Tewari**
**Director**

Sd/-
**Arun Mehta**
**Managing Director & CEO**

Sd/-
**Krishnan Kutty Raghavan**
**Chief Financial Officer**

Sd/-
**Amit Shah**
**Company Secretary**

Place: Mumbai
Date: April 21, 2022

A. Equity Share Capital

(Rs. in Lacs)

| Particulars | No. of shares (lacs) | Amount |
|---|---|---|
| **Balance as at April 1, 2020** | **580** | **5,803** |
| Changes in Equity Share Capital due to prior period errors | - | - |
| **Restated balance at the beginning of the previous reporting period** | **580** | **5,803** |
| Changes in equity share capital during the year | - | - |
| **Balance as at March 31, 2021** | **580** | **5,803** |
| Changes in Equity Share Capital due to prior period errors | - | - |
| **Restated balance at the beginning of the previous reporting period** | **580** | **5,803** |
| Changes in equity share capital during the year | - | - |
| **Balance as at March 31, 2022** | **580** | **5,803** |

B. Other Equity

(Rs. in Lacs)

| Particulars | Reserves and Surplus | | | Other Comprehensive Income | | Total other equity attributable to equity holders of the Company |
|---|---|---|---|---|---|---|
| | Security premium reserve | Retained earnings | General Reserve | Equity instruments through other comprehensive income | Other items of Other comprehensive income | |
| **Balance as at April 1, 2020** | **6,347** | **152,868** | **44,439** | **78,535** | **(85)** | **282,105** |
| Changes in accounting policy or prior year errors | - | - | - | - | - | - |
| **Restated balance at the beginning of the previous reporting year** | **6,347** | **152,868** | **44,439** | **78,535** | **(85)** | **282,105** |
| Profit for the year | - | 27,325 | - | - | | 27,325 |
| Remeasurement of defined employee benefit plans | - | - | - | - | (48) | (48) |
| Realised gain on Equity instruments through OCI (net of taxes) | - | - | - | 40,043 | - | 40,043 |
| Unrealised gain on Equity instruments through OCI (net of taxes) | - | - | - | 95,905 | - | 95,905 |
| **Total comprehensive income for the year** | **-** | **27,325** | **-** | **135,948** | **(48)** | **163,225** |
| Interim Dividends paid | - | (11,607) | - | - | - | (11,607) |
| Inter-Reserve Transfer | - | 40,043 | | (40,043) | - | - |

# Statement of changes in equity as at 31st March, 2022

(Rs. in Lacs)

| Particulars | Reserves and Surplus | | | Other Comprehensive Income | | Total other equity attributable to equity holders of the Company |
|---|---|---|---|---|---|---|
| | Security premium reserve | Retained earnings | General Reserve | Equity instruments through other comprehensive income | Other items of Other comprehensive income | |
| Other Movements | - | - | - | - | - | - |
| **Balance as at March 31, 2021** | **6,347** | **208,629** | **44,439** | **174,440** | **(132)** | **433,723** |
| Changes in accounting policy or prior year errors | - | - | - | - | - | - |
| **Restated balance at the beginning of the previous reporting year** | **6,347** | **208,629** | **44,439** | **174,440** | **(132)** | **433,723** |
| Profit for the year | - | 33,970 | - | - | | 33,970 |
| Remeasurement of defined employee benefit plans (net of taxes) | - | - | - | - | (30) | (30) |
| Realised gain on Equity instruments through OCI (net of taxes) | - | - | - | 60 | | 60 |
| Unrealised gain on Equity instruments through OCI (net of taxes) | - | - | - | 115,618 | | 115,618 |
| **Total comprehensive income for the period** | **-** | **33,970** | **-** | **115,678** | **(30)** | **149,618** |
| Interim Dividend paid | - | (11,607) | - | - | - | (11,607) |
| Inter-Reserve Transfer | - | 60 | - | (60) | - | - |
| Other Movements | - | - | - | - | - | - |
| **Balance as at March 31, 2022** | **6,347** | **231,052** | **44,439** | **290,058** | **(162)** | **571,734** |

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

As per our report of even date

For **S C Ajmera & Co.**
**Chartered Accountants**
Firm Registration No.: 002908C

Sd/-
**CA S C Ajmera**
**Partner**
Membership No.: 081398

Place: Udaipur
Date: April 21, 2022

For and on behalf of Board of Directors

Sd/-
**Ashwini Kumar Tewari**
**Director**

Sd/-
**Arun Mehta**
**Managing Director & CEO**

Sd/-
**Krishnan Kutty Raghavan**
**Chief Financial Officer**

Sd/-
**Amit Shah**
**Company Secretary**

Place: Mumbai
Date: April 21, 2022

# Cash Flow Statement for the year ended 31st March, 2022

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| **Profit before tax** | **43,228** | **38,325** |
| Adjustments for - | | |
| Fair valuation gain/loss on FVTPL Financial Instrument | (2,613) | (1,188) |
| Interest on fair valuation of security deposit | (8) | (8) |
| Amortisation of prepaid rent expenses on security deposit | - | - |
| Impairment of Financial Instruments | 69 | 78 |
| Loss on disposal of subsidiaries | - | - |
| Bad Debts Written off (net of Provisions for doubtful debts) | - | 16 |
| Provision for (written back)/doubtful debts | (474) | - |
| Depreciation and amortisation expenses | 888 | 750 |
| (Profit) / Loss on sale of Property, plant and equipment (net) | (1) | (4) |
| Interest income on investment | (736) | (700) |
| Interest income on fixed deposit with Banks | (67) | (244) |
| Dividend income | (5,666) | (2,640) |
| Interest on borrowings | - | 2,140 |
| Interest on lease liability | 240 | 163 |
| Provision for Gratuity | (34) | (44) |
| Provision for Leave encashment | (56) | 171 |
| **Operating profit before working capital changes** | **34,770** | **36,815** |
| Decrease /(increase) in trade receivables | (4,231) | 2,240 |
| Decrease /(increase) in other cash and bank balances | 43 | (216) |
| Decrease /(increase) financial asset | 188 | (174) |
| Decrease /(increase) other non-financial assets | (292) | 217 |
| Decrease /(increase) securities for trade | 1,279 | (67,554) |
| (Decrease)/increase payable | (703) | 96 |
| (Decrease)/increase other financial liability | 111 | 1,026 |
| (Decrease)/increase non-financial liability | 904 | 165 |
| | | - |
| **Cash generated from operations** | **32,069** | **(27,385)** |
| Income tax paid | (7,921) | (17,917) |
| **I. Net cash from operating activities** | **24,148** | **(45,302)** |
| **Cash flow from investing activities:** | | |
| Purchase of fixed assets | (190) | (175) |
| Sale of fixed assets | 28 | 23 |
| Interest income on investment | 736 | 700 |
| Interest income on fixed deposit with Banks | 67 | 244 |
| Dividend income | 5,666 | 2,640 |
| Investments made | (17,251) | (142,248) |

# Cash Flow Statement for the year ended 31st March, 2022

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Acquisition of Shares of Associates | (5,499) | - |
| Proceeds on sale of investments | 4,356 | 192,544 |
| **II. Net cash from investing activities** | **(12,087)** | **53,728** |
| | | |
| **Cash flow from financing activities:** | | |
| Borrowings availed | - | 107,000 |
| Borrowings repaid | - | (107,000) |
| Interest expenses | - | (2,140) |
| Repayment of lease liabilities | (411) | (407) |
| Dividend Paid | (11,607) | (11,607) |
| **III. Net cash used in financing activities** | **(12,018)** | **(14,154)** |
| | | |
| Net change in cash & cash equivalents (I+II+III) | 43 | (5,728) |
| Cash & cash equivalents at the beginning of the year | 1,347 | 7,075 |
| Cash & cash equivalents at the end of the year | 1,390 | 1,347 |

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

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Cash on hand | - | - |
| Balances with scheduled banks (current accounts) | 1,390 | 1,347 |
| | **1,390** | **1,347** |
| | | |
| (Excludes lien marked deposits with scheduled banks and current account balance in escrow account) | 517 | 560 |

Notes:

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

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

As per our report of even date

For **S C Ajmera & Co.**
**Chartered Accountants**
Firm Registration No.: 002908C

Sd/-
**CA S C Ajmera**
**Partner**
Membership No.: 081398

Place: Udaipur
Date: April 21, 2022

For and on behalf of Board of Directors

Sd/-
**Ashwini Kumar Tewari**
**Director**

Sd/-
**Arun Mehta**
**Managing Director & CEO**

Sd/-
**Krishnan Kutty Raghavan**
**Chief Financial Officer**

Sd/-
**Amit Shah**
**Company Secretary**

Place: Mumbai
Date: April 21, 2022

## 1. Corporate Information

SBI Capital Markets Limited (hereinafter referred to as "the Company") is an Unlisted Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at No.202, Maker Tower, 'E', 20th Floor Cuffe Parade, Mumbai - 400 005, Maharashtra, India. The Company is engaged in business of Merchant Banking and Corporate Advisory services.

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

## 2. Significant Accounting Policies

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

### i. Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as "Ind AS") notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time).

Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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

The financial statements for the year ended March 31, 2022 are being authorized for issue in accordance with a resolution of the directors on April 21, 2022.

### ii. Use of Estimates

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

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

### iii. Revenue from contracts with customer

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

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

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

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

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

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

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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, cash discount and amounts collected on behalf of third parties.

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

**a. Fee based Income**

- Issue Management and advisory fees is recognised as per the terms of the agreement with the customer/ client i.e. fee income is recognised only when the specific act/milestone defined in the agreement is executed/completed.
- Fees for private placement are recognised on completion of the assignment.

**b. Interest Income**

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

**c. Sale of Securities**

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

**d. Dividend Income**

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

**iv. Property, Plant and Equipment**

**Measurement at Recognition:**

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

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

**Depreciation:**

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

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

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

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

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

**Capital work-in-progress and capital advances:**

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

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

**De-recognition:**

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

**v. Intangible Assets**

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

**Amortisation:**

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

**vi. Investment Property**

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

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the written down value method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management expert.

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

**vii. Financial Instruments**

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

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

For subsequent measurement, financial assets are categorized into:

a. **Amortised cost:**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest

on the principal amount outstanding. The gains and losses resulting from fluctuations in fair value are not recognized for financial assets classified in amortised cost measurement category. A gain or loss on a financial asset which is subsequently measured at amortised cost is recognized in profit or loss when the asset is de-recognised or impaired.

b. **Fair Value Through Other Comprehensive Income (FVOCI):**

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

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

c. **Fair Value Through Profit or Loss (FVTPL):**

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

**Level - 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level - 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. In case of unquoted debt instruments, valuation would be done in accordance with the valuation guidelines issued by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

**Level - 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

(Investment in subsidiaries and associates is carried at cost less impairment loss if any as per Ind AS 27.)

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

**Impairment of financial assets**

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

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

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

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

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back in the statement of profit and loss.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the company balance sheet) when:

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

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

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

**Loans and borrowings**

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

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

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

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

**viii. Taxation**

Income tax expense comprise current and deferred tax incurred by the company.

**Current Tax:**

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

**Deferred taxes:**

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

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

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

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

**ix. Impairment of Non-Financial Assets**

The Company assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An asset's recoverable amount is the higher of cash generating unit's ("CGU") fair value less costs of disposal and its value in use. The carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

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

**x. Leases**

**Company as a Lessee:**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

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

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

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

**Company as a Lessor:**

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

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

**xi. Borrowing Costs**

Borrowing cost includes interest expense as per the effective interest rate (EIR) and other costs incurred by the company in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready

for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the year in which they are incurred.

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

**xii. Equity Instruments**

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

**Dividend Provision**

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

**xiii. Provisions**

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

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

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

**xiv. Contingent Liabilities and Assets**

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

Contingent assets are neither recognized nor disclosed.

**xv. Cash and Cash Equivalents**

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

**xvi Employee Benefits**

**Gratuity:**

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

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

As required by the Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

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

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

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

With respect to Oman Branch, the Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

**Provident Fund:**

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

**Compensated absence:**

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

**xvii. Segment Reporting**

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

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

**xviii. Foreign Exchange Transactions**

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

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

**xix. Earnings Per Share**

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

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

### xx. Critical Accounting Judgements and Estimates

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

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

- **Defined benefit plans**

  The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

  Further details about gratuity obligations are given in Note 34.

  Fair value measurement of financial instruments

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

## 3. Cash and Bank Balances

(Rs. in Lacs)

| | Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|
| (a) | **Cash and Cash equivalents** | | |
| | Cash on hand* | - | - |
| | Balances with Scheduled banks | | |
| | - In current accounts | 1,390 | 1,347 |
| | **Total** | **1,390** | **1,347** |
| | *Represents value less than ₹ 0.50 Lacs. | | |
| (b) | **Bank Balance other than included in (a) above** | | |
| | Balances with Scheduled banks | | |
| | - In current accounts-escrow accounts | 100 | 35 |
| | Deposit Accounts | | |
| | Deposit with original maturity less than 12 months | 417 | 525 |
| | **Total** | **517** | **560** |

**3.1** There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

**3.2** Fixed deposit amounting to Rs. 342 lacs (2021: Rs. 457 lacs) kept as collateral against bank guarantees.

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

## 4. Securities for trade

(Rs. in Lacs)

| | Particulars | As at 31-Mar-2022 | | As at 31-Mar-2021 | |
|---|---|---|---|---|---|
| | | Units | Amount | Units | Amount |
| A | **At fair value through profit or loss (FVTPL)** | | | | |
| (i) | **Debt securities - Bonds** | | | | |
| | 6.80% Canfin Homes 39 months | 2,000 | 20,000 | - | - |
| | 6.85% Canfin Homes 39 months | 250 | 2,500 | | |
| | **Subtotal** | | **22,500** | | **-** |
| (ii) | **Preference Shares (unquoted) fully paid up** | | | | |
| | 0.0001% Pasupati Fabrics Ltd of Rs.10/- each | 140,000 | - | 140,000 | - |
| | **Subtotal** | | **-** | | **-** |
| (iii) | **Equity instruments (unquoted)- fully paid up** | | | | |
| | Cremica Agro Foods Limited, face value Rs.10/- each, fully paid up | 46,200 | 9 | 46,200 | 9 |
| | **Subtotal** | | **9** | | **9** |
| (iv) | **Mutual Funds (unquoted)** | | | | |
| | - Arbitrage Funds | | 9,225 | | |
| | - Money market funds | | - | | 63,284 |
| | - Liquid funds | | 117,233 | | 86,953 |
| | **Subtotal** | | **126,458** | | **150,237** |
| | **Total (A) Gross** | | **148,967** | | **150,246** |

## 5. Receivables

(Rs. in Lacs)

| | Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|
| (a) | **Trade Receivables** | | |
| | i) Receivables-Considered good-unsecured | 13,063 | 9,115 |
| | ii) Receivables which have significant increase in credit risk | - | - |
| | iii) Receivables credit impaired | 1,299 | 1,243 |
| | **Total (A)** | **14,362** | **10,358** |
| | Less: Allowance for expected credit loss | | |
| | i) Allowance for expected credit loss-Considered good-unsecured | (1,423) | (2,214) |
| | ii) Allowance for expected credit loss which have significant increase in credit risk | - | - |
| | iii) Allowance for expected credit loss-credit impaired | (1,299) | (1,243) |
| | **Total (B)** | **(2,722)** | **(3,457)** |
| | **Total (A+B)** | **11,640** | **6,901** |

**Trade receivables aging schedule:**

**Trade receivables aging schedule as at 31 March 2022:**

(Rs. in Lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| i) Undisputed Trade receivables - considered good | 11,995 | 373 | 109 | 325 | 261 | 13,063 |
| ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | 1,299 | 1,299 |
| iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| **Total** | **11,995** | **373** | **109** | **325** | **1,560** | **14,362** |

**Trade receivables aging schedule as at 31 March 2021:**

(Rs. in Lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| i) Undisputed Trade receivables - considered good | 6,764 | 316 | 722 | 932 | 381 | 9,115 |
| ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | 1,243 | 1,243 |
| iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| **Total** | **6,764** | **316** | **722** | **932** | **1,624** | **10,358** |

(b) Other Receivables

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| i) Receivables- Considered good - unsecured | 37 | 72 |
| ii) Receivables which have significant increase in credit risk | - | - |
| iii) Receivables credit impaired | 90 | - |
| **Total (A)** | **127** | **72** |
| Less: Allowance for expected credit loss | | |
| i) Allowance for expected credit loss-Considered good-unsecured | - | (1) |
| ii) Allowance for expected credit loss which have significant increase in credit risk | - | - |
| iii) Allowance for expected credit loss - credit impaired | (90) | - |
| **Total (B)** | **(90)** | **(1)** |
| **Total (A+B)** | **37** | **71** |

5.1 Movement in allowance for expected credit loss

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Balance at the beginning of the year | 3,458 | 5,945 |
| Add/(Less): Allowance for the period/ year | (646) | (2,487) |
| **Total** | **2,812** | **3,458** |

5.2 Receivables from Related parties

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Trade Receivables | 1215 | 323 |
| Other Receivables | 31 | 55 |
| **Total** | **1246** | **378** |

## 6. Investments

(Rs. in Lacs)

| | Particulars | As at 31-Mar-2022 | | As at 31-Mar-2021 | |
|---|---|---|---|---|---|
| | | Units | Amount | Units | Amount |
| I | **Investments carried at fair value through statement of other comprehensive income (FVOCI)** | | | | |
| | a) **Investment in Equity instruments - Quoted** | | | | |
| | Yes Bank Limited, face value of Rs.2 each, fully paid up | - | - | 9,401,256 | 1,467 |
| | **Subtotal** | | **-** | | **1,467** |
| | b) **Investment in Equity instruments - Unquoted** | | | | |
| | National Stock Exchange of India Limited, face value of Rs.1 each, fully paid up | 21,450,000 | 431,059 | 21,450,000 | 277,005 |
| | OTC Exchange of India Limited, face value of Rs. 10 each, fully paid up | 1,100,000 | - | 1,100,000 | - |
| | Investor Services India Limited, face value of Rs. 10 each, fully paid up (company under voluntary liquidation) | 535,768 | #- | 535,768 | #- |
| | India SME Technology Services Limited, face value of Rs. 10 each, fully paid up (company under voluntary liquidation) | 22,000 | 28 | 22,000 | 33 |
| | ONGC Mittal Energy Limited, face value USD 1 each, fully paid up | 1,000,000 | - | 1,000,000 | - |
| | Receivable Exchange of India Limited face value Rs. 10 each, fully paid up | 3,050,000 | 323 | 3,050,000 | 320 |
| | SBI Home Finance Limited, face value of Rs. 10 each, per share (Company under liquidation) | 1,032,500 | - | 1,032,500 | - |
| | **Subtotal** | | **431,410** | | **277,358** |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

(Rs. in Lacs)

| | Particulars | As at 31-Mar-2022 | | As at 31-Mar-2021 | |
|---|---|---|---|---|---|
| | | Units | Amount | Units | Amount |
| | **(c) Investment in Equity Instruments - Parents Subsidiaries (unquoted)** | | | | |
| | SBI DFHI Limited, face value of Rs. 100/- each, fully paid up | 595,295 | 4,116 | 595,295 | 7,889 |
| | State Bank of India Servicos Limitada Brazil* | 1 | - | 1 | - |
| | SBI Foundation Limited, face value of Rs 10/- each, fully paid up | 1,001 | 3 | 1,001 | 1 |
| | **Subtotal** | | **4,119** | | **7,890** |
| | **Total** | | **435,529** | | **286,715** |
| **II** | **Investments carried at cost** | | | | |
| | a) Investment in Equity Instruments - Associates (unquoted) | | | | |
| | SBI Pension Funds Private Limited face value Rs. 10/- each, fully paid up | 6,000,000 | 600 | 6,000,000 | 600 |
| | Investec Capital Services (India) Private Limited, face value of Rs. 10/- each, fully paid up | 472,820 | 5,500 | - | - |
| | **Subtotal** | | **6,100** | | **600** |
| | **b) Investment in Equity Instruments - wholly owned subsidiaries (unquoted)** | | | | |
| | SBICAP Securities Limited, face value Rs.10/- each, fully paid up | 96,875,000 | 12,500 | 96,875,000 | 12,500 |
| | SBICAP Trustee Company Limited, face value Rs. 10 each, fully paid up | 1,000,000 | 5 | 1,000,000 | 5 |
| | SBICAP Ventures Limited face value Rs. 10/- each, fully paid up | 603,779,170 | 6,038 | 603,779,170 | 6,038 |
| | SBICAP Singapore Limtied, face value SGD 1 each, fully paid up (Refer note no. 45) | 13,000,000 | 6,178 | 13,000,000 | 6,178 |
| | **Subtotal** | | **24,721** | | **24,721** |
| | Less: Impairment loss allowance (Refer note no. 45) | | 306 | | 237 |
| | **Subtotal** | | **24,415** | | **24,484** |
| | **Total** | | **30,515** | | **25,084** |

(Rs. in Lacs)

| | Particulars | As at 31-Mar-2022 | | As at 31-Mar-2021 | |
|---|---|---|---|---|---|
| | | Units | Amount | Units | Amount |
| III | **Investments carried at fair value through Fair Value through Profit and Loss (FVTPL)** | | | | |
| | a) Investments in Alternative Investment Fund (AIF) units - Unquoted | | | | |
| | Stellaris Ventures Partners India - I Fund | 718 | 2,928 | 672 | 1,351 |
| | Emerging India Credit Opportunities Fund - I | 2,163 | 2,162 | | |
| | SBI Special Situation Fund I | 10,000 | 229 | 10,000 | 644 |
| | **Subtotal** | | **5,319** | | **1,995** |
| | b) Investments in Mutual funds - Unquoted | | | | |
| | - Fixed Maturity plans | | 20,659 | | 3,077 |
| | - Debt funds | | 5,763 | | 8,706 |
| | **Subtotal** | | **26,422** | | **11,783** |
| | **Total** | | **31,741** | | **13,778** |
| IV | **Investment carried at amortised cost** | | | | |
| | Investments in debentures or bonds - Quoted | | | | |
| | 8.20% bonds of National Highway Authority of India Ltd of Rs. 1,000 each | - | - | 54,876 | 549 |
| | 8.20% Power Finance Corporation Ltd. of Rs. 1,000 each | - | - | 71,197 | 712 |
| | 8.10% bonds of India Railways Finance Corporation Ltd. of Rs. 1,000 each | 304,510 | 3,045 | 304,510 | 3,045 |
| | 7.38% Rural Electrification Corporation Ltd. of Rs. 1,000 each | 100,000 | 1,000 | 100,000 | 1,000 |
| | 7.34% Indian Railways Finance Corporation Ltd. of Rs. 1,000 each | 100,000 | 1,000 | 100,000 | 1,000 |
| | 8.63% Rural Electrification Corporation Ltd. of Rs. 1,000 each | 100,000 | 1,000 | 100,000 | 1,000 |
| | 8.55% India Infrastructure Finance Company Ltd. of Rs. 1,000 each | 100,000 | 1,000 | 100,000 | 1,000 |
| | **Total** | | **7,045** | | **8,306** |
| | **Total Investment** | | **504,830** | | **333,883** |

#Represents value less than Rs. 0.50 Lacs.

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

## 6.1 Category wise Investments

(Rs in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Financial Assets** | | |
| - Amortised Cost | 7,045 | 8,306 |
| - Cost | 30,515 | 25,084 |
| - Fair value through other comprehensive income | 435,529 | 286,715 |
| - Fair value through profit or loss | 31,741 | 13,778 |
| **Total** | **504,830** | **333,883** |

## 6.2 Break up of Investments

(Rs in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Investments in India | 498,958 | 327,942 |
| Investments outside India | 5,872 | 5,941 |
| **Total** | **504,830** | **333,883** |

## 6.3 Investment in Investec Capital Services (India) Private Limited

During the year, the Company has acquired 19.70% stake through acquisition of shares of Investec Capital Services (India) Private Limited (Investee) at Rs. 55 Crores. The Investment agreement between the Company and the Investee Company gives rights and powers to the Company to exercise significant influence over the Invesee Company. The Company intends to jointly undertake business of Equity Capital Markets with the Investee Company. The Company has treated Investee Company as Associate in line with Ind AS 28 Investments in Associates and Joint Ventures.

## 7. Other financial assets

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Unsecured, Considered good** | | |
| **Deposits** | | |
| - Security deposits for leased premises | 212 | 218 |
| - Other deposits | 141 | 154 |
| Advance to employees | 62 | 35 |
| Accrued interest | 229 | 250 |
| Accrued income from services | 9 | 175 |
| **Total** | **653** | **833** |

## 8. Income Tax Asset (Net)

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Advance tax and TDS (Net of provision for tax of Rs. 186,528 Lacs (2021: Rs.177,890 Lacs) | 9,996 | 10,713 |
| **Total** | **9,996** | **10,713** |

## 9. Investment Property

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Gross Carrying Amount** | | |
| Opening gross carrying amount | 7,917 | 7,917 |
| Additions | - | - |
| Closing gross carrying amount | **7,917** | **7,917** |
| **Accumulated depreciation** | | |
| Opening accumulated depreciation | 1,995 | 1,683 |
| Depreciation for the year | 296 | 312 |
| Closing accumulated depreciation | **2,291** | **1,995** |
| **Total** | **5,626** | **5,922** |

## 9.1 Amount recognised in Statement of Profit & Loss for Investment Properties

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Rental income from Operating Leases | 902 | 1,003 |
| Direct operating expenses from property that generated rental income | 61 | 97 |
| Profit from Investment property before depreciation | **841** | **906** |
| Depreciation on Investment property | 296 | 312 |
| Profit from Investment property | **545** | **594** |

## 9.2 Leasing arrangements:

The investment properties are leased to tenants under operating lease with rentals payable on monthly basis. Lease income from operating leases, where the company is a lessor is recognised in income on a straight-line basis over the lease term.

## 9.3 Minimum lease payments receivable on leases of investment properties are as follows:

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Within 1 year | 902 | 902 |
| Between 1 and 2 years | 526 | 902 |
| Between 2 and 5 years | - | 526 |
| Later than 5 years | - | - |

## 9.4 Fair value:

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Investment property | 9,570 | 9,481 |

The Company obtains independent valuations for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties.

The fair values of investment properties have been determined by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

## 10. Property Plant and equipment

(Rs. in Lacs)

| | Particulars | Buildings | Plant & Machinery | Office Equipment | Furniture & Fixtures | Vehicles | Computers | Lease hold Improvement | Total | Right of Use Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| A. | **Gross carrying amount** | | | | | | | | | |
| | Opening balance as at April 1, 2020 | 1,600 | 4,020 | 719 | 950 | 48 | 689 | 54 | 8,080 | - |
| | Additions | - | - | 25 | - | - | 129 | - | 154 | 3,933 |
| | Disposals | - | - | 31 | 80 | - | 74 | 54 | 239 | - |
| | **Balance as at March 31, 2021** | **1,600** | **4,020** | **713** | **870** | **48** | **744** | **-** | **7,995** | **3,933** |
| | Additions | | | 67 | 6 | - | 111 | | 184 | - |
| | Disposals | | | 27 | 1 | - | 108 | | 136 | - |
| | **Balance as at March 31, 2022** | **1,600** | **4,020** | **753** | **875** | **48** | **747** | **-** | **8,043** | **3,933** |
| B. | **Accumulated depreciation** | | | | | | | | | |
| | Opening balance as at April 1, 2020 | 1,270 | 4,020 | 691 | 894 | 24 | 573 | 54 | 7,526 | - |
| | Depreciation charge for the year | 16 | | 18 | 22 | 10 | 77 | | 143 | 285 |
| | Disposals | | | 29 | 78 | - | 60 | 54 | 221 | - |
| | **Balance as at March 31, 2021** | **1,286** | **4,020** | **680** | **838** | **34** | **590** | **-** | **7,448** | **285** |
| | Depreciation charge for the period | 15 | | 29 | 10 | 6 | 94 | | 154 | 428 |
| | Disposals | | | 23 | 1 | - | 85 | | 109 | - |
| | **Balance as at March 31, 2022** | **1,301** | **4,020** | **686** | **847** | **40** | **599** | **-** | **7,493** | **713** |
| C. | **Net carrying value** | | | | | | | | | |
| | Net carrying amount as at March 31, 2022 | 299 | - | 67 | 28 | 8 | 148 | - | 550 | 3,220 |
| | Net carrying amount as at March 31, 2021 | 314 | - | 33 | 32 | 14 | 154 | - | 547 | 3,648 |

## 11. Intangible Assets

(Rs. in Lacs)

| Particulars | As at Mar-22 | As at Mar-21 |
|---|---|---|
| **Computer Software** | | |
| **Gross Carrying Amount** | | |
| Opening gross carrying amount | 765 | 744 |
| Additions | 6 | 21 |
| Disposals | 131 | - |
| Closing gross carrying amount | **639** | **765** |
| **Accumulated amortisation** | | |
| Opening accumulated amortisation | 747 | 737 |
| Amortisation for the year | 9 | 10 |
| Disposals | 131 | - |
| Closing accumulated amortisation | 625 | 747 |
| **Total** | **14** | **18** |

## 12. Other Non-Financial Assets

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Deposit with Service tax authorities | 32 | - |
| Advances for expenses | 356 | 250 |
| Prepaid expenses | 117 | 166 |
| Expenses recoverable from clients | 345 | 143 |
| Other advances | 38 | 36 |
| **Total** | **888** | **595** |

## 13. Payables

### (I) Trade Payables

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| - total outstanding dues of micro enterprises and small enterprises | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 63 | 821 |
| **Total (I)** | **63** | **821** |

Trade payable aging schedule as at 31 March 2022

(Rs. in Lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i) MSME - undisputed | - | - | - | - | - |
| ii) Others - undisputed | 63 | - | - | - | 63 |
| iii) Disputed dues - MSME | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - |
| **Total** | **63** | **-** | **-** | **-** | **63** |

Trade payable aging schedule as at 31 March 2021

(Rs. in Lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i) MSME - undisputed | - | - | - | - | - |
| ii) Others - undisputed | 821 | - | - | - | 821 |
| iii) Disputed dues - MSME | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - |
| **Total** | **821** | **-** | **-** | **-** | **821** |

(II) Other Payables

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| - total outstanding dues of micro enterprises and small enterprises | 2 | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 551 | 498 |
| **Total (II)** | **553** | **498** |

## 14. Other Financial Liabilities

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Incentive payable | 2,542 | 3,485 |
| Payable for expenses | 1,456 | 445 |
| **Deposits** | | |
| - Lease deposits | 35 | 35 |
| - Other deposits | 130 | 87 |
| **Total** | **4,163** | **4,052** |

## 15. Deferred Tax Liability/ (Asset)

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Deferred Tax Liability (Refer note no. 39) | 99,652 | 64,709 |
| **Total** | **99,652** | **64,709** |

## 16. Provisions

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| Provision for compensated absences | 798 | 854 |
| Provision for gratuity (Refer note no. 34) | 217 | 211 |
| **Total** | **1,015** | **1,065** |

## 17. Other non-financial liabilities

(Rs. in Lacs)

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Current** | | |
| Income received in advance | 27 | 41 |
| Statutory Liabilities | 1,915 | 999 |
| **Total** | **1,942** | **1,040** |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

## 18. Equity Share Capital

(Rs. in Lacs)

| | Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|
| A) | **Authorised** | | |
| | 10,00,000 Preference Shares, face value Rs.100 each | 1,000 | 1,000 |
| | 10,00,00,000 Equity Shares, face value Rs.10 each | 10,000 | 10,000 |
| | **Total** | **11,000** | **11,000** |
| B) | **Issued, subscribed and fully paid-p** | | |
| | 5,80,33,711 Equity Shares, face value Rs.10 each of, fully paid-up | 5,803 | 5,803 |
| | **Total issued, subscribed and Fully paid-up share capital** | **5,803** | **5,803** |

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

(Rs. in Lacs)

| Equity Shares | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the year | 58,033,711 | 5,803 | 58,033,711 | 5,803 |
| At the end of the year | **58,033,711** | **5,803** | **58,033,711** | **5,803** |

D) **Terms/rights attached to equity shares:**

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

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

E) **Pattern of shareholding**

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

| Shareholder | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| State Bank of India (alongwith Nominees) | 58,033,711 | 100% | 58,033,711 | 100% |
| **Total** | **58,033,711** | **100%** | **58,033,711** | **100%** |

F) **Other details of equity shares for a period of five years immediately preceding March 31, 2022:**

| Particulars | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| Aggregate no of shares alloted as fully paid up pursuant to contracts without payment being received in cash | - | - | - | - | - |
| Aggregate no of shares alloted as fully paid bonus shares | - | - | - | - | - |
| Aggregate no of shares bought back | - | - | - | - | - |

G) **Capital Management:**

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

H) **Details of shares held by promoters:**

**As at March 31, 2022:**

| Name of Promoter | No of Shares | % of Total Shares | % change during the year |
|---|---|---|---|
| State Bank of India | 58,033,711 | 100% | - |

**As at March 31, 2021:**

| Name of Promoter | No of Shares | % of Total Shares | % change during the year |
|---|---|---|---|
| State Bank of India | 58,033,711 | 100% | - |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

## 19. Other Equity

(Rs. in Lacs)

| | Reserve & Surplus | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|
| A | **General Reserve** | | |
| | Balance as per the last financial statements | 44,439 | 44,439 |
| | Add: addition during the year | - | - |
| | **Closing Balance** | **44,439** | **44,439** |
| B | **Securities Premium Account** | | |
| | Balance as per the last financial statements | 6,347 | 6,347 |
| | Add: addition during the year | - | - |
| | **Closing Balance** | **6,347** | **6,347** |
| C | **Retained Earnings** | | |
| | Balance as per the last financial statements | 208,629 | 152,868 |
| | Profit for the year | 33,970 | 27,325 |
| | Add: Realised gain on equity instruments through OCI transferred to retained earnings | 60 | 40,043 |
| | Less: Appropriations | | |
| | - Interim dividend | (11,607) | (11,607) |
| | **Total appropriations** | **(11,607)** | **(11,607)** |
| | **Closing Balance** | **231,052** | **208,629** |
| D | **Other Comprehensive Income (OCI)** | | |
| | Balance as per the last financial statements | 174,308 | 78,451 |
| | Add: other comprehensive income during the year | 115,648 | 135,900 |
| | Less: Realised gain on equity shares transferred to retained earnings | (60) | (40,043) |
| | **Closing Balance** | **289,896** | **174,308** |
| | **Total** | **571,734** | **433,723** |

## 20. Interest Income

(Rs. in Lacs)

| | Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|---|
| A) | **Interest income on financial assets measured at amortised cost:** | | |
| | - Investments | 651 | 668 |
| | - Fixed deposit with banks | 67 | 244 |
| B) | **Interest income on financial assets measured at fair value through profit or loss:** | | |
| | - AIF Funds | 85 | 32 |
| | - Securities held for trade | 817 | 513 |
| | **Total** | **1,620** | **1,457** |

## 21. Dividend Income

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Dividend income on Financial Instruments measured at | | |
| - Fair value through other comprehensive income | 5,666 | 2,627 |
| - Fair value through profit or loss | - | 13 |
| **Total** | **5,666** | **2,640** |

## 22. Fees and Commission Income

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Issue management Fees | 6,115 | 3,718 |
| Underwriting commission | - | 4,650 |
| Arranger's fees | 3,509 | 4,802 |
| Advisory fees | 35,883 | 36,370 |
| **Total** | **45,507** | **49,540** |

## 23. Net gain on fair value changes

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Net gain/loss on financial instruments at fair value through profit or loss | | |
| - Securities held for trade | 5,161 | 3,075 |
| - Investments | 2,613 | 1,188 |
| **Total** | **7,774** | **4,263** |

## 23.1 Details of Net gain on fair value changes

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| - Realised | 5,582 | 3,660 |
| - Unrealised | 2,192 | 602 |
| **Total** | **7,774** | **4,263** |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

## 24. Other Income

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Rental Income | 902 | 1,049 |
| Bad debts recovered | 551 | 74 |
| Exchange differences (net) | 76 | - |
| Profit on sale of property, plant and equipment | 1 | 4 |
| Interest on security deposit | 8 | 8 |
| Others | 13 | 39 |
| Write back of Provisions | | |
| - Doubtful debts (Net of Bad debts written off) | 474 | - |
| - Leave Encashment | 55 | - |
| **Total** | **2,080** | **1,174** |

## 24.1 Break up of Doubtful debts (Net of Bad debts written off)

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Bad debts written off | 172 | - |
| Provision for doubtful debts written back | (646) | - |
| **Total** | **(474)** | **-** |

## 25. Finance Costs

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Interest expense | - | 2,132 |
| Interest on lease liability (Refer note no. 41) | 240 | 163 |
| Other borrowing cost | - | 8 |
| **Total** | **240** | **2,303** |

## 26. Fees and Commission Expenses

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Fees and commission expenses | 2,007 | 1,776 |
| **Total** | **2,007** | **1,776** |

## 27. Impairment on Financial Instruments

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Investments in subsidiary (Refer Note: 45) | 69 | 78 |
| **Total** | **69** | **78** |

## 28. Employee Benefits Expenses

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Salaries, wages and bonus | 10,975 | 10,844 |
| Contribution to provident and other funds | 543 | 472 |
| Contribution to Superannuation | 60 | 138 |
| Contribution to gratuity (Refer note 34) | 114 | 84 |
| Leave Encashment (Refer note 34) | - | 171 |
| Staff welfare expenses | 161 | 108 |
| **Total** | **11,853** | **11,817** |

## 29. Depreciation, amortization and impairment

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Depreciation and amortisation expense | 164 | 153 |
| Depreciation on Investment properties | 296 | 312 |
| Depreciation on Right to use assets | 428 | 285 |
| **Total** | **888** | **750** |

## 30. Other Expenses

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Legal & Professional Fees | 701 | 758 |
| Conveyance & Travelling | 647 | 415 |
| Rental charges | 111 | 270 |
| Rates & Taxes | 62 | 98 |
| Royalty Expenses | 547 | 431 |
| Bad Debts Written off (net of Provisions for doubtful debts) | - | 16 |
| Postage, telephone and telex | 84 | 73 |
| Advertisement Expenses | 16 | 8 |
| Printing & Stationery | 30 | 30 |
| Electricity Expenses | 69 | 48 |
| Repairs & Maintenance Building | 168 | 162 |
| Repairs & Maintenance Others | 250 | 217 |
| Insurance | 213 | 134 |
| Auditor's Remuneration (Refer note 33) | 30 | 29 |
| Director's Sitting Fees | 33 | 36 |
| Tax on Perquisites | - | 13 |
| Training Charges | 115 | 3 |
| Membership & Subscription | 369 | 262 |
| Filing Fees & Other Charges | 26 | 43 |
| Corporate Social Responsibility expenses (Refer note 37) | 580 | 563 |
| Exchange differences (net) | - | 49 |
| Miscellaneous expenses | 311 | 368 |
| **Total** | **4,362** | **4,025** |

### 30.1 Break up of Bad Debts Written off (net of Provisions for doubtful debts)

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|---|---|
| Bad debts written off | - | 2,503 |
| Provision for doubtful debts written back | - | (2,487) |
| | - | 16 |

### 31. Earnings per equity share (EPS)

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

(Rs. in Lacs)

| Particulars | Year ended 31-March-22 | Year ended 31-March-21 |
|---|---|---|
| **Profit after tax** | 33,970 | 27,325 |
| **Weighted average number of equity shares:** | | |
| - For Basic EPS (No.) | 58,033,711 | 58,033,711 |
| - For Diluted EPS (No.) | 58,033,711 | 58,033,711 |
| Nominal value per share (Rs.) | 10 | 10 |
| **Earnings per share** | | |
| - Basic in Rs. | 58.54 | 47.09 |
| - Diluted in Rs. | 58.54 | 47.09 |

### 32. Contingent Liabilities and Commitments

(Rs. in Lacs)

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| **A) Contingent Liabilities** | | |
| **Claims against the Company/disputed liabilities not acknowledged as debts** | | |
| i) For income tax matters | 4,553 | 5,904 |
| ii) For service tax matters | 720 | - |
| iii) For other matters | 23 | 181 |
| - Performance Guarantees | 331 | 407 |
| **B) Commitments** | | |
| - Capital Commitments | - | 7 |
| - Other commitments- Investments | 1,376 | 666 |

## 33. Auditor's Remuneration

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| - Audit Fees | 16 | 16 |
| - Tax audit | 2 | 1 |
| - Limited Review | 4 | 5 |
| - Other services (certification) | 7 | 6 |
| - Out-of-pocket expenses | 1 | 1 |
| **Total** | **30** | **29** |

## 34. Employee Benefits

### A. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

**Reconcilation of Defined benefit obligation**

**Changes in defined benefit obligation**

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Opening of defined benefit obligation | 899 | 798 |
| Current service cost | 100 | 71 |
| Past service cost | | |
| Interest on defined benefit obligation | 58 | 56 |
| Re-measurements due to : | | |
| - Actuarial loss/(gain) arising from change in financial assumptions | (71) | 26 |
| - Actuarial loss/(gain) arising from change in demographic assumptions | 4 | - |
| - Actuarial loss/(gain) arising on account of experience changes | 111 | 31 |
| Benefits paid | (79) | (83) |
| **Closing of defined benefit obligation** | **1,023** | **899** |

**Movement in Plan Assets**

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Opening fair value of plan assets | 688 | 607 |
| Employer contributions | 148 | 129 |
| Interest on plan assets | 45 | 43 |
| Remeasurements due to : | | |
| - Actual return on plan assets less interest on plan assets | 4 | (7) |
| Benefits paid | (79) | (83) |
| **Closing fair value of plan assets** | **806** | **688** |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

**Investment details of plan assets:**

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

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Investments with insurer | 100% | 100% |

**Balance sheet**

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

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Present value of the funded defined benefit obligation | 1,023 | 899 |
| Fair value of plan assets at the end of the year | 806 | 688 |
| **Liability recognized in the balance sheet (i-ii)** | **217** | **211** |

**Statement of profit & loss**

**Expenses recognised in the Statement of profit and loss:**

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Current service cost | 100 | 71 |
| Past service cost | - | - |
| Net interest cost | 14 | 13 |
| **Total expense charged to profit and loss account** | **114** | **84** |

**Statement of other Comprehensive Income (OCI)**

(Rs. in Lacs)

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| Opening amount recognized in OCI outside profit and loss account | 143 | 79 |
| Re-measurements during the year due to: | | |
| - Changes in financial assumptions | (71) | 26 |
| - Changes in demographic assumptions | 4 | - |
| - Experience adjustment | 111 | 31 |
| - Actual return on plan assets less interest on plan assets | (4) | 7 |
| - Adjustment to recognized the effect of asset ceiling | | - |
| **Closing amount recognized in OCI outside profit and loss account** | **183** | **143** |

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

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| | % | % |
| Discount rate | 6.70 | 6.49 |
| Salary Escalation rate | 6.00 | 8.00 |

**Sensitivity Analysis**

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

(Rs. in Lacs)

| Particulars | Discount Rate | Salary Escalation Rate |
|---|---|---|
| Defined Benefit obligation on increase in 50 bps | 1,001 | 1,038 |
| Impact of increase in 50 bps on Defined benefit obligation | -2.09% | 1.46% |
| Defined Benefit obligation on decrease in 50 bps | 1,045 | 1,045 |
| Impact of decrease in 50 bps on Defined benefit obligation | 2.19% | 2.19% |

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

**Projected plan cash flow:**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

| Maturity Profile | Rs. in Lacs |
|---|---|
| Expected benefits for year 1 | 174 |
| Expected benefits for year 2 | 140 |
| Expected benefits for year 3 | 130 |
| Expected benefits for year 4 | 129 |
| Expected benefits for year 5 | 126 |
| Expected benefits for year 6-10 | 408 |
| Expected benefits for year 11 and above | 340 |

The weighted average duration to the payment of these cash flows is 6.00 years.

B. **Compensated Absence**

The liability towards compensated absences for the year ended March 31, 2022 is based on actuarial valuation carried out by using the projected unit credit method.

The principal assumptions used in determining compensated absences are shown below:

| Particulars | Year ended | |
|---|---|---|
| | 31st March 2022 | 31st March 2021 |
| | % | % |
| Interest rate | 6.70 | 6.49 |
| Salary Escalation rate | 6.00 | 8.00 |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

## 35. SEGMENTAL REPORTING

**- Primary Segment**

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

**- Geographical Segment**

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

## 36. RELATED PARTY DISCLOSURES

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

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

| | |
|---|---|
| a) Holding Company | State Bank of India |
| b) Subsidiary: | SBICAP Securities Limited<br>SBICAP Ventures Limited<br>SBICAP Trustee Company Limited<br>SBICAP Singapore Limited |

**B. Other related parties where transactions have occurred during the year**

| | |
|---|---|
| a) Felllow Subsidiaries & Associates | SBI DFHI Limited<br>SBI Funds Management Limited<br>SBI Life Insurance Company Limited<br>SBI Cards & Payment Services Limited<br>SBI General Insurance Co Ltd<br>SBI Foundation Limited<br>State Bank of India Servicos Limitada Brazil<br>SBI Home Finance Limited<br>SBI Global Factors Limited<br>SBI Pension Funds Private Limited<br>SBI - SG Global Securities Services Private Limited<br>Investec Capital Services (India) Private Limited |
| b) Staff Welfare Fund | SBICAPS Employee's Provident Fund |
| c) Sponsor of the Trust | SLS Trust |

d) Directors and Key Management Personnel of the Company

| | |
|---|---|
| Managing Director & CEO | Shri. Arun Mehta<br>(from 21st January 2020 onwards) |

| | |
|---|---|
| | Shri. Sanjiv Chadha<br>(from 21st February 2019 to 20th January 2020) |
| Whole-Time Director | Smt. Uma Shanmukhi Sistla<br>(from 12th July 2018 to 22nd May 2020) |
| | Shri. R Vishwanathan<br>(from 27th May 2020 to 21st June 2021) |
| | Shri. BRS Satyanarayana<br>(from 29th June 2021 onwards) |
| Non-Executive Independent Director | Shri. Narayan K Seshadri<br>(Upto 30th September 2020) |
| | Shri. Ananth Narayan Gopalakrishnan |
| | Shri. Dalip Kumar Kaul<br>(from 7th June 2021 onwards) |
| Non-Executive Director | Smt. Bharati Rao<br>(Upto 17th December 2021) |
| | Shri. T. L. Palani Kumar<br>(Upto 29th September 2021) |
| | Shri. Sharad Sharma<br>(Upto 21st October 2021) |
| | Shri. Rajeev Krishnan<br>(from 26th July 2021 onwards) |
| | Smt. Shilpa Naval Kumar<br>(from 29th December 2021 onwards) |

**36.1 Managerial Remuneration**

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| **Shri. Sanjiv Chadha** | | |
| Short term employee benefits | - | 10 |
| Post employee benefits | - | - |
| **Shri. Arun Mehta** | | |
| Short term employee benefits | 73 | 56 |
| Post employee benefits | 6 | 5 |
| **Shri. R. Viswanathan** | | |
| Short term employee benefits | 18 | 34 |
| Post employee benefits | 1 | 4 |
| **Smt. Uma Shanmukhi Sistla** | | |
| Short term employee benefits | 2 | 20 |
| Post employee benefits | - | 1 |
| **Shri. BRS Satyanarayana** | | |
| Short term employee benefits | 51 | - |
| Post employee benefits | 5 | - |
| **Total** | **156** | **130** |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

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

(Rs. in Lacs)

| Particulars | Holding Company | | Subsidiaries | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|---|---|
| | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 |
| **Income and Expense items:** | | | | | | | | |
| **(For the year ended)** | | | | | | | | |
| **Income during the year ended** | | | | | | | | |
| **Issue Management Fees** | - | 2,333 | | | | | | |
| SBI Cards and Payment Services Limited | - | - | - | - | - | - | | - |
| **Arranger Fees** | 2,026 | - | - | - | - | - | | - |
| SBI Cards and Payment Services Limited | - | - | - | - | 29 | - | | - |
| SBI Global Factors Limited | | | | | 7 | | | |
| **Advisory fees** | 7,861 | 7,958 | | - | | - | | - |
| SBI General Insurance Company Limited | | | | | 100 | | | |
| SLS Trust | | | | | | | | 878 |
| **Interest Income** | 29 | 244 | | | | | | |
| SBI Cards and Payment Services Limited | | - | | - | | - | | - |
| **Bad Debts Recovered** | 13 | | | | | | | |
| **Rent Income** | | | | | | | | |
| SBICAP Securities Limited | | - | 535 | 926 | | - | | - |
| SBICAP Ventures Limited | | | 367 | 122 | | | | |
| **Dividend received** | | | | | | | | |
| SBI DFHI Limited | | - | | - | 357 | 268 | | - |
| **Miscellaneous Income** | | | | | | | | |
| SBICAP Securities Limited | | - | | - | | - | | - |
| **Expenses during the year ended** | | | | | | | | |
| **Deputation of Employees#** | 382 | 315 | | | | | | |
| **Ex-gratia paid** | | | | | | | | |
| Shri. Arun Mehta | | | | | | | 14 | 4 |
| Shri. Sanjiv Chadha | | | | | | | - | 11 |
| Smt. Uma Shanmukhi Sistla | | | | | | | 2 | 15 |
| Shri. R Vishwanathan | | | | | | | 11 | - |
| **Director's Sitting Fees** | | | | | | | | |
| Smt. Bharati Rao | | | | | | | 7 | 11 |
| Shri. T.L. Palani Kumar | | | | | | | 4 | 8 |
| Shri. Sharad Sharma | | | | | | | 1 | 4 |
| Shri. Narayan K Seshadri | | | | | | | - | 6 |
| Shri. Ananth Narayan Gopalakrishnan | | | | | | | 8 | 8 |
| Shri. Rajeev Krishnan | | | | | | | 4 | - |
| Shri. Dalip Kumar Kaul | | | | | | | 9 | - |
| Smt. Shilpa Naval Kumar | | | | | | | 1 | - |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

(Rs. in Lacs)

| Particulars | Holding Company | | Subsidiaries | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|---|---|
| | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 |
| **Interest Expenses** | | 2,132 | | | | | | |
| **Other Borrowing cost** | | 8 | | | | | | |
| **Fees & Commission** | | | | | | | | |
| SBICAP Securities Limited | | | 58 | 31 | | | | |
| Investec Capital Services (India) Private Limited | | | | | 1,261 | - | | |
| **Legal & Professional Fees** | | | | | | | | |
| SBI - SG Global Securities Services Private Limited | | | | | 8 | - | | |
| **Royalty Expense** | 547 | 431 | | | | | | |
| **Insurance Expense** | | | | | | | | |
| SBI Life Insurance Company Limited | | | | | 22 | 24 | | |
| SBI General Insurance Company Limited | | | | | 24 | 93 | | |
| **Loss on disposal of subsidiary** | | | | | | | | |
| SBICAP (UK) Limited | | | | - | | | | |
| **Rent Expense** | 19 | 65 | | | | | | |
| SBI Funds Management Pvt. Limited | | | | | 2 | 4 | | |
| **Brokerage Expenses** | | | | | | | | |
| SBICAP Securities Limited | | | 1 | 64 | | | | |
| **Contribution towards CSR** | | | | | | | | |
| SBI Foundation Limited | | | | | 51 | 100 | | |
| **Bank & Other Charges** | 7 | 3 | | | | | | |
| SBICAP Securities Limited | | | | 0* | | | | |
| SBICAP Trustee Company Limited | | | 2 | 0* | | | | |
| SBI DFHI Limited | | | | 0* | | | | |
| **Business Promotion Expenses** | | | | | | | | |
| SBICAP (UK) Limited | | | | - | | | | |
| SBICAP Singapore Limited | | | | - | | | | |
| **Bad Debts written off** | 4 | 171 | | | | | | |
| **Other expenses** | 1 | 1 | | | | | | |
| SBICAP Securities Limited | | | 1 | 3 | | | | |
| SBICAP Trustee Company Limited | | | | 0* | | | | |
| SBI Cards and Payment Services Limited | | | | | | - | | |
| SBI Pension Funds Private Limited | | | | | 7 | - | | |
| **Balance Sheet Items:** (Outstanding As on) | | | | | | | | |
| **Share Capital** | 5,803 | 5,803 | | | | | | |
| **Balance payable as at** | | | | | | | | |

SBI Capital Markets Limited

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

(Rs. in Lacs)

| Particulars | Holding Company | | Subsidiaries | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|---|---|
| | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 |
| **Payables** | | 12 | | | | | | |
| SBICAP Securities Limited | | | | 27 | | | | |
| SBICAP Trustee Company Limited | | | | 0* | | | | |
| SBI General Insurance Company Limited | | | | | - | 0* | | |
| SBI Funds Management Pvt. Limited | | | | | - | 2 | | |
| SBI Life Insurance Company Limited | | | | | - | 2 | | |
| Investec Capital Services (India) Private Limited | | | | | 58 | - | | |
| Advance received from Customers | - | 25 | | | | | | |
| **Balance receivable as at** | | | | | | | | |
| **Bank Balance** | 1,490 | 1,333 | | | | | | |
| **Deposit with Banks** | 417 | 482 | | | | | | |
| **Receivables** | 1,240 | 373 | | | | | | |
| SBICAP Securities Limited | | | 3 | - | | | | |
| SBICAP Ventures Limited | | | 3 | 5 | | | | |
| SBI Cards and Payment Services Limited | | | | - | | - | | |
| **Investments** | | | | | | | | |
| SBICAP Securities Limited | | | 12,500 | 12,500 | | | | |
| SBICAP Ventures Limited | | | 6,038 | 6,038 | | | | |
| SBICAP Trustee Company Limited | | | 5 | 5 | | | | |
| SBICAP Singapore Limited | | | 5,872 | 5,941 | | | | |
| SBI Pension Funds Private Limited | | | | | 600 | 600 | | |
| SBI DFHI Limited | | | | | 7,889 | 7,889 | | |
| SBICAP Home Finance Limited@ | | | | | - | - | | |
| SBI Foundation Limited | | | | | 1 | 1 | | |
| State Bank of India Servicos Limitada Brazil@ | | | | | - | - | | |
| Investec Capital Services (India) Private Limited | | | | | 5,500 | - | | |
| **Accured interest on Deposit with Banks** | 49 | 43 | | | | | | |
| **Others transactions during the year ended** | | | | | | | | |
| Investments in equity shares of associate | | | | | | | | |
| Investec Capital Services (India) Private Limited | | | | | 5,500 | - | | |
| **Dividends paid** | 11,607 | 11,607 | | | | | | |
| **Investment in Bonds** | | | | | | | | |
| SBI Cards & Payment Services Private Limited$ | - | - | | - | 20,000 | - | | - |
| SBI Global Factors Limited | - | - | | | 10,000 | - | | |

(Rs. in Lacs)

| Particulars | Holding Company | | Subsidiaries | | Fellow Subsidiaries and Associates | | Others | |
|---|---|---|---|---|---|---|---|---|
| | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 | Mar-22 | Mar-21 |
| **Sale of securities** | 147,648 | 170,072 | | - | | - | | - |
| SBI General Insurance Company Limited | | - | | - | 37,540 | 32,592 | | - |
| SBI DFHI Limited | | - | | - | 2,501 | 36,515 | | - |
| SBI Life Insurance Company Limited | | - | | - | 195,170 | 100,575 | | - |
| SBI Funds Management Private Limited | | - | | - | - | 70,052 | | - |
| **Guarantees** | 331 | 407 | | - | - | - | | - |
| **Borrowings availed** | - | 107,000 | | | | | | |
| **Borrowings repaid** | - | 107,000 | | | | | | |
| **Sale of Assets** | | | | | | | | |
| SBICAP Ventures Limited | | | - | 3 | | | | |
| **Purchase of Other Receivables** | | | | | | | | |
| SBICAP Singapore Limited | | | 90 | - | | | | |
| **Expenses recovered** | - | 44 | | - | | - | | - |
| SBICAP Securities Limited | | - | 75 | 108 | | - | | - |
| SBICAP Ventures Limited | | - | 61 | 63 | | - | | - |
| SBICAP Trustee Company Limited | | - | 1 | - | | - | | - |
| **Expenses shared** | | | | | | | | |
| SBICAP Securities Limited | | | | | | 1 | - | |
| Investec Capital Services (India) Private Limited | | | | | 55 | | - | |

#. Included in expenses relating to deputation of employees are amounts aggregating to Rs. 156 lacs (2021: Rs. 99 lacs) pertaining to salaries paid to key management personnel.
* Insignificant amount.

* Represents amount below Rs. 0.50 lacs.
@Fully provided
$Outstanding as at 31st March 2021 is Nil.

The Company has contributed Rs. 101 Lacs (March 31, 2021: 914 Lacs) to SBICAPS Employee's Provident Fund during the year.

The Company has sold securities of Rs. Nil Lacs (March 31, 2021: Nil Lacs) to SBICAPS Employee's Provident Fund during the year.

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

## 37. Statement of corporate social responsibility expenditure

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

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| a) Gross amount required to be spent during the year | 579 | 559 |
| b) Amount spent during the year on | | |
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above - in cash | 452 | 563 |
| iii) provision made with respect to liability incurred by entering in contractual obligation | 128 | - |
| Out of the above, contribution made to related party is as below | | |
| SBI Foundation Limited | 51 | 100 |

During the year company has provided liability of Rs. 128 lacs (2021: Nil) towards contractual obligation with respect to unspent amount in case of ongoing Corporate Social Responsibility (CSR) Projects. The said amount has been transferred to separate bank account maintained by the Company in accordance with amended Section 135 of Companies Act, 2013 read alongwith Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by Ministry of Corporate Affairs effective from January 22, 2021.

## 38. Micro and small enterprises

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 that has been determined to the extent such parties have been identified on the basis of information available with the Company.

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| The amounts remaining unpaid to any supplier at the end of the year: | | |
| 1) Principal amount | 2 | - |
| 2) Interest amount | - | - |
| The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 | - | - |
| The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of dis-allowance as a deductible expenditure under the MSMED Act, 2006 | - | - |

## 39. Income Taxes

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

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| **Current Tax** | | |
| In respect of current year | 8,640 | 8,930 |
| In respect of earlier year | - | - |
| **Total (A)** | **8,640** | **8,930** |
| **Deferred Tax** | | |
| Origination of reversal of temporary differences | 618 | 1,847 |
| Impact of change in tax rate | - | 223 |
| **Total (B)** | **618** | **2,070** |
| **Income Tax recognised in the statement of Profit and Loss (A+B)** | 9,258 | 11,000 |
| **Income tax expenses recognized in OCI** | | |
| Income tax relating to items that will not be classified to profit or loss | 34,323 | 36,747 |
| **Total** | **34,323** | **36,747** |

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

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| Profit before tax | 43,228 | 38,325 |
| Enacted tax rates in India | 25.168 | 25.168 |
| Income tax expenses | 10,880 | 9,646 |
| Tax on expenses not tax deductible | 260 | 2,263 |
| Tax on income from exempt income | (1,829) | (908) |
| Tax on items taxable at lower rates | (53) | (12) |
| Total Tax expenses as per statement of profit and loss | 9,258 | 11,000 |

The applicable Indian corporate statutory tax rate 25.168%.

C. Movement of Deferred tax assets and (Liabilities)

i) As at March 31, 2022

(Rs. in Lacs)

| Movement during the year ended March 31, 2022 | As at April 1, 2021 | Credit/ (Charge) in the statement of profit and loss | Credit/(Charge) in other comprehensive income | As at March 31, 2022 |
|---|---|---|---|---|
| Difference between book and tax depreciation | 46 | (4) | - | 42 |
| Allowances for doubtful debts and advances | 870 | (162) | - | 708 |
| Fair value gain/(loss) on investments | (65,981) | (501) | (34,325) | (100,807) |
| Provision for post retirement benefits | 268 | (13) | - | 255 |
| Other temporary differences | 88 | 62 | - | 150 |
| **Net deferred tax assets/(Liabilities)** | **(64,709)** | **(618)** | **(34,325)** | **(99,652)** |

ii) As at March 31, 2021

(Rs. in Lacs)

| Movement during the year ended March 31, 2021 | As at April 1, 2020 | Credit/ (Charge) in the statement of profit and loss | Credit/(Charge) in other comprehensive income | As at March 31, 2021 |
|---|---|---|---|---|
| Difference between book and tax depreciation | 54 | (8) | - | 46 |
| Allowances for doubtful debts and advances | 1,496 | (626) | - | 870 |
| Fair value gain/(loss) on investments | (37,410) | (142) | (28,429) | (65,981) |
| Provision for post retirement benefits | 220 | 48 | - | 268 |
| Other temporary differences | 1,430 | (1,342) | - | 88 |
| **Net deferred tax assets/(Liabilities)** | **(34,210)** | **(2,070)** | **(28,429)** | **(64,709)** |

## 40. Financial Instruments

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

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(Rs. in Lacs)

| Particulars | Amortised Cost | Fair Value through P&L | Fair Value through OCI | Total Carrying Value | Total Fair Value |
|---|---|---|---|---|---|
| **ASSETS:** | | | | | |
| Cash and cash equivalents | 1,390 | - | - | 1,390 | 1,390 |
| Other balances with banks | 517 | - | - | 517 | 517 |
| Securities for trade | - | 148,967 | - | 148,967 | 148,967 |
| Receivables | 11,678 | - | - | 11,678 | 11,678 |
| Investments excluding Subsidiary and Associate | 7,045 | 31,741 | 435,529 | 474,315 | 474,315 |
| Other Financial Assets | 653 | - | - | 653 | 653 |
| **Total** | **21,282** | **180,707** | **435,529** | **637,518** | **637,518** |
| | | | | | |
| **LIABILITIES:** | | | | | |
| Trade Payables | 616 | - | - | 616 | 616 |
| Lease Liabilities | 3,402 | | | 3,402 | 3,402 |
| Other Financial Liabilities | 4,163 | - | - | 4,163 | 4,163 |
| **Total** | **8,181** | **-** | **-** | **8,181** | **8,181** |

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

(Rs. in Lacs)

| Particulars | Amortised Cost | Fair Value through P&L | Fair Value through OCI | Total Carrying Value | Total Fair Value |
|---|---|---|---|---|---|
| **ASSETS:** | | | | | |
| Cash and cash equivalents | 1,347 | - | - | 1,347 | 1,347 |
| Other balances with banks | 560 | - | - | 560 | 560 |
| Securities for trade | - | 150,246 | - | 150,246 | 150,246 |
| Trade Receivables | 6,972 | - | - | 6,972 | 6,972 |
| Investments excluding Subsidiary and Associate | 8,306 | 13,778 | 286,715 | 308,798 | 308,798 |
| Other Financial Assets | 833 | - | - | 833 | 833 |
| **Total** | **18,018** | **164,024** | **286,715** | **468,757** | **468,757** |
| | | | | | |
| **LIABILITIES:** | | | | | |
| Trade Payables | 1,319 | - | - | 1,319 | 1,319 |
| Lease Liabilities | 3,573 | | | 3,573 | 3,573 |
| Other Financial Liabilities | 4,052 | - | - | 4,052 | 4,052 |
| **Total** | **8,944** | **-** | **-** | **8,944** | **8,944** |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

**Fair Value Hierarchy:**

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

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

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

(Rs. in Lacs)

| As at March 31, 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Instruments** | | | | |
| Securities for trade | | | | |
| - Debt Securities | 22,500 | - | | 22,500 |
| - Equity Shares | - | - | 9 | 9 |
| - Mutual Funds | 126,458 | - | - | 126,458 |
| **Subtotal** | **148,958** | **-** | **9** | **148,967** |
| | | | | |
| **Investments** | | | | |
| - Equity Shares | - | - | 435,529 | 435,529 |
| - Mutual Funds | 26,422 | - | - | 26,422 |
| - AIF Funds | - | - | 5,319 | 5,319 |
| **Subtotal** | **26,422** | **-** | **440,848** | **467,270** |
| | | | | |
| **Total** | **175,379** | **-** | **440,858** | **616,237** |

(Rs. in Lacs)

| As at March 31, 2021 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Instruments** | | | | |
| Securities for trade | | | | |
| - Debt Securities | - | - | - | - |
| - Equity Shares | - | - | 9 | 9 |
| - Mutual Funds | 150,237 | - | - | 150,237 |
| **Subtotal** | **150,237** | **-** | **9** | **150,246** |
| | | | | |
| **Investments** | | | | |
| - Equity Shares | 1,467 | - | 285,248 | 286,715 |
| - Mutual Funds | 11,783 | - | - | 11,783 |
| - AIF Funds | - | - | 1,995 | 1,995 |
| **Subtotal** | **13,250** | **-** | **287,243** | **300,493** |
| | | | | |
| **Total** | **163,487** | **-** | **287,252** | **450,739** |

**Movements in Level 3 Financial instruments measured at fair value**

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

(Rs. in Lacs)

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| Opening Balance | 287,252 | 162,372 |
| Add: Purchase | 2,250 | 649 |
| Less: Sales | (449) | - |
| Add: Fair Value Gain/(Loss) | 151,804 | 124,231 |
| **Closing Balance** | **440,857** | **287,252** |

**Financial assets subject to offsetting, netting arrangements**

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

**Financial Risk Management**

**Risk Management Framework**

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

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

a) Credit Risk

b) Liquidity Risk

c) Market Risk

The Company has formulated various policies with respect to such risks, mitigation strategies and internal controls to be implemented. The Board oversees the Company's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

**a) Credit Risk**

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to the financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits.

The maximum exposure to credit risk at the reporting date is primarily from Company's Trade receivable, Debt instruments in Securities for trade and investment portfolio.

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

The following table provides exposures to credit risk for trade receivables, securities for trade and investments:

(Rs. in Lacs)

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| Trade receivables | 11,640 | 6,901 |
| Other receivables | 37 | 71 |
| Debt Instruments in securities for trade and investment portfolio | 29,545 | 8,306 |
| **Total** | **41,223** | **15,278** |

**Trade Receivables**

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

The expected credit loss rates are based on the payment profiles over a period of 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macro economic factors affecting the ability of the customers to settle the receivables.

The following table provides information about the rate expected credit loss for trade receivables under simplified approach:

**As at March 31, 2022:**

(Rs. in Lacs)

| Age of Trade receivables | Expected Credit Loss Rate | Gross Carrying Amount | Expected Credit Loss | Net Carrying Amount |
|---|---|---|---|---|
| 0-3 Months | 5% | 11,416 | 571 | 10,845 |
| 3-6 Months | 15% | 578 | 87 | 492 |
| 6-9 Months | 25% | 65 | 16 | 48 |
| 9-12 Months | 35% | 309 | 108 | 201 |
| 12-15 Months | 45% | 61 | 28 | 34 |
| 15-18 Months | 55% | 42 | 23 | 19 |
| 18-21 Months | 70% | 6 | 4 | 2 |
| 21-24 Months | 90% | - | - | - |
| 24 Months and above | 100% | 1,885 | 1,885 | - |
| **Total** | | **14,362** | **2,722** | **11,640** |

**As at March 31, 2021:**

(Rs. in Lacs)

| Age of Trade receivables | Expected Credit Loss Rate | Gross Carrying Amount | Expected Credit Loss | Net Carrying Amount |
|---|---|---|---|---|
| 0-3 Months | 5% | 6,285 | 314 | 5,971 |
| 3-6 Months | 10% | 479 | 48 | 431 |
| 6-9 Months | 20% | 298 | 60 | 238 |
| 9-12 Months | 30% | 19 | 6 | 13 |
| 12-15 Months | 40% | 227 | 91 | 137 |
| 15-18 Months | 55% | 133 | 73 | 60 |
| 18-21 Months | 70% | 78 | 54 | 23 |
| 21-24 Months | 90% | 283 | 255 | 28 |
| 24 Months and above | 100% | 2,556 | 2,556 | - |
| **Total** | | **10,358** | **3,457** | **6,901** |

The gross carrying amount of trade receivables is Rs. 14,363 lacs (2021: Rs. 10,358 lacs)

During the year company made write off of Rs. 172 lacs (2021: Rs. 2,503 lacs) it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off

Debt Instruments in Securities for trade and Investment Portfolio:

All of the entity's debt investments are considered to have low credit risk. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

**Other Financial Assets considered to have low risk:**

Credit risk on cash and cash equivalents is limited to the current account and deposit account balance with banks with high credit ratings assigned by International and domestic credit rating agencies. Investments comprised of Equity Instruments, Mutual Funds and commercial papers which are market tradeable. Other financial assets include deposits for assets acquired on lease, deposit with electricity department and interest accrued on securities but not due.

**b) Liquidity Risk**

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

**The table below summarises the maturity profile of the un-discounted cash flows of the Company's financial assets and liabilities as at March 31, 2022:**

(Rs. in Lacs)

| Particulars | Less than 1 year | 1-5 years | Greater than 5 years | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and bank balance | 1,906 | - | - | 1,906 |
| Securities for trade | 148,967 | - | - | 148,967 |
| Receivables | 11,678 | - | - | 11,678 |
| Investments | 19,985 | 15,381 | 469,464 | 504,830 |
| Other Financial assets | 281 | 372 | - | 653 |
| **Total** | **182,817** | **15,753** | **469,464** | **668,034** |
| **Liabilities** | | | | |
| Payables | 614 | - | - | 614 |
| Lease liabilities | 269 | 1,273 | 1,860 | 3,402 |
| Other financial liabilities | 4,163 | - | - | 4,163 |
| **Total** | **5,046** | **1,273** | **1,860** | **8,179** |
| **Net Excess/(shortfall)** | **177,771** | **14,480** | **467,603** | **659,855** |

The table below summarises the maturity profile of the un-discounted cash flows of the Company's financial assets and liabilities as at March 31, 2021:

(Rs. in Lacs)

| Particulars | Less than 1 year | 1-5 years | Greater than 5 years | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and bank balance | 1,907 | - | - | 1,907 |
| Securities for trade | 150,246 | - | - | 150,246 |
| Receivables | 6,973 | - | - | 6,973 |
| Investments | 12,430 | 6,029 | 315,424 | 333,883 |
| Other Financial assets | 461 | 372 | - | 833 |
| **Total** | **172,016** | **6,401** | **315,424** | **493,842** |
| **Liabilities** | | | | |
| Payables | 1,319 | - | - | 1,319 |
| Lease liabilities | 171 | 1,345 | 2,057 | 3,573 |
| Other financial liabilities | 4,052 | - | - | 4,052 |
| **Total** | **5,542** | **1,345** | **2,057** | **8,944** |
| **Net Excess / (shortfall)** | **166,474** | **5,056** | **313,367** | **484,898** |

### c) Market Risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices and interest rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

### i) Interest rate risk

The company's investments are primarily in fixed rate interest/ dividend bearing instruments. Accordingly there is no significant risk exposure to interest rate risk.

### ii) Price Risk

Price risk is the risk that value of the financial instrument will fluctuate as a result of change in market prices and related market variables including interest rate for investment in mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer and markets. The company's exposure to price risk arises from investments in unquoted equity securities, debt securities units of mutual funds and alternative investment funds which are classified as financial assets either at fair value through other comprehensive income or at fair values through profit and loss.

(Rs. in Lacs)

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| Securities for trade | 148,967 | 150,246 |
| Investments | 467,270 | 300,493 |
| **Total** | **616,237** | **450,739** |

**Sensitivity Analysis**

The table below set out the effect on profit or loss and equity due to reasonable possible weakening/strengthening in prices of 10%.

(Rs. in Lacs)

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| **Effect on Profit and loss** | | |
| 10% increase in prices | 13,595 | 12,306 |
| 10% decrease in prices | (13,595) | (12,306) |
| | | |
| **Effect on Equity** | | |
| 10% increase in prices | 33,588 | 21,998 |
| 10% decrease in prices | (33,588) | (21,998) |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

## 41. Leases

### 41.1 As a Lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### 41.2 The following is the movement in lease liability:

(Rs. in Lacs)

| Particulars | As at March-22 | As at March-21 |
|---|---|---|
| Opening Balance | 3,573 | - |
| Add: Lease liability created during the year | - | 3,817 |
| Add: Interest on lease liability for the year | 240 | 163 |
| Less: Repayment of lease liability during the year | (411) | (407) |
| **Total** | **3,402** | **3,573** |

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

**As at March 31, 2022**

(Rs. in Lacs)

| Particulars | Additions for the year | Carrying Amount |
|---|---|---|
| Buildings | - | 3,060 |
| Furniture & Fixtures | - | 160 |
| **Total** | **-** | **3,220** |

**As at March 31, 2021**

(Rs. in Lacs)

| Particulars | Additions for the year | Carrying Amount |
|---|---|---|
| Buildings | 3,693 | 3,440 |
| Furniture & Fixtures | 240 | 208 |
| **Total** | **3,933** | **3,648** |

### 41.4 Depreciation on Right of use assets is as follows:

| Particulars | Year ended March-22 | Year ended March-21 |
|---|---|---|
| Buildings | 380 | 253 |
| Furniture & Fixtures | 48 | 32 |
| **Total** | **428** | **285** |

**41.5** The company has taken certain premises on short term leases and leases of low value and lease rent charged in respect of same have been charged under Rent expenses in Note. 30 to the statement of Profit and Loss. Lease rent amounting to Rs. 111 lacs (2021: 270 lacs) has been debited to statement of profit and loss during the year ended March 31, 2022.

### 41.6 As a Lessor

The company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.

### 42. Revenue from contracts with customers

The Company is engaged in the business of investment banking and corporate advisory services in accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner.

The Company provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, corporate advisory services etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Company may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events and is not recognized until the outcome of those events or values are known. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

**Remaining performance obligation disclosure:**

The entity recognises revenue from a customer in an amount that corresponds directly with the value to the customer provided on the basis of performance completed to date. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation-related disclosures for contracts.

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

## 43. Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| Particulars | As at March-22 | Within 12 months | After 12 months | As at March-21 | Within 12 months | After 12 months |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Financial Assets** | | | | | | |
| Cash and cash equivalents | 1,390 | 1,390 | - | 1,347 | 1,347 | - |
| Bank balance other than above | 517 | 517 | - | 560 | 560 | - |
| Securities for trade | 148,967 | 148,967 | - | 150,246 | 150,246 | - |
| Receivables | | - | | | - | |
| - Trade Receivables | 11,640 | 11,640 | - | 6,901 | 6,901 | - |
| - Other Receivables | 37 | 37 | - | 71 | 71 | - |
| Investments | 504,830 | 19,985 | 484,845 | 333,883 | 12,430 | 321,453 |
| Other Financial Assets | 653 | 281 | 372 | 833 | 461 | 372 |
| **Total Financial Assets** | **668,034** | **182,817** | **485,217** | **493,841** | **172,016** | **321,825** |
| **Non-Financial Assets** | | | | | | |
| Current tax asset (Net) | 9,996 | - | 9,996 | 10,713 | - | 10,713 |
| Investment Property | 5,625 | 562 | 5,063 | 5,922 | 592 | 5,330 |
| Property, Plant and Equipment | 550 | - | 550 | 547 | - | 547 |
| Right-of-use assets | 3,220 | 428 | 2,791 | 3,648 | 429 | 3,219 |
| Capital work in progress | - | - | - | - | - | - |
| Intangible assets | 14 | - | 14 | 18 | - | 18 |
| Other non-financial assets | 888 | 888 | - | 595 | 595 | - |
| **Total Non-Financial Assets** | **20,293** | **1,878** | **18,415** | **21,443** | **1,616** | **19,827** |
| **TOTAL ASSETS** | **688,327** | **184,695** | **503,632** | **515,284** | **173,632** | **341,652** |
| **LIABILITIES** | | | | | | |
| **Financial Liabilities** | | | | | | |
| Payables | 616 | 146 | 470 | 1,319 | 850 | 469 |
| Lease liabilities | 3,402 | 269 | 3,133 | 3,573 | 172 | 3,401 |
| Other financial liabilities | 4,163 | 4,163 | - | 4,052 | 4,052 | - |
| **Total Financial Liability** | **8,181** | **4,578** | **3,603** | **8,944** | **5,073** | **3,870** |
| **Non-Financial Liabilities** | | | | | | |
| Deferred tax Liabilities (Net) | 99,652 | - | 99,652 | 64,709 | - | 64,709 |
| Provisions | 1,015 | 379 | 636 | 1,065 | 703 | 362 |
| Other non-financial liabilities | 1,942 | 1,942 | - | 1,040 | 1,040 | - |
| **Total Non-Financial Liability** | **102,609** | **2,321** | **100,288** | **66,814** | **1,743** | **65,071** |
| **Total Liabilities** | **110,790** | **6,899** | **103,891** | **75,758** | **6,816** | **68,942** |
| **Net** | **577,537** | **177,796** | **399,740** | **439,526** | **166,816** | **272,710** |

## 44. Significant Investment in Subsidiaries and Associates

| | Name of the Company<br>Principal place of business | Subsidiary/<br>Associate | % of shares held |
|---|---|---|---|
| | **SBICAP Securities Limited**<br>191, Maker Tower Cuffe Parade,<br>Mumbai - 400 005. | Wholly - Owned Subsidiary | 100.00% |
| | **SBICAP Trustee Company Limited**<br>202, Maker Tower Cuffe Parade<br>Mumbai - 400 005. | Wholly - Owned Subsidiary | 100.00% |
| | **SBICAP Ventures Limited**<br>202, Maker Tower Cuffe Parade<br>Mumbai - 400 005. | Wholly - Owned Subsidiary | 100.00% |
| | **SBICAP (Singapore) Limited**<br>63 Markets Street, 10 01 A,<br>Bank of Singapore Centre, Singapore | Wholly - Owned Subsidiary | 100.00% |
| | **SBI Pension Funds Private Limited**<br>32, 3rd Floor, Maker Chambers III,<br>Nariman Point, Mumbai - 400 021. | Associate | 20.00% |
| | **Investec Capital Services (India) Private Limited**<br>1103-1104 Parinee Crescenzo, 11th Floor, B Wing<br>Bandra-Kurla Complex, Mumbai - 400 051. | Associate | 19.70% |

# Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

**45. Winding up of Subsidiary SBICAP (Singapore) Limited**

SBICAP (Singapore) Limited the wholly owned subsidiary of the Company has been incurring losses consistently. The Board of Directors of the company in their meeting held on January 22, 2021 have approved the winding up of SBICAP (Singapore) Limited.

Accordingly, The Company has estimated recoverable value of investment in SBICAP (Singapore) Ltd. at Rs. 5872 lacs (2021: Rs. 5941 lacs) as per net asset value method under the cost approach. Impairment loss has been calculated as difference in carrying value of investment and recoverable value of investment amounting to Rs. 69 lacs (2021: Rs. 78 lacs) is charged in the statement of profit and loss for the year ended March 31, 2022.

**46.** Additional regulatory information reqired under (WB) (xiv) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the company as company is in the business of Merchant Banking and Advisory Services and not an NBFC registered under section 45-IA of Reserve Bank of India Act, 1934.

**47. Events occurring after the balance sheet date**

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

**48.** The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

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

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

Place: Mumbai
Date: May 5, 2021.

For and on behalf of Board of Directors

Sd/-
**Ashwini Kumar Tewari**
**Director**

Sd/-
**Arun Mehta**
**Managing Director & CEO**

Sd/-
**Krishnan Kutty Raghavan**
**Chief Financial Officer**

Sd/-
**Amit Shah**
**Company Secretary**

# NOTES

SBI Capital Markets Limited

# NOTES

# Contact us

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