

August 3, 2022

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

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex.
Bandra (E), Mumbai - 400 051

SCRIP CODE: **543066**

SYMBOL: **SBICARD**

Re: Submission pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Notice of the 24th Annual General Meeting and the Annual Report for the FY 2021-22

Dear Sirs,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the company for the Financial year 2021-22 along with the Notice of the 24th Annual General Meeting scheduled to be held on Friday, August 26, 2022 at 11:00 A.M. (IST) through video conferencing (VC) / Other Audio visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

The said Annual Report and the Notice of AGM is also being made available on the Company's website i.e. www.sbicard.com

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For SBI Cards and Payment Services Limited



Payal Mittal Chhabra
Company Secretary & Compliance Officer

SBI Cards and Payment Services Ltd.

DLF Infinity Towers, Tower C,
12th Floor, Block 2, Building 3,
DLF Cyber City, Gurugram - 122002,
Haryana, India

Tel.: 0124-4589803
Email: customercare@sbicard.com
Website: sbicard.com

Registered Office:
Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower,
E 1,2,3, Netaji Subhash Place, Wazirpur, New Delhi - 110034
CIN - L65999DL1998PLC093849



SBI CARDS AND PAYMENT SERVICES LIMITED

CIN: L65999DL1998PLC093849, Website: www.sbicard.com

Email ID: investor.relations@sbicard.com

Registered Office: Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi 110 034, India; Phone: +91 (11) 6126 8100

Corporate Office: 2nd Floor, Tower-B, Infinity Towers, DLF Cyber City, Block 2 Building 3, DLF Phase 2, Gurugram, Haryana 122 002, India; Phone: +91 (124) 458 9803.

NOTICE

Notice is hereby given that the 24th Annual General Meeting ('AGM') of the Members of **SBI CARDS AND PAYMENT SERVICES LIMITED** ('SBICPSL' or 'the Company') will be held on Friday, August 26, 2022 at 11:00 A.M (IST) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs & Securities and Exchange Board of India in this regard, to transact the following business:

Ordinary Business:

1. Adoption of Financial Statements

To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the report of the Board of Directors and Auditors thereon along with the comments of the Comptroller and Auditor General of India (CAG).

2. Fixing of Auditors Remuneration

To authorize the Board of Directors to fix the remuneration/ fees of the Statutory Auditors (Single or Joint Auditors) of the Company, as may be appointed by the Comptroller and Auditor General of India (CAG), for the financial year 2022-23.

3. Confirmation of payment of the Interim Dividend for FY 2021-22

To confirm the payment of Interim Dividend of ₹ 2.50 (i.e. 25%) per equity share of ₹ 10 each, for the Financial Year ended March 31, 2022, as declared by the Board of Directors.

Special Business:

4. Re-appointment of Mr. Dinesh Kumar Mehrotra (DIN: 00142711) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as **Special Resolution(s)**:

"RESOLVED THAT pursuant to Section 149 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with the rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing

Regulations"), (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other law as may be applicable, Mr. Dinesh Kumar Mehrotra holding DIN: 00142711, who was appointed as an Independent Director of the Company w.e.f. November 14, 2019 at the Extra-ordinary General Meeting held on November 15, 2019, for a term of three years and who holds office of the Independent Director upto November 13, 2022 and who has submitted a declaration that he meets the criteria of independence as provided in the Act and the Listing regulations, and is eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of three years with effect from November 14, 2022 to November 13, 2025, on such terms and conditions and remuneration as the Board of Directors may deem fit.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution."

5. Re-appointment of Ms. Anuradha Nadkarni (DIN: 05338647) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as **Special Resolution(s)**:

"RESOLVED THAT pursuant to Section 149 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with the rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other law as may be applicable, Ms. Anuradha Nadkarni holding DIN: 05338647, who was appointed as an Independent Director of the Company w.e.f. November 14, 2019 at the Extra-ordinary General Meeting held on November 15, 2019, for a term of three years and who holds office of the Independent Director upto November 13, 2022 and who has submitted a declaration that

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she meets the criteria of independence as provided in the Act and the Listing regulations, and is eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of three years with effect from November 14, 2022 to November 13, 2025, on such terms and conditions and remuneration as the Board of Directors may deem fit.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To consider and approve the Material Related Party Transactions with State Bank of India

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution(s)**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”), and any other applicable laws/statutory provisions, if any, (including any statutory modification(s), amendment(s), variation(s) or re-enactment(s) thereof for the time being in force) and the Related Party Transactions Policy of the Company, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee of the Company, the Members of the Company do hereby ratify and also accord approval to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and/or carrying out and/or continuing with contracts, arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) for the Financial Year 2022-23 and thereafter upto the date of the next annual general meeting of the Company to be held in FY 2023-24 or fifteen months from the date of this Annual General Meeting, whichever is earlier, with State Bank of India (“SBI”), being a related party in terms of section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, whether by way of renewal(s) or extension(s) or modification(s) (i.e not falling under the preview of the material modification defined by the Audit committee) of the Company of earlier contract/arrangements/

transactions or otherwise, with respect to (i) Banking services/loan transactions/credit facility including all forms of borrowings/Fixed Deposits/Investments/Debtentures; (ii) Finance Charges/Bank Charges/Fee & Commission; (iii) Advertisement/Marketing/Sourcing of Cards/Sales Promotion/ Collection; (iv) Payment of Royalty at the rate of 0.20% of Total Income or 2% of Profit after Tax, whichever is higher; (v) Corporate Card facility/Loans and Advances; (vi) Contribution to other funds; (vii) Cost allocation/Infrastructure sharing/Rentals and other arrangements/transactions including transactions as may be disclosed in the notes forming part of the financial statements for the relevant period; notwithstanding the fact that all such aforementioned transactions during the financial year 2022-23 and upto the date of the next annual general meeting of the Company for a period not exceeding fifteen months, may exceed ₹ 1,000 crore or 10% of the annual consolidated turnover as per the Company’s last audited financial statements, whichever is lower, or any other materiality threshold as may be applicable under law/ regulations from time to time, provided, that the contracts/arrangements/ transactions shall be carried out at an arm’s length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Members of the Company do hereby ratify and also accord approval to the Board to sign and execute all such documents, agreements and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/or Director(s) and/or Officer(s) of the Company, to give effect to this resolution.”

7. To consider and approve the Material Related Party Transactions with SBI Capital Markets Limited.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution(s)**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended till date, (hereinafter referred to as “Listing Regulations”) and any other applicable laws/statutory provisions, if any, (including any statutory modification(s), amendment(s), variation(s) or re-enactment(s) thereof for the time being in force) and the Related Party Transactions Policy of the Company, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee of

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the Company, the Members of the Company do hereby ratify and also accord approval to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and/or carrying out and/or continuing with contracts, arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) for the Financial Year 2022-23 and thereafter upto the date of the next annual general meeting of the Company to be held in FY 2023-24 or fifteen months from the date of this Annual General Meeting, whichever is earlier, with SBI Capital Markets Limited ("SBI CAP"), being a related party in terms of section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, whether by way of renewal(s) or extension(s) or modification(s) (i.e not falling under the preview of the material modification defined by the Audit committee of the Company) of earlier contract/arrangements/ transactions or otherwise, with respect to certain Capital/debt market services, Corporate Credit Card facility/Loans and Advances, Borrowings, Investments, Debentures and other transactions as may be disclosed in the notes forming part of the financial statements for the relevant period, notwithstanding the fact that all such aforementioned transactions during the financial year 2022-23 and upto the date of the next annual general meeting of the Company for a period not exceeding fifteen months, may exceed ₹ 1,000 crore or 10% of the annual consolidated turnover as per the Company's last audited financial statements, whichever is lower, or any other materiality threshold as may be applicable under law/ regulations from time to time, provided, that the contracts/arrangements/transactions shall be carried out at an arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Members of the Company do hereby ratify and also accord approval to the Board to sign and execute all such documents, agreements and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/or director(s) and/or officer(s) of the Company, to give effect to this resolution."

8. Appointment of Mr. Swaminathan Janakiraman (DIN: 08516241) as a Nominee Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution(s)**:

"RESOLVED THAT pursuant to Section 161 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory amendments thereto or re-enactment thereof for the time being in force), articles of association of the Company, Section 35A and other applicable provisions of the SBI Act and based on the recommendation of Nomination and Remuneration Committee, nomination Letter dated July 13, 2022 received from State Bank of India, the consent of the members of Company be and is hereby accorded for the appointment of Mr. Swaminathan Janakiraman (DIN: 08516241), as a Nominee Director on the Board of the Company w.e.f. July 22, 2022, on such terms and conditions and remuneration as the Board of Directors may deem fit.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution."

**By Order of the Board of Directors
For SBI Cards and Payment Services Limited**

Payal Mittal Chhabra

Company Secretary and
Compliance Officer

Date: July 28, 2022
Place: Gurugram

NOTES:

1. In view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, Ministry of Corporate Affairs, Government of India (the "MCA") vide its General Circular No. 2/2022 dated May 5, 2022 read together with General Circular No. 21/2021 dated December 14, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 14/2020 dated April 8, 2020 and other circulars issued in this regard (collectively referred to as "MCA Circulars"), and the Securities and Exchange Board of India ("SEBI") vide its Circular No.: SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and other circulars issued in this regard, permitted

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the holding of the Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the registered office of the Company.

2. Further, pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and the MCA and SEBI Circulars, the Company is holding its Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. For the said purpose the Company has engaged the services of National Securities Depository Limited (NSDL) for conducting AGM through VC/OAVM. Further, NSDL has also been engaged for facilitating e-voting to enable the members to cast their votes electronically using remote e-voting system as well as e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained in the notes below.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts relating to the special business(es) to be transacted at the AGM is annexed hereto.
4. Brief profile and other additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, in respect of the Director seeking appointment/re-appointment at the AGM, is also annexed to the Notice.
5. The relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection by the members at the Registered Office and the copies thereof at the Corporate Office of the Company during normal business hours (between 11.00 A.M. to 1.00 P.M.) on all working days, from the date of circulation of this Notice upto the date of the AGM. The relevant documents will also be made available on the website of the Company during the abovementioned period. Members seeking to inspect such documents can also send an email to investor.relations@sbicard.com.

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("Act"), the Register of Contracts or Arrangements in which the directors are

interested, maintained under Section 189 of the Act and the Certificate from the Secretarial Auditors of the Company pursuant to Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available electronically for inspection by the members during the AGM.

Further, members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company latest by August 19, 2022 through email on investor.relations@sbicard.com. Such questions shall be taken up during the meeting or replied by the Company suitably.

6. Pursuant to the Section 105 of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote at the meeting on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form is not annexed hereto. Since, the AGM will be held through VC, the route map, and attendance slip are also not annexed to this Notice.
7. Pursuant to the abovementioned Circulars the Company will send the Annual Report for the financial year 2021-22 and AGM notice in electronic form only. The Notice of AGM and Annual Report for the financial year 2021-22 are also placed on the website of the Company i.e. www.sbicard.com and the website of National Securities Depository Limited i.e. www.evoting.nsd.com and at the relevant sections of the websites of the stock exchanges on which the shares of the Company are listed i.e. BSE Ltd. (www.bseindia.com) and National Stock Exchange of India Ltd. (www.nseindia.com).
8. The Notice is being sent only through electronic mode to all the Members/Beneficiaries, whose names appear on the Register of Members/ Record of Depositories as on Friday, July 29, 2022 and who have registered their email addresses with the Company/RTA or Depository/ Depository Participant, in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and the MCA Circulars & SEBI Circulars.
9. The remote e-voting period begins on Tuesday, August 23, 2022 at 10.00 A.M. (IST) and ends on Thursday, August 25, 2022 at 5.00 P.M.(IST). During this period, members of the Company holding equity shares either in physical form or in dematerialised form, as on the cut-off date i.e., Friday, August 19, 2022, may cast their vote electronically. The remote e-voting will not be allowed

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beyond the aforesaid date and time as the same shall be disabled by NSDL for voting thereafter.

The facility for electronic voting system, shall also be made available at the AGM. The Members attending the AGM, who have not cast their votes through remote e-voting and are otherwise not barred from doing so, shall be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.

Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. There will be one e-vote for every Folio/ Client ID irrespective of the number of joint holders. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the Member(s) as on cutoff date and any person who is not a member as on that date should treat this Notice for information purposes only.

10. Members may join the AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 10.30 a.m. (IST) i.e. 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility, 15 minutes after the scheduled time to start the AGM. The facility of participation at the General Meeting through VC/OAVM will be made available for at least 1000 members on first come first served basis. However, the said restriction on account of first come first served principle shall not be applicable on large shareholders (shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship and Customer Experience Committee, Auditors, etc.
11. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
12. Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/ Folio no, No. of shares, PAN, mobile number at investor.relations@sbicard.com on or before August 19, 2022. Only those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.
13. The Board of Directors have appointed Mr. Vineet K Chaudhary (Certificate of Practice no. 4548) Managing Partner of M/s VKC & Associates, Company Secretaries, or failing him Mr. Mohit K. Dixit (Certificate of Practice no. 17827), Partner of M/s VKC & Associates, Company Secretaries as the Scrutiniser to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner. The Scrutiniser have communicated their willingness to be appointed for the said purpose.
14. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or a person authorised by him, who shall countersign the same and declare results (consolidated) within two working days from the conclusion of the meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company (www.sbicard.com) and the website of NSDL (www.nsdl.com) immediately after the declaration of result by the Chairman and in his absence, any Director/Officer of the Company authorised by the Chairman and the same will also be communicated to BSE Limited and the National Stock Exchange of India Limited. It shall also be displayed on the Notice Board at the Registered Office and the Corporate office of the Company.
15. Members wishing to claim unclaimed dividends are requested to correspond with the Registrar and Share Transfer Agent (RTA) of the Company i.e. Link Intime India Pvt. Ltd. or the Company Secretary of the Company.
16. Members are requested to note that dividends, which are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per the provisions of Section 124 of the Companies Act, 2013 and rules made thereunder, be transferred to the Investor Education and Protection Fund. Further, pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the IEPF Rules), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the Investor Education and Protection Fund Authority (IEPF Authority).
17. With a view to using natural resources responsibly, we request shareholders to update their contact details including e-mail address, mandates, nominations, power

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of attorney, Bank details covering name of the Bank and branch details, Bank account number, MICR code, IFSC code, etc. with their depository participants and with RTA if shares are held in physical form to enable the Company to send all the communications electronically including Annual Report, Notices, Circulars, etc.

18. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
19. Members are requested to notify the change in address if any, with Pin Code numbers immediately to the RTA i.e. Link Intime India Pvt. Ltd., C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Tel No: +91 (22)-49186000, Fax: +91 (22) 49186060, Website: www.linkintime.co.in
20. Non-Resident Indian Members are requested to inform RTA of the Company any change in their residential status on return to India for permanent settlement, particulars of their Bank account maintained in India with complete name, branch account type, account number and address of Bank

with pin code number, if not furnished earlier. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

21. SEBI vide its circular dated January 25, 2022, has mandated that the listed companies shall henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, members who still hold shares in physical form are advised to dematerialise their holdings.
22. Pursuant to SEBI circular dated November 3, 2021 and clarification circular dated December 14, 2021, members holding shares in physical form are advised to update their PAN, KYC details and nomination etc. in prescribed forms. The forms can be downloaded from the website of the Company at www.sbicard.com. Further, in respect of shares held in electronic/demat form, the members may please contact their respective Depository Participant.
23. SEBI vide its circular dated May 30, 2022 has prescribed Standard Operating Procedures for dispute resolution under the Stock Exchange arbitration mechanism for a dispute between a Listed Company and/or RTA and its Shareholders(s) / investor(s). The said circular is available on the website of the Company at www.sbicard.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE ANNUAL GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, August 23, 2022 at 10:00 A.M. and ends on Thursday, August 25, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, August 19, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 19, 2022.

The instructions for Members for remote E-voting are as given below: -

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	<ol style="list-style-type: none"> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile phone. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p data-bbox="635 1384 1046 1413">NSDL Mobile App is available on</p> <div data-bbox="635 1424 1046 1574">     </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile phone.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders'/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c. For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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- v. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail ids are not registered.
 - vi. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - viii. Now, you will have to click on "Login" button.
 - ix. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.**
- A. How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?
 - i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
 - ii. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and for casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join Meeting".
 - iii. Now you are ready for e-Voting as the Voting page opens.
 - iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - v. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
 - B. Other information:
 - i. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
 - ii. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com or contact NSDL at the toll free no.: 1800 1020 990 and 1800 22 44 30. Individual demat account holders will follow the process mention in Access to NSDL system.
- General Guidelines for shareholders**
- i. Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board

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Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote/attend the AGM, to the Scrutinizer by email to vkpc.pcs@gmail.com with a copy marked to evoting@nsdl.co.in.

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the email id – evoting@nsdl.co.in, who will also address the grievances connected with the voting by electronic means.

Process for those shareholders whose e-mail id's are not registered with the depositories and for procuring user id, password & registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor.relations@sbicard.com.
2. In case shares are held in demat mode, please provide DPIDCLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor.relations@sbicard.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Process of Registration of Email address and other details:

i) For Temporary Registration:

Pursuant to relevant circulars the shareholders who have not registered their email address and in consequence the notice could not be serviced may temporarily get their email address registered with the Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd. through the link: https://linkintime.co.in/emailreg/email_register.html and follow the registration process as guided thereafter. Post successful registration of the email, the shareholder would receive soft copy of the Notice of AGM and the Annual Report for the financial year 2021-22 comprising Financial Statements, Board's Report, Auditor's Reports and other documents required to be attached therewith and the procedure for e-voting along with the User ID and Password to enable e-voting for the AGM from NSDL. In case of any queries relating to the registration of E-mail address, shareholder may write to rnt.helpdesk@linkintime.co.in & for e-voting related queries you may write to NSDL at evoting@nsdl.co.in.

ii) For Permanent Registration:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address:

- in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.
- in respect of physical holding with Company's Registrar and Transfer Agents i.e. Link Intime India Pvt. Ltd. by sending a request in the prescribed form.

iii) Registration of Bank Details:

Please Contact your Depository Participant (DP) and register your email address and Bank account details in your demat account, as per the process advised by your DP. In case of physical holding, please contact the RTA of the Company i.e. Link Intime India Pvt. Ltd.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Member will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC / OAVM link” placed under “Join meeting” menu against Company Name. You are requested to click on VC / OAVM link placed under Join Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that participants connecting from mobile devices or tablets or through laptop, connecting via

mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- ii. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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EXPLANATORY STATEMENT CONTAINING MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Re-appointment of Mr. Dinesh Kumar Mehrotra (DIN: 00142711) as an Independent Director of the Company

The shareholders of the Company at the Extra-ordinary General Meeting held on November 15, 2019 appointed Mr. Dinesh Kumar Mehrotra (DIN: 00142711) as an Independent Director of the Company for a term of 3 (three) years with effect from November 14, 2019 upto November 13, 2022.

The Nomination and Remuneration Committee (the 'NRC Committee') of the Board of Directors, on the basis of the performance evaluation, has recommended re-appointment of Mr. Dinesh Kumar Mehrotra as an Independent Director, for a second term of 3 (three) consecutive years, on the Board of the Company. The Board of Directors of the Company has also expressed its satisfaction on the performance of Mr. Dinesh Kumar Mehrotra as an Independent Director on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendations of the Nomination and Remuneration Committee of the Board, considers that given the knowledge, background, experience and contribution made by Mr. Dinesh Kumar Mehrotra during his tenure, it would be in the interest of the Company to have continued association with Mr. Dinesh Kumar Mehrotra as an Independent Director of the Company. Accordingly, it is proposed to re-appoint Mr. Dinesh Kumar Mehrotra as an Independent Director of the Company, not liable to retire by rotation, for a second term of 3 (three) consecutive years on the Board of the Company.

Mr. Dinesh Kumar Mehrotra fulfills the core skills/expertise/capabilities required in the context of the Company's business and sector as mentioned in the Nomination and Remuneration Policy of the Company.

The Company has received a notice in writing from Mr. Dinesh Kumar Mehrotra proposing his candidature for appointment as an Independent Director on the Board of the Company.

Mr. Dinesh Kumar Mehrotra has given a declaration to the Board that he meets the criteria of independence as provided in the Act and the Listing Regulations. Also, the Company has received other necessary disclosures and declarations from Mr. Dinesh Kumar Mehrotra including the declaration that he is not debarred from holding the office of director pursuant to any SEBI Order. In the opinion of the Board, Mr. Dinesh Kumar Mehrotra fulfils the conditions specified in the Act read with the Rules made thereunder and the Listing

Regulations, for re-appointment as Independent Director and he holds necessary qualification, experience and expertise to serve as Independent Director on the Board of the Company. Also, in the opinion of the Board, Mr. Dinesh Kumar Mehrotra is independent of the Management.

Pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Dinesh Kumar Mehrotra as an Independent Director on the Board of the Company.

Draft Letter of appointment of Mr. Dinesh Kumar Mehrotra setting out the terms and conditions of appointment is being made available for inspection by the Members through electronic mode.

Additional information in respect of Mr. Dinesh Kumar Mehrotra, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure A to this Notice.

Your Directors recommend the resolutions set out at Item no. 4 for approval of the Members by way of Special Resolution.

None of the Directors except Mr. Dinesh Kumar Mehrotra and his relatives, Manager, Key Managerial Personnel, Promoter of the Company and their relatives thereof is in anyway concerned or interested financially or otherwise in the proposed resolution.

Item No. 5

Re-appointment of Ms. Anuradha Nadkarni (DIN: 05338647) as an Independent Director of the Company

The shareholders of the Company at the Extra-ordinary General Meeting held on November 15, 2019 appointed Ms. Anuradha Nadkarni (DIN: 05338647) as an Independent Director of the Company for a term of 3 (three) years with effect from November 14, 2019 upto November 13, 2022.

The Nomination and Remuneration Committee (the 'NRC Committee') of the Board of Directors, on the basis of the performance evaluation, has recommended re-appointment of Ms. Anuradha Nadkarni as an Independent Director, for a second term of 3 (three) consecutive years, on the Board of the Company. The Board of Directors of the Company has also expressed its satisfaction on the performance of Ms. Anuradha Nadkarni as an Independent Director on the Board of the Company.

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The Board, based on the performance evaluation and as per the recommendations of the Nomination and Remuneration Committee of Directors, considers that given the knowledge, background, experience and contribution made by Ms. Anuradha Nadkarni during her tenure, it would be in the interest of the Company to have continued association with Ms. Anuradha Nadkarni as an Independent Director of the Company. Accordingly, it is proposed to re-appoint Ms. Anuradha Nadkarni as an Independent Director of the Company, not liable to retire by rotation, for a second term of 3 (three) consecutive years on the Board of the Company.

Ms. Anuradha Nadkarni fulfills the core skills/expertise/capabilities required in the context of the Company's business and sector as mentioned in the Nomination and Remuneration Policy of the Company.

The Company has received a notice in writing from Ms. Anuradha Nadkarni proposing her candidature for appointment as an Independent Director on the Board of the Company.

Ms. Anuradha Nadkarni has given a declaration to the Board that she meets the criteria of independence as provided in the Act and the Listing Regulations. Also, the Company has received other necessary disclosures and declarations from Ms. Anuradha Nadkarni including the declaration that she is not debarred from holding the office of director pursuant to any SEBI Order. In the opinion of the Board, Ms. Anuradha Nadkarni fulfils the conditions specified in the Act read with the Rules made thereunder and the Listing Regulations, for re-appointment as Independent Director and she holds necessary qualification, experience and expertise to serve as Independent Director on the Board of the Company. Also, in the opinion of the Board, Ms. Anuradha Nadkarni is independent of the Management.

Pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board have recommended the appointment of Ms. Anuradha Nadkarni as an Independent Director on the Board of the Company.

Draft Letter of appointment of Ms. Anuradha Nadkarni setting out the terms and conditions of appointment is being made available for inspection by the Members through electronic mode.

Additional information in respect of Ms. Anuradha Nadkarni, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the

Secretarial Standards on General Meetings (SS-2), is provided at Annexure A to this Notice.

Your Directors recommend the resolutions set out at Item no. 5 for approval of the Members by way of Special Resolution.

None of the Directors except Ms. Anuradha Nadkarni and her relatives, Manager, Key Managerial Personnel, Promoter of the Company and their relatives thereof is in anyway concerned or interested financially or otherwise in the proposed resolution.

Item No. 6

To consider and approve the Material Related Party Transactions with State Bank of India

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Listing Regulations"), effective April 1, 2022, all material related party transactions and subsequent material modifications as defined by the Audit Committee shall require prior approval of the shareholders through resolution even if, such transactions are in the ordinary course of business and on an arm's length basis and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Further, as per the Listing Regulations, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1000 Crores (Rupees one thousand crore) or 10% (ten per cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. However, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity.

The Shareholders of the Company vide their Resolution dated June 17, 2020 had ratified as well as accorded further approval to the Board of Directors of the Company for entering into and/ or carrying out and/or continuing with contracts, arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with State Bank of India (SBI), for

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the FY 2019-20, 2020-21 and onwards, being material Related Party Transactions.

Further pursuant to the Clarification issued by SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022, and in line with the SEBI Circulars issued in this regard, the said resolution is being placed for the approval of members, so as to obtain their approval for this resolution for the FY 2022-23 and thereafter till the next annual general meeting of the Company to be held in FY 2023-24 or fifteen months from the date of this Annual General Meeting, whichever is earlier.

State Bank of India (SBI) is a related party of the Company pursuant to provisions of the Companies Act, 2013 and the Listing Regulations and the Company enters into various contracts/ arrangements/transactions with it as disclosed in the notes forming part of the financial statements. In the financial year 2021-22, the transactions with SBI in terms of aggregate value, have exceeded 10% of the Company's annual consolidated turnover for the relevant year. The transactions have been continued so far in the financial year 2022-23 and are expected to exceed the prescribed threshold limits under the Listing Regulations and other laws as may be applicable from time to time so as to qualify as material related party transactions. Going forward also, the Company intends to continue such transactions with SBI.

Accordingly, as per Regulation 23 of the Listing Regulations, approval and/or ratification of the Members is sought for the arrangements/ transactions undertaken/to be undertaken by the Company whether by way of continuation/ extension/ renewal/ modification (i.e not falling under the preview of the material modification defined by the Audit committee of the

Company) of earlier arrangements/ transactions. Accordingly, the Company proposes to obtain approval of its Members for ratifying and also for giving approval to the Board for carrying out and/or continuing with the following arrangements and transactions with SBI:

- (i) Banking services/loan transactions/credit facility including all forms of borrowings/Fixed Deposits/Investments/Debentures
- (ii) Finance Charges/Bank Charges/Fee & Commission
- (iii) Advertisement/Marketing/Sourcing of Cards/Sales Promotion/Collection
- (iv) Payment of Royalty at the rate of 0.20% of Total Income or 2% of Profit after Tax, whichever is higher
- (v) Corporate Card facility/Loans and Advances
- (vi) Contribution to other funds
- (vii) Cost allocation/Infrastructure sharing/Rentals and other arrangements/ transactions including transactions as may be disclosed in the notes forming part of the financial statements for the relevant period.

The above stated arrangements and transactions with SBI amounts to related party transactions falling within the purview of the Listing Regulations and all these transactions in aggregate, are material related party transactions under the Listing Regulations.

Details of Material Related Party Transactions and other particulars thereof as per SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 including summary of information presented to Audit Committee are mentioned hereunder:

Sl. No.	Particulars
1.	Type of transaction, material terms and particulars of the proposed transaction
	(i) Banking services/loan transactions/credit facility including all forms of borrowings/Fixed Deposits/Investments/Debentures (ii) Finance Charges/Bank Charges/fee & Commission (iii) Advertisement/Marketing/Sourcing of Cards/Sales Promotion/Collection (iv) Payment of Royalty at the rate of 0.20% of Total Income or 2% of Profit after Tax, whichever is higher (v) Corporate Card facility/Loans and Advances (vi) Contribution to other funds (vii) Cost allocation/Infrastructure sharing/Rentals and other arrangements/ transactions including transactions as may be disclosed in the notes forming part of the financial statements for the relevant period.

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Sl. No.	Particulars	
2.	Name of the related party	State Bank of India (SBI)
3.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise)	Holding Company (Nature of Interest: - Financial)
4	Tenure of the proposed transaction (particular tenure shall be specified)	The Transactions are recurring in nature. The approval of the shareholders is being sought for the related party transactions entered/to be entered during FY 2022-23 and thereafter till the next Annual General Meeting scheduled to be held during FY 2023-24 or fifteen months from the date of this Annual General Meeting, whichever is earlier.
5	Value of proposed transaction	The Value of proposed transactions with SBI in the financial year 2022-23 is expected to be ~ ₹ 21,000 Crore. The amount mentioned above includes ~ ₹ 20,150 Crores towards Borrowing/Debentures, Fixed Deposits and Corporate Card facility/ Loans & Advances as approved by the Audit Committee. Actual value of the transactions will depend upon the business requirements. Further, a variance of 10% in the value of proposed transactions with SBI be considered for the FY 2023-24.
6	The percentage of the Company annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	The value of proposed transactions with SBI during the FY 2022-23 is 196.68% of the annual turnover of the Company for the FY 2021-22.
7.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary – <u>The information pertaining to Corporate Card Facility provided by the Company is mentioned below:</u>	
	i. Details of the source of funds in connection with the proposed transaction;	The Company being a listed NBFCs, disclosure of source of funds is Not Applicable.
	ii. Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments nature of indebtedness; cost of funds; and tenure;	The Company in its ordinary course of business issues Corporate Credit Cards and for the said purpose incurs indebtedness in the nature of Borrowings including Loans (funded/non-funded), Debentures, Commercial papers etc. The tenure is as per the agreed Terms and Conditions. Further, the Company being a listed NBFC, disclosure of cost of funds is Not Applicable.
	iii. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	Corporate Credit Card facility is provided as per the Standard Terms & condition of credit card usage. Further, the same is unsecured.
	iv. Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Credit Card usage.
8	Justification as to why the RPT is in the interest of the Company	The related party transactions entered by the Company with SBI are in the Ordinary course of business and are on an arm's length basis. It is further ensured that the transactions with SBI are conducted as if it is with an unrelated party, so that there is no conflict of interest.

NOTICE

Sl. No.	Particulars	
9	Copy of the valuation or other external party report, if any such report has been relied upon.	NA
10	Any other information relevant or important for the members to take a decision on the proposed transaction	NIL

Members may note that these Related Party Transactions, placed for members' approval, shall, at all times, be subject to prior approval of the Audit Committee of the Company and shall continue to be in the ordinary course of business and at arm's length. As per the amended regulations which are effective from January 01, 2022, all the related party transactions shall be approved only by those members of the audit committee, who are independent directors. The transactions shall also be reviewed/ monitored on quarterly basis by the Audit Committee of the Company as per Regulation 23(2) and 23(3) of the Listing Regulations and Section 177 of the Act and shall remain within the proposed amount(s) being placed before the members. Any subsequent material modifications in the proposed transactions, as may be defined by the audit committee as a part of Company's Policy on Related Party Transactions, shall be placed before the members for approval, in terms of Regulation 23(4) of the Listing Regulations.

The Audit Committee of the Company has granted its approval for the said related party transactions entered/proposed to be entered into by the Company with SBI as stated in the resolution and explanatory statement and has duly assessed that the said transactions are on an arm's length basis and in the ordinary course of the Company's business.

None of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 6 of this Notice except to the extent of their employment/nomination by SBI/employment in the Company, if any and their shareholding in the Company/SBI, if any.

SBI being promoter of the Company, shall be deemed to be interested in the proposed resolutions. The Members may please note that in terms of the provisions of the Listing Regulations, no related party/ies shall vote to approve the resolution as set out at Item No. 6. The Board of Directors at its meeting held on July 28, 2022 recommended the passing of the resolutions set-out under Item No. 6 of the Notice as an Ordinary Resolution.

Item No. 7

To consider and approve the Material Related Party Transactions with SBI Capital Markets Limited

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Listing Regulations"), effective April 1, 2022, all material related party transactions and subsequent material modifications as defined by the Audit Committee shall require prior approval of the shareholders through resolution even if, such transactions are in the ordinary course of business and on an arm's length basis and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Further, as per the Listing Regulations, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, ₹ 1,000 Crores (exceeds rupees one thousand crore) or 10% (ten per cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. However, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, 5% (exceed five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity.

The Shareholders of the Company vide their Resolution dated June 17, 2020 had ratified as well as accorded approval to the Board of Directors of the Company for entering into and/ or carrying out and/or continuing with contracts, arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with SBI Capital Markets Limited (SBI CAP), for the FY 2019-20, 2020-21 and onwards, being material Related Party Transactions.

NOTICE

Further, pursuant to the Clarification issued by SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022, and in line with the SEBI Circulars issued in this regard, the said resolution is being placed for the approval of members, so as to obtain their approval for this resolution for the FY 2022-23 and thereafter till the next annual general meeting of the Company to be held in FY 2023-24 or fifteen months from the date of this Annual General Meeting, whichever is earlier.

SBI Cap is a related party of the Company pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations and the Company enters into various contracts/arrangements/transactions with it as disclosed in the notes forming part of the financial statements. The transactions with SBI CAP have been continued so far in the financial year 2022-23 and are expected to exceed the prescribed threshold limits under the Listing Regulations and other laws as may be applicable from time to time so as to qualify as material related party transactions. Going forward also, the Company intends to continue such transactions with SBI CAP.

Accordingly, as per Regulation 23 of the Listing Regulations, approval and/or ratification of the Members is sought for the arrangements/ transactions undertaken/to be undertaken by the Company whether by way of continuation/ extension/

renewal/ modification (i.e not falling under the preview of the material modification defined by the Audit committee of the Company) of earlier arrangements/transactions. Accordingly, the Company proposes to obtain approval of its Members for ratifying as also for giving further approval to the Board for carrying out and/or continuing with the following arrangements and transactions with SBI CAP:

- (i) Certain Capital/debt market services
- (ii) Corporate Credit Card facility/Loans and Advances
- (iii) Borrowings/Investments/Debentures
- (iv) and other transactions as may be disclosed in the notes forming part of the financial statements for the relevant period

The above stated arrangements and transactions with SBI CAP amount to related party transactions falling within the purview of the Listing Regulations and all these transactions in aggregate, are expected to be material related party transactions under the Listing Regulations.

Details of Material Related Party Transactions and other particulars thereof as per SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 including summary of information presented to Audit Committee are mentioned hereunder:

Sl. No.	Particulars	
1.	Type of transaction, material terms and particulars of the proposed transaction	<ol style="list-style-type: none"> i. Certain Capital/debt market services ii. Corporate Credit Card facility/Loans and Advances iii. Borrowings/Investments/Debentures iv. and other transactions as may be disclosed in the notes forming part of the financial statements for the relevant period
2.	Name of the related party	SBI Capital Markets Limited
3.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise)	Fellow Subsidiary (Nature of Interest: - Financial)
4.	Tenure of the proposed transaction (particular tenure shall be specified)	The Transactions are recurring in nature. The approval of the shareholders is sought for related Party Transactions entered/to be entered during FY 2022-23 and thereafter till the next Annual General Meeting scheduled to be held during FY 2023-24 or fifteen months from the date of this Annual General Meeting, whichever is earlier.
5.	Value of proposed transaction	<p>The Value of proposed transactions with SBI CAP in the financial year 2022-23 is expected to be ~ ₹ 2,050 Crores.</p> <p>Actual value of the transactions will depend upon the business requirements.</p> <p>Further, a variance of 10% in the value of proposed transactions with SBI CAP be considered for the FY 2023-24.</p>

NOTICE

Sl. No.	Particulars	
6	The percentage of the Company annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	The value of proposed transactions with SBI CAP during the FY 2022-23 is 19.20% of the annual turnover of the Company for the FY 2021-22.
7.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary - <u>The information pertaining to Corporate Card Facility provided by the Company is mentioned below:</u>	
	i. Details of the source of funds in connection with the proposed transaction;	The Company being a listed NBFCs, disclosure of source of fund is Not Applicable.
	ii. Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments nature of indebtedness; cost of funds; and tenure;	The Company in its ordinary course of business issues Corporate Credit Cards and for the said purpose incurs indebtedness in the nature of Borrowings including Loans (funded/non-funded), Debentures, Commercial papers etc. The tenure is as per the agreed Terms and Conditions. Further, the Company being a listed NBFC, disclosure of cost of funds is Not Applicable.
	iii. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	Corporate Credit Card facility is provided as per the Standard Terms & condition of credit card usage. Further, the same is unsecured.
	iv. Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Credit Card usage.
8	Justification as to why the RPT is in the interest of the Company	The related party transactions entered by the Company with SBI CAP are in the Ordinary course of business and are on an arm's length basis. It is further ensured that the transactions with SBI CAP are conducted as if it is with an unrelated party, so that there is no conflict of interest.
9	Copy of the valuation or other external party report, if any such report has been relied upon	NA
10	Any other information relevant or important for the members to take a decision on the proposed transaction	NIL

Members may note that these Related Party Transactions, placed for members' approval, shall, at all times, be subject to prior approval of the Audit Committee of the Company and shall continue to be in the ordinary course of business and at arm's length. As per the amended regulations which are effective from January 01, 2022, all the related party transactions shall be approved only by those members of the audit committee, who are independent directors. The transactions shall also be reviewed/ monitored on quarterly basis by the Audit Committee of the Company as per Regulation 23(2) and 23(3) of the Listing Regulations and Section 177 of the Act and shall remain within the proposed amount(s) being placed before the members. Any subsequent

material modifications in the proposed transactions, as may be defined by the audit committee as a part of Company's Policy on Related Party Transactions, shall be placed before the members for approval, in terms of Regulation 23(4) of the Listing Regulations.

The Audit Committee of the Company has granted its approval for the said related party transactions entered/proposed to be entered into by the Company with SBI CAP as stated in the resolution and explanatory statement and has also noted that the said transactions are on an arm's length basis and in the ordinary course of the Company's business.

NOTICE

None of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 7 of this Notice except to the extent of their employment/nomination by SBI/employment in the Company, if any and their shareholding in the Company/SBI/SBI CAP, if any.

SBI CAP being a fellow subsidiary and SBI being promoter of the Company and the promoter and holding company of SBI CAP, shall be deemed to be interested in the proposed resolutions. The Members may please note that in terms of the provisions of the Listing Regulations, no related party/ies shall vote to approve the resolution as set out at Item No.7. The Board of Directors at its meeting held on July 28, 2022 recommended the passing of the resolutions set-out under Item No. 7 of the Notice as an Ordinary Resolution.

ITEM NO. 8

Appointment of Mr. Swaminathan Janakiraman (DIN: 08516241) as a Nominee Director

Pursuant to the Articles of Association of the Company, the State Bank of India (SBI), Corporate Centre, Mumbai vide its letter dated July 13, 2022 nominated Mr. Swaminathan Janakiraman as SBI Nominee for appointment as Nominee Director on the Board of the Company.

Pursuant to the provisions of the Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee of the Company at its meeting held on the July 15, 2022, the Board of Directors of the Company had approved the appointment of Mr. Swaminathan

Janakiraman as the Nominee Director on the Board of the Company with effect from July 22, 2022, subject to the approval of the shareholders and other requisite approvals as may be required under applicable provisions of various laws.

The Company has received the necessary disclosures and declarations from Mr. Swaminathan Janakiraman including the declaration that he is not debarred from holding the office of director pursuant to any SEBI Order or any other such authority. Mr. Swaminathan Janakiraman holds necessary qualification, experience and expertise as per the Nomination and Remuneration Policy of the Company.

The Company has duly received a notice in writing regarding candidature of Mr. Swaminathan Janakiraman for appointment as Nominee Director on the Board of the Company.

Additional information in respect of Mr. Swaminathan Janakiraman, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure A to this Notice.

Your Directors recommend the resolutions set out at Item no. 8 for approval of the Members by way of Ordinary Resolution.

None of the Directors, Manager, Key Managerial Personnel and their relatives except Mr. Swaminathan Janakiraman and his relatives are concerned or interested, financially or otherwise, in the proposed resolution. SBI is interested in this resolution as Mr. Swaminathan Janakiraman is nominated by SBI.

**By Order of the Board of Directors
For SBI Cards and Payment Services Limited**

Date: July 28, 2022
Place: Gurugram

Payal Mittal Chhabra
Company Secretary and
Compliance Officer

ANNEXURE - A

Details of Directors seeking appointment/re-appointment.

Information pursuant to 1.2.5 of the Secretarial Standards on General Meetings (SS- 2) and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment/re-appointment.

Particulars	Mr. Dinesh Kumar Mehrotra	Ms. Anuradha Nadkarni	Mr. Swaminathan Janakiraman
Date of Birth	05-05-1953	07-10-1962	04-02-1964
Age	69 Years	59 Years	58 Years
Date of First appointment on the Board	November 14, 2019	November 14, 2019	July 22, 2022
Qualifications	Graduate in Science (Honors)	Bachelor of Commerce (B.Com), MBA, Chartered Financial Analyst (CFA), Diploma in German Literature	Master of Business Administration; Certified Anti-Money Laundering Specialist (CAMS); Certified Documentary Credit Specialist (CDCS)
Brief Resume	Mr. Dinesh Kumar Mehrotra is an Independent Director on our Board. He was the Chairman and Managing Director of Life Insurance Corporation of India (LIC). Previously, he was LIC's zonal manager in-charge of eastern zone and its senior divisional manager. He worked on foreign assignments as well. He has ~40 years of experience in the Insurance and Finance Sector.	Ms. Anuradha Nadkarni is an Independent Director on our Board. She holds a Bachelor's degree in commerce, a postgraduate diploma in management and is a member of the Council of Chartered Financial Analysts. She was associated with ANZ Grindlays Bank and Standard Chartered Bank in multiple senior positions including as head financial institutions group. She was also advisor to Swadhaar Finserve Private Limited and with Lotus India Asset Management Company as the head of business development and strategic initiatives. She has a deep interest in the financial inclusion space and is currently associated with Svakarma Finance Private Limited as a founder and director. She has over 35 years of experience across multiple financial services businesses.	Mr. Swaminathan Janakiraman is a Nominee Director on our Board. In a career spanning over 33 years with SBI, he has held various assignments across Finance, Corporate & International Banking, Trade Finance, Retail & Digital Banking and Branch Management. In his current assignment as MD (Corporate Banking and Subsidiaries), he oversees the Large Corporate and Commercial Credit business of the Bank alongwith Associates & Subsidiaries of the Bank. This includes major non-bank business like Credit cards, Mutual Fund, Life & General Insurance, Capital Markets, Custodial Services etc. Prior to this assignment, as MD (Risk, Compliance and SARG), he was looking after the Risk Management functions as well as Regulatory Compliance framework for the Bank. He has served SBI in various capacities including DMD (Finance) and Chief Digital Officer. He also served in Bank's New York Branch as Head of Trade. As SBI nominee, he served on the Board of Bank of Bhutan, Yes Bank, NPCI, NPCI International and Jio Payments Bank. He holds a Masters' degree in business administration. He is a Certified Anti-Money Laundering Specialist (CAMS) as well as Certified Documentary Credit Specialist (CDCS).
Expertise in specific functional areas and experience	Insurance and Finance Sector - ~40 years	Financial Services - ~35 Years	Finance, Corporate & International Banking, Trade Finance, Retail & Digital Banking and Branch Management - ~ 33 Years
Terms and conditions of Appointment/ Re-appointment	As stated in this Notice pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Draft Letter of Appointment.	As stated in this Notice pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Draft Letter of Appointment.	As stated in this Notice pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Shareholding	Nil	Nil	25 Equity Shares of ₹ 10/- each
Relationship with Directors, Managers & KMP	Nil	Nil	Nil
Directorships held in other companies (including Listed Companies)	<ol style="list-style-type: none"> VLS Finance Limited Computer Age Management Services Limited Tata AIA Life Insurance Company Limited UTI Asset Management Company Limited Vardan Ceqube Advisors Private Limited National Pension System Trust 	<ol style="list-style-type: none"> Svakarma Finance Private Limited Teamred Management Solutions Private Limited 	<ol style="list-style-type: none"> State Bank of India SBICAP Securities Limited SBICAP Ventures Limited SBI Capital Markets Limited

Particulars	Mr. Dinesh Kumar Mehrotra	Ms. Anuradha Nadkarni	Mr. Swaminathan Janakiraman
Memberships/ Chairmanships of committees of other companies	<p>VLS Finance Limited</p> <ul style="list-style-type: none"> Audit Committee - Member Nomination and Remuneration Committee – Chairman <p>Computer Age Management Services Limited</p> <ul style="list-style-type: none"> Corporate Social Responsibility Committee - Chairman Audit Committee - Member Nomination and Remuneration Committee - Member Risk Management Committee – Member <p>Tata AIA Life Insurance Company Limited</p> <ul style="list-style-type: none"> Audit Committee - Member Investment Committee - Chairman With Profits Committee - Chairman Nomination & Remuneration Committee – Member <p>UTI Asset Management Company Limited</p> <ul style="list-style-type: none"> Audit Committee - Member Nomination & Remuneration Committee - Member Corporate Social Responsibility Committee – Member <p>NPS TRUST</p> <ul style="list-style-type: none"> Audit Committee - Member Bank Reconciliation Committee - Chairman IT strategy Committee - Chairman NPS Promotion Committee - Member 	<p>Svakarma Finance Private Limited</p> <ul style="list-style-type: none"> Risk Oversight Committee - Member 	<p>State Bank of India</p> <ul style="list-style-type: none"> Executive Committee of the Central Board - Member Risk Management Committee of the Board - Member Board Committee to Monitor Recovery - Member <p>SBICAP Ventures Limited</p> <ul style="list-style-type: none"> Nomination and Remuneration Committee – Member <p>SBI Capital Markets Limited</p> <ul style="list-style-type: none"> Committee of Directors – Chairman Risk Management Committee – Member Corporate Social Responsibility Committee – Member Nomination & Remuneration Committee - Member I.T. Strategy Committee – Member Audit Committee - Member
Listed entities from which the person has resigned in the past three years	Indostar Capital Finance Limited	Nil	Yes Bank Limited
Remuneration last drawn	Sitting Fee is paid for attending Board and relevant Committee Meeting.	Sitting Fee is paid for attending Board and relevant Committee Meeting.	No sitting fee is paid to Nominee Directors.
Number of meetings of the board attended during the year i.e. FY2021-22	11	11	N.A.
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	<p>As per the Nomination and Remuneration Policy following are the skills/expertise/competencies required in the context of the Company's business:</p> <ul style="list-style-type: none"> Industry Knowledge/Experience, Technical Skills/Experience, Governance Competencies. <p>Mr. Dinesh Kumar Mehrotra fulfills the abovementioned skills/expertise / competencies required in the context of the Company's business. For details, please refer to the Brief Resume, Expertise in specific functional areas and experience, etc., as mentioned above.</p>	<p>As per the Nomination and Remuneration Policy following are the skills/expertise/competencies required in the context of the Company's business:</p> <ul style="list-style-type: none"> Industry Knowledge/Experience, Technical Skills/Experience, Governance Competencies. <p>Ms. Anuradha Nadkarni fulfills the abovementioned skills/expertise / competencies required in the context of the Company's business. For details, please refer to the Brief Resume, Expertise in specific functional areas and experience, etc., as mentioned above.</p>	<p>As per the Nomination and Remuneration Policy following are the skills/expertise/competencies required in the context of the Company's business:</p> <ul style="list-style-type: none"> Industry Knowledge/Experience, Technical Skills/Experience, Governance Competencies. <p>Mr. Swaminathan Janakiraman fulfills the abovementioned skills/expertise / competencies required in the context of the Company's business. For details, please refer to the Brief Resume, Expertise in specific functional areas and experience, etc., as mentioned above.</p>

DESIGNED FOR THE DIGITAL TOMORROW



DESIGNED FOR THE DIGITAL TOMORROW

Founded in 1998 and listed on the Indian stock exchanges in March 2020, SBI Card is one of the leading financial institutions of India. As the second largest credit card issuer within the country, with a strong track record of profitability and ROE, we are the archetype proxy to the consumer finance industry in the world's fastest-growing large economy.

Today, we are primed to be the most trusted brand in the credit card category in India

As a relatively young offshoot within India's oldest and largest Bank, SBI Card was born in the midst of a technology revolution. As part of a traditional bank that had more than a century's head start in winning customers' trust, we were born out of the idea that traditional technology and infrastructure wouldn't be enough in an era where mobile and innovative technology were creating a wholesale transformation in how consumer finance worked. With new in-house engineering and technology talent, SBI Card was amongst the very first fintechs with a laser focus on consumer credit, long before the term was popularised. Today, as a well-recognised innovator, SBI Card is well-positioned to be a leader in the large-scale transformation of this industry. Nurtured under the brand patronage of State Bank of India (SBI), our practice of leveraging technological capabilities in the credit lending ecosystem is well-proven and the company is ready for massive opportunity ahead of us.



Scan QR code to download

SBI CARDS AND PAYMENT SERVICES LIMITED
Annual Report 2021-22

Today, we are primed to significantly contribute in India's massive digital credit revolution

The rise in the affluent middle class and growth in the rural economy is changing consumer spending patterns and driving the bulk of India's consumption growth. Rapid technological adoption has created acceptance for new financial tools, with India's credit market evolving into a self-generating and self-sustaining one. Consumerism has been growing in the previously untapped semi-urban and rural regions as millennials become the main driving force of the mass market. Yet, CIC data shows that there is still an untapped addressable market of *400 million people** aged between 18-33 years in rural and semi-urban areas, with only 8% credit penetration. At SBI Card, we believe that we can be instrumental in creating a cashless and digital India. Through the years, we have honed our skills in identifying the lowest risk consumers, as we offer them their first credit cards.

We are primed to consistently deliver superior returns and value creation within India's financial services space

We see credit cards as an information business, powered by data, analytics, scientific testing, and statistical modelling. Our goal is to bring the right product to the right customer at the right time and at the right price. We are leveraging our own heavily invested technology stack and infrastructure, supported by an unrivalled data ecosystem to accommodate big data in real time. With a strong internal technology and engineering culture, we have invested heavily in recruiting and training world-class software and machine learning engineers, data scientists, designers, and product managers. When it comes to customer acquisition, we are already one of the largest players in open market customer acquisitions using both physical and digital channels, covering all corners of India. Not only are we backed by the most respected banking brand in the country, we also enjoy a highly diversified credit card portfolio and partnerships with leading brands across industries. With these competitive strengths, and the agility of any young fintech startup, we are primed to consistently deliver superior returns and value creation within India's financial services space.

** As per a report by Transunion CIBIL*

KEY HIGHLIGHTS

₹1,616

CRORES

64%



Profit After Tax

1.38

CRORES

16%



Cards in Force (CIF)

56.9

%

329 bps



Cost to Income

5.4

%

156 bps



Return on Average Assets (ROAA)

₹186,353

CRORES

52%



Spends

23.8

%

92 bps



Capital Adequacy Ratio (CAR)

22.8

%

621 bps



Return on Average Equity (ROAE)

₹31,281

CRORES

25%



Receivables

2.22

%

278 bps



Gross Non Performing (GNPA) Assets

23+

YEARS

in Operations

3,774

Employees

in FY2022

198

Sourcing Locations

in FY2022

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WHO WE ARE

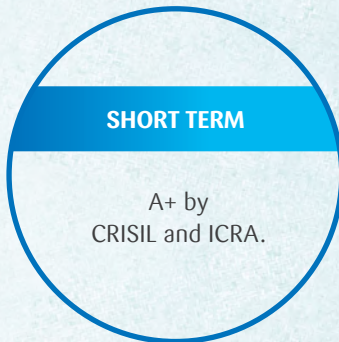
SBI Card, a subsidiary of State Bank of India, is the second largest credit card issuer in the country. With more than 1.38 crore cards in force, we offer financial access through our wide range of value-added payment products and services that fulfil transactional and credit requirements. Our focus on delivering a diverse portfolio of credit cards enables us to support cashless and contactless digital payments in India while ensuring safety and transparency of transactions.

SBI CARD BRAND PROMISE



‘Make Life Simple’ for our customers, employees, and other business stakeholders with innovative and digital products and services.

CREDIT RATING



PRIMED TO DELIVER

01

We 'Make Life Simple' for our customers, employees, and other business stakeholders

02

We are the most trusted brand in the credit card category in India



04

We consistently deliver superior returns and value

03

We are one of the leaders in India's massive digital credit revolution

AWARDS AND ACCOLADES



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



SBI Card is the proud recipient of the **'Reader's Digest Trusted Brand'** award for the year 2021, in the credit card category



SBI Card won a bronze award in Health CSR Project - **'Health Campaign of the Year'** from IHW Council



SBI Card has been recognized as **Superbrand 2021** in credit card category



SBI Card won MarTech Leadership award in the category **'Use of Technologies - Best Data Enablement Campaign'**



SBI Card has been awarded with the **Stevie Awards** under Silver and Bronze categories for Sales & Customer Service



SBI Card has received **Process certification from COPC** for its workforce management practice

CORPORATE INFORMATION

Board Of Directors

Mr. Dinesh Khara
Chairman

Mr. Swaminathan Janakiraman
Nominee Director

Mr. Rama Mohan Rao Amara
Managing Director &
Chief Executive Officer

Mr. Mihir Narayan Prasad Mishra
Nominee Director

Dr. Tejendra Mohan Bhasin
Independent Director

Mr. Rajendra Kumar Saraf
Independent Director

Mr. Dinesh Kumar Mehrotra
Independent Director

Ms. Anuradha Nadkarni
Independent Director

Mr. Shrinivas Yeshwant Joshi
Independent Director

Chief Financial Officer

Mr. Nalin Negi

Company Secretary & Compliance Officer

Ms. Payal Mittal Chhabra

Statutory Auditors

S. Ramanand Aiyar & Co.,
Chartered Accountants

Registrar and Transfer Agents

For Equity

Link Intime India Private Limited

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

For Debt

Zuari Finserv Limited

Zuari House, Plot No. 2, Community Centre Zamrudpur,
Kailash Colony, New Delhi – 110 048.
Telephone: 011-46474000, Extn. 204
Email: rta@adventz.zuarimoney.com
Website: www.zuarimoney.com

Bankers

State Bank of India

Central Bank of India

Punjab National Bank

Bank of Baroda

Sumitomo Mitsui Banking Corporation

The Hongkong and Shanghai Banking Corporation Limited

Registered Office:

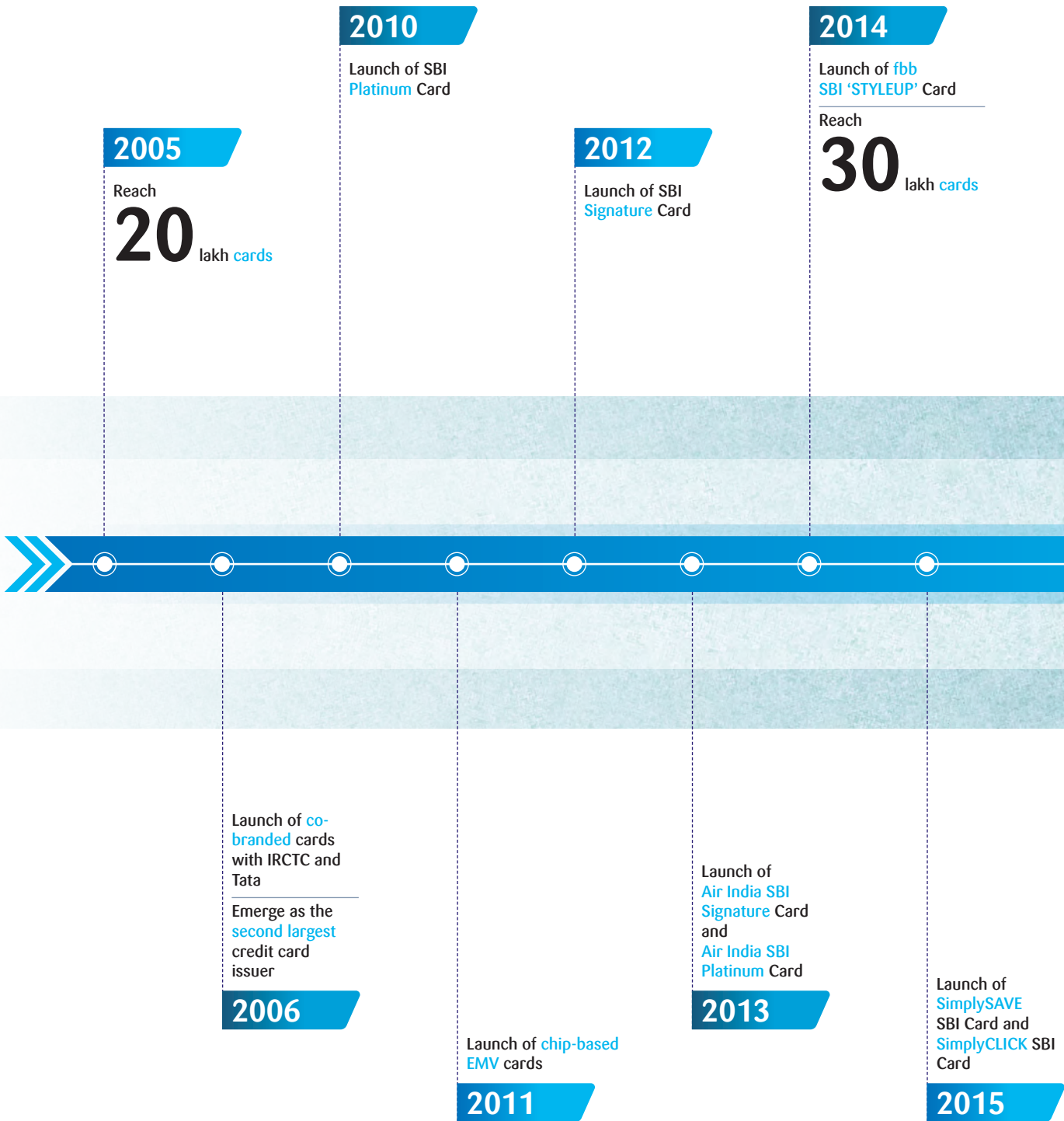
Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower
E-1,2,3, Netaji Subhash Place, Wazirpur,
New Delhi – 110 034, India.
Phone: +91 (11) 6126 8100

Corporate Office:

2nd Floor, Tower-B, Infinity Towers,
DLF Cyber City, Block 2, Building 3, DLF Phase 2,
Gurugram, Haryana – 122 002, India.
Phone: +91 (124) 458 9803

CIN: L65999DL1998PLC093849
Website: www.sbicard.com

OUR TIMELINE



2016Launch of SBI Card
ELITE for premium
customers

Reach

40 lakh cards**2018**Launch of **Doctor's**
SBI Card and Apollo SBI
CardLaunch of virtual assistant
ASKILA

Reach

70 lakh cards**2020**Launch of **Lifestyle HC**
SBI Card, **Max** SBI Card
and **Spar** SBI Card with
Landmark GroupThe first pure-play
credit card issuer to list
on BSE Ltd and National
Stock Exchange**2022**Launch of
Nature's Basket
SBI CardLaunch of **Aditya**
Birla SBI CardLaunch of SBI
Card **SPRINT**,
a digital
application
process for new
customers

Reach

140
lakh cards

Reach

50 lakh cardsLaunch of
Central SBI Select
Card, SBI Card **PRIME**,
SBI Card **Unnati** and
BPCL SBI Card**2017**

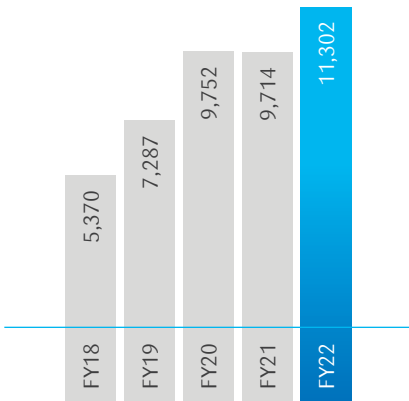
Reach

100 lakh cardsPartnership with
RuPay networkLaunch of
Club Vistara SBI
Card **PRIME** and **Club**
Vistara SBI Card**2019**Launch of **AURUM**
in Super Premium
Segment, targeted at
CXO'sLaunch of SBI Card
PULSEPartnerships with
Google pay and **Jio Pay****2021**

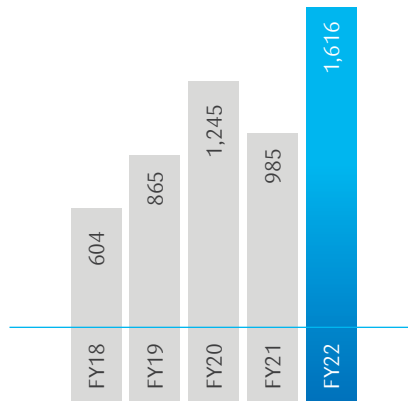
BUSINESS PERFORMANCE

FINANCIAL PERFORMANCE

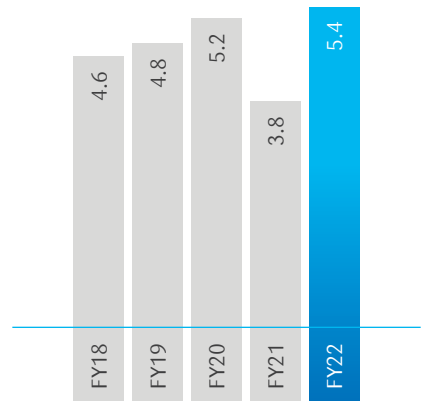
TOTAL INCOME (₹ in crore)



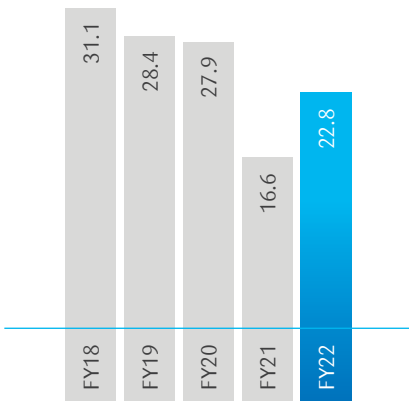
PROFIT AFTER TAX (₹ in crore)



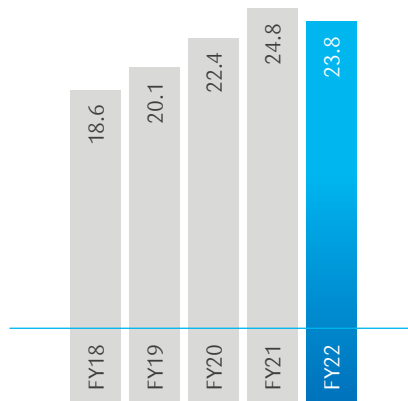
RETURN ON AVERAGE ASSETS* (%)



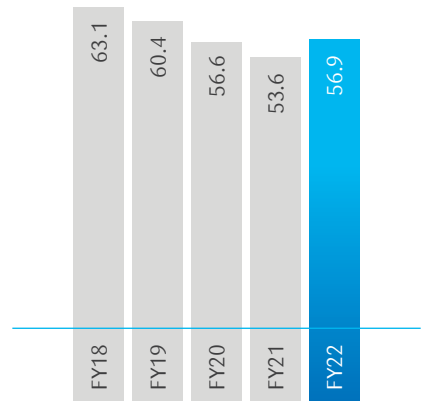
RETURN ON AVERAGE EQUITY* (%)



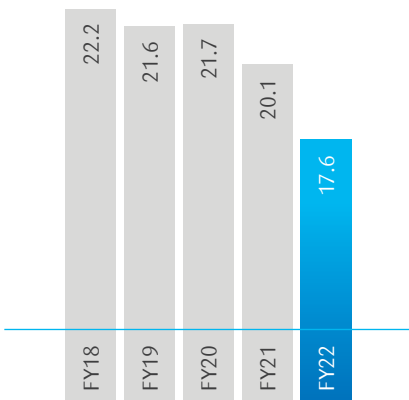
CAPITAL ADEQUACY RATIO (%)



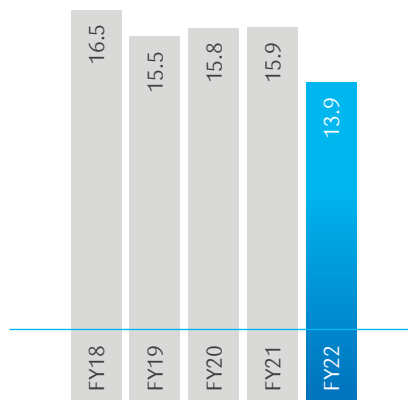
COST TO INCOME RATIO (%)



INTEREST INCOME YIELD* (%)



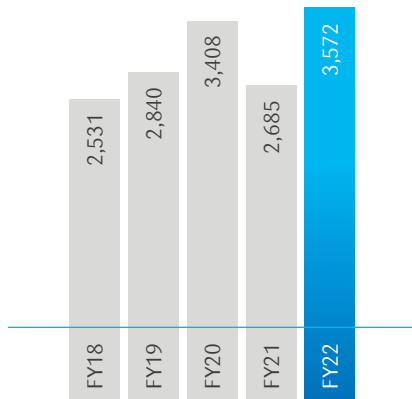
NET INTEREST MARGIN* (%)



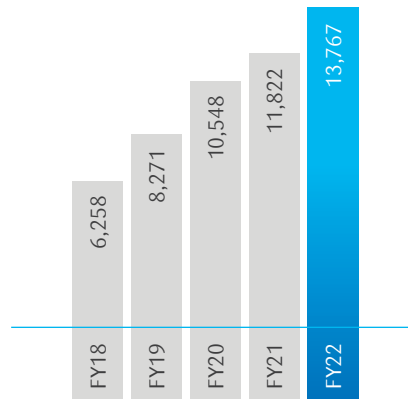
Note:
FY18 & FY19 on 2 point averages,
FY20, FY21 & FY22 on 5 point averages

OPERATIONAL PERFORMANCE

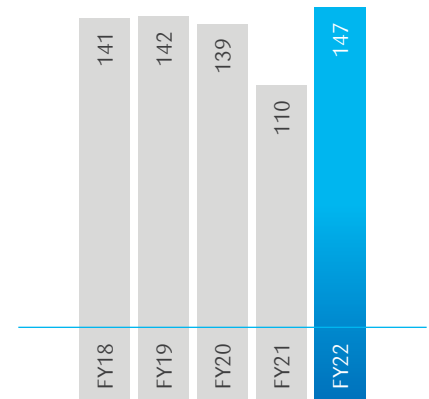
NEW ACCOUNTS (000)



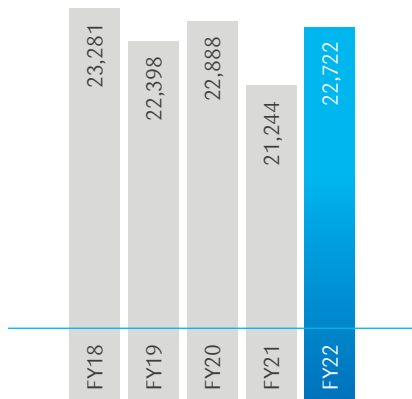
CARDS IN FORCE (000)



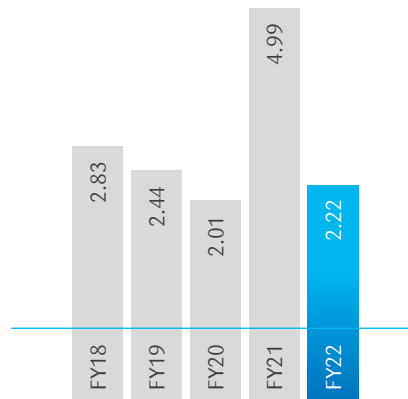
AVERAGE SPEND PER CARD* (₹ 000)



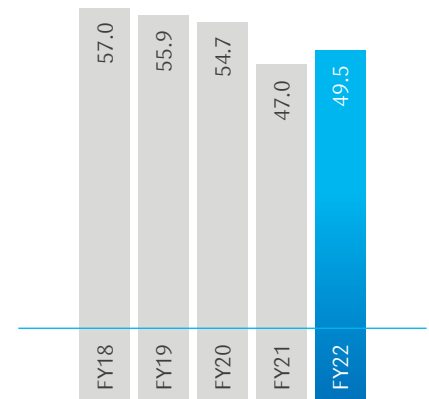
AVERAGE RECEIVABLES PER CARD (₹)



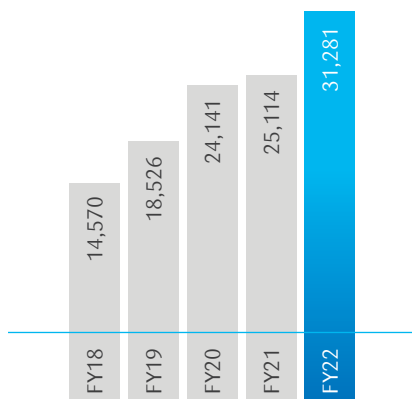
GROSS NON-PERFORMING ASSETS (%)



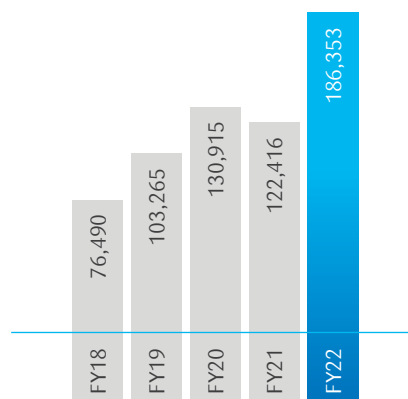
30-DAY ACTIVE (%)



RECEIVABLES (₹ in crore)



SPENDS (₹ in crore)



Note:
FY18 & FY19 on 2 point averages,
FY20, FY21 & FY22 on 5 point averages

BOARD OF DIRECTORS



Mr. Dinesh Khara
Chairman

He is a postgraduate 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). He 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, Mr. Khara has held several key positions in SBI such as MD (Global Banking & Subsidiaries), MD (Associates & Subsidiaries), MD & CEO (SBI Mutual Funds) and Chief General Manager - Bhopal Circle. He was also posted at Chicago for an overseas assignment. As Managing Director of SBI, he led the International Banking Group, Large Corporate and Treasury operations in addition to the non-banking subsidiaries of the Bank viz., SBI Card, 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. Mr. Khara is passionate about reading and very keenly interested in using analytics and technology to make banking simpler and bank finance easily accessible to all Indians.



Mr. Swaminathan Janakiraman
Director

In a career spanning over 33 years with SBI, he has held various assignments across Finance, Corporate & International Banking, Trade Finance, Retail & Digital Banking and Branch Management. In his current assignment as MD (Corporate Banking and Subsidiaries), he oversees the Large Corporate and Commercial Credit business of the Bank alongwith Associates & Subsidiaries of the Bank. This includes major non-bank business like Credit cards, Mutual Fund, Life & General Insurance, Capital Markets, Custodial Services etc. Prior to this assignment, as MD (Risk, Compliance and SARG), he was looking after the Risk Management functions as well as Regulatory Compliance framework for the Bank. He has served SBI in various capacities including DMD (Finance) and Chief Digital Officer. He also served in Bank's New York Branch as Head of Trade. As SBI nominee, he served on the Board of Bank of Bhutan, Yes Bank, NPCI, NPCI International and Jio Payments Bank. He holds a Masters' degree in business administration. He is a Certified Anti-Money Laundering Specialist (CAMS) as well as Certified Documentary Credit Specialist (CDCS).



Mr. Rama Mohan Rao Amara
Managing Director and Chief Executive Officer

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



Mr. Mihir Narayan Prasad Mishra
Director

He has done Master's in Physics from IIT Kanpur and is a science graduate. He has completed CAIIB and has undergone various trainings and certifications while working for SBI. Presently, he is serving as Chief General Manager (Associates & Subsidiaries) in State Bank of India. His current role includes engagement with all non-banking domestic subsidiaries and oversight of 14 SBI sponsored RRBs. Earlier he had headed a Retail Network consisting of about 647 branches of SBI in Bihar/Jharkhand. Mr. Mishra has earlier served in SBI New York for about 2.5 years and SBI General Insurance Co Ltd under deputation from SBI for about a year. In the past, Mr. Mishra had been a Director on the Boards of Andhra Pradesh Grameen Vikas Bank (APGVB) and AP State Warehousing Corporation. He had joined State Bank of India in 1987 as a Probationary Officer.



Dr. Tejendra Mohan Bhasin
Independent Director

He holds a Bachelor's degree in law, a Master's degree in business administration. He is an associate of the IIB and is also a Doctor of Philosophy. He has been conferred with honorary fellowship by the Indian Institute of Banking and Finance. He was appointed as the vigilance commissioner at the Central Vigilance Commission by the President of India and is presently the Chairman of Advisory Board for Banking and Financial Frauds (ABB&FF), constituted by CVC in consultation with RBI. He held senior leadership positions with Oriental Bank of Commerce, United Bank of India and Indian Bank. He has over 44 years of varied experience in Banking, Finance, Insurance, Management Administration, Vigilance.



Mr. Rajendra Kumar Saraf
Independent Director

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

BOARD OF DIRECTORS



Ms. Anuradha Nadkarni
Independent Director

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



Mr. Dinesh Kumar Mehrotra
Independent Director

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



Mr. Shrinivas Yeshwant Joshi
Independent Director

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

WHERE WORK-LIFE
BALANCE ENDS
AND LIFE BEGINS



Elite Credit Card

After years of diligently juggling between corporate and family commitments, it's time to live the life you desire. A life devoid of networking, negotiations and deadlines. Filled instead, with rejuvenation and soul-searching. With an assortment of indulgent privileges, the SBI Card ELITE promises that your every journey will be full of pure, unadulterated bliss.

ELITE Benefits:

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

SENIOR MANAGEMENT TEAM



Mr. Rama Mohan Rao Amara
Managing Director & CEO



Mr. Richhpal Singh
Chief Operating Officer



Ms. Aparna Kuppuswamy
Executive Vice President &
Chief Risk Officer



Mr. Nalin Negi
Executive Vice President &
Chief Financial Officer



Mr. Girish Budhiraja
Executive Vice President &
Chief Sales and Marketing Officer



Mr. Manish Dewan
Executive Vice President &
Head - Customer Services



Ms. Seema Kapahi
Executive Vice President &
Chief People Officer



Mr. Kamlesh Kumar Shukla
Executive Vice President &
Head - Internal Audit



Mr. Ashok Kumar Lohmod
Executive Vice President &
Head - Workforce Effectiveness



Mr. Pradeep Singh Khurana
Executive Vice President &
Chief Information and Digital Officer



Mr. Ugen Tashi Bhutia
Executive Vice President &
Head - Legal



Ms. Rinku Sharma
Executive Vice President &
Chief Compliance Officer



Mr. Amit Batra
Executive Vice President & Head -
Open Market and Corporate Sales



Mr. Monish Vohra
Executive Vice President &
Head - Operations



Ms. Anu Choudhary Gupta
Executive Vice President &
Head - Collections



Mr. Vishal Singh
Executive Vice President &
Head Banca Channel



Ms. Nandini Malhotra
Executive Vice President &
Chief Credit Officer

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

The consumer spend landscape in India has been evolving over the past few years. The factors that have contributed to this change are, sustained growth in the economy, rising affluent middle-class, higher consumption, government push on digitisation of payments and proliferation of credit, etc. As a result, there has been a growth in consumer spending as well as consumer credit. According to an industry report (“A Review of India’s Credit Ecosystem” by Experian), the Indian consumer credit market is expanding at a rate higher than most other major economies globally, with more than 20 million Indian consumers applying for new credit every month. This bodes well for the credit card industry too which is poised for further growth given the vast scope of underpenetrated market in our country. As per TransUnion CIBIL, most of India’s population is under 40 years of age, and the people in this segment are most likely to seek their first-ever loan or credit card from banks and credit institutions.

Given this environment, SBI Card is poised to play a pivotal role in increasing credit card penetration in India. Nurtured under the brand patronage of State Bank of India (SBI), your Company has built one of the most robust and highly compliant credit lending ecosystems. We are uniquely placed to lead the rapidly evolving credit card and payments industry.

We know that the past two years have been challenging for everyone globally. As an agile organisation, your Company moved quickly towards a complete digital transformation of various processes, be it customer service, sourcing, or collections. For instance, we undertook digitisation of our key customer touchpoints, rolled out membership e-kits, and bolstered Sales 24 platform for strengthening digital sourcing. Most importantly, as a customer-focused company, we have aligned ourselves to the changing consumer behaviour and needs as well. So, whether it is the launch of a product like fitness-focused SBI Card PULSE or the integration of new-age technologies such as HCE to enable seamless payments, it is reflected in each one of our customer initiatives.



Dinesh Khara
Chairman



While pursuing sustainable growth during FY2022, we calibrated our risk strategies, strengthened our portfolio monitoring mechanisms, and reinforced our well-proven underwriting models.

We understand the criticality of good governance in ensuring robustness and sustainability of our business, and in line we invest resources to maintain highest standards of governance and compliance. It is essential that our stakeholders are aligned with the strategic direction of our organisation. I am pleased to inform you that, during FY2022, we connected extensively with all stakeholder categories through multiple channels.

As the world adjusts to this ever-shifting landscape, SBI Card continues to evolve its growth strategy while ensuring risk mitigation, innovation to enhance value propositions for customers, and strengthening of the brand.

During FY2022, SBI Card continued to keep a sharp eye on potential risks. While pursuing sustainable growth, we calibrated our risk strategies, strengthened our portfolio monitoring mechanisms, and reinforced our underwriting models. In FY2022, the Company posted strong growth while maintaining outstanding credit performance with key metrics well within acceptable and manageable limits. In fact, the business outcome of these risk management efforts was reflected in the 278 bps YoY reduction in our GNPA, and a 37 bps YoY reduction in our NNPA.

I am happy to share that, given the robust performance for the year, the Board has declared a dividend of ₹2.50 per equity share (25 %) for the fiscal year ended March 31, 2022.

We have steadfastly believed that as an organisation, we have an obligation to contribute to the welfare of the communities in which we live and the society, in general. This is also reflected in the way we take care of our own people. Promoting diversity, equity, and inclusion is not only one of the pillars of SBI Card's ESG strategy, but also an integral part of your Company's values and culture.

We continue to implement innovative ways and solutions to address social and environmental challenges through our various ESG initiatives.

During FY2022, we incurred ₹37.6 crore towards our commitment to CSR, thus positively impacting more than 20,000 families through education and skill development and more than 3,00,000 lives through healthcare and disaster management projects. Our efforts also helped in avoiding more than 100MT waste per month from being burnt, littered, and dumped in landfills and water bodies. On the governance front, we regularly review our framework, policies and responsibilities at the Board and Executive levels, to deliver the highest standards in corporate oversight.

As we look ahead, our commitment to making a meaningful impact in people's lives will continue to guide all aspects of our business, including our ESG strategy. I am confident that we are well-positioned to help build a sustainable, inclusive, and profitable future we want to see for our Company, employees, customers, and communities.

During the year, despite intermittent environmental disturbances, the company successfully delivered a remarkable year of performance. We will continue marching forward towards the realisation of our goals, thanks to the tenacity and conviction of our people.

As a new cycle dawns upon our industry, SBI Card is gearing up with invigorated momentum to scale new heights. I extend my sincerest appreciation to our regulators, customers, employees, business partners and shareholders for their unwavering support.

Warm Regards,

Dinesh Khara
Chairman

MESSAGE FROM MANAGING DIRECTOR & CEO

Dear Shareholders,

Consumers in India have adopted digital transactions in a big way. According to a report from FICCI, more than 87% of payments in FY2022 are expected to be digital and digital retail credit has been growing at a rate in double digits for the last three years. Furthermore, total e-commerce volumes are expected to exceed \$188 billion by 2025, from merely \$46 billion in 2020. While there is a surge in digital payments adoption among consumers, digital lending is also picking up at a fast pace. Not surprisingly, financial services industry has also seen a significant technological transformation. At SBI Card, we are right at the centre of action where technology and consumer behaviour are meeting at an inflection point of exponential growth.

We are committed to deliver an enriching payments experience to our customers, therefore, our endeavours are focused on constant exploration and rapid adoption of new age payments technologies. We have integrated tokenisation throughout our system which offers our customers an enhanced security when they transact online, whether it is through Visa, Mastercard or RuPay network. We have also been building our contactless payments ecosystem. As a result, all our newly issued cards are contactless cards now. We have also made available our existing Scan to Pay and SBI Card Pay payment solution on SBI Card Mobile App for Mastercard cardholders. Moreover, we have further expanded our digital payments suite and it now includes Jio Pay and Paytm Pay. These are in addition to already existing Samsung Pay, SBI Card Pay, Google Pay, and Scan & Pay (Bharat QR).

At the enterprise level, we continue to invest in building future capabilities and seamlessly managing our customer acquisition, servicing, and engagement processes. We have already ramped up digital multi-carding with instant card issuance to existing customers. Further, we have also set up an extensive data lake for advanced analytics and machine learning models for both credit and portfolio management.

All these efforts to achieve complete digital transformation have contributed significantly to our ability to grow consistently and reinforced our agility and resilience. As a result, we were not only able to navigate through the choppy waters of



Rama Mohan Rao Amara
Managing Director & CEO, SBI Card



Given credit card's low penetration in a fast-evolving economy supported by favourable demographic shifts, SBI Card sits in the front row of this exciting opportunity.

FY2022 successfully but also cemented our market position as the largest pure-play credit card issuer and the second-largest credit card issuer in India in terms of cards in force, with a market share of 18.7%. With a total card base of 13.8 million as of March 2022, SBI Card has seen a growth of 16% YoY in cards in force with a healthy acquisition rate throughout FY2022. What's gratifying about this is that many of our new accounts emanate from Tier 2 and 3 cities, demonstrating the extensiveness of SBI Card's outreach.

In FY2022, we also set several milestones as we treaded our growth path. Our new accounts in Q3 FY2022 and Q4 FY2022 crossed the mark of one million for each quarter. We touched new highs in overall spends too. With many spend categories even surpassing pre-COVID levels, your Company achieved card spends of more than ₹186,000 crore, registering a 52% YoY growth, with a market share of 19.2% in FY2022. Retail spends contributed over ₹146,000 crore, registering a 43% YoY growth owing to increasing e-commerce spends and rebound in offline retail. Corporate spends too witnessed a significant jump, primarily owing to increase in business travel, and stood at over ₹39,000 crore. We registered a PAT of ₹1,616 crore which saw an increase of 64%YoY in FY2022, owing to our well diversified revenue stream and healthy asset quality. It is important to note that our robust performance is an extension of the consistent track record of sustainability and profitability that we have built over the years. This has been driven by our agile and progressive outlook, which act as a bedrock of our strategies.

During the year, we continued with our customer-centric approach to leverage evolving consumer trends to strengthen our product portfolio. In line, we introduced several compelling products, expanding both our core and co-brand card portfolios. These include fitness-focused SBI Card PULSE, premium retail-focused Fabindia SBI Card, and gourmet-focused Nature's Basket SBI Card. We also launched our existing cards Tata Card and BPCL SBI Card on Visa and RuPay networks respectively, so that our customers can enjoy an enhanced acceptance reach and a seamless experience. To increase customer engagement and active rate, your Company further strengthened its merchant alliances program to roll out targeted offers for customers. We engaged with several leading offline and online merchant partners across categories including apparel, consumer durables, mobiles, travel, jewelry, and grocery among others to enable our cardholders derive maximum value from their spends.

Our accelerated customer outreach efforts through concerted marketing investments helped us in driving up new cardholder acquisitions and enhancing our value propositions. Moreover, through various brand campaigns across TV, digital and print media, we were able to build a stronger emotional connect with our customers while boosting brand salience. Today, the SBI Card brand continues to be a highly trusted and recognised brand in the country, enjoying 100% total awareness and the highest top-

of-mind awareness in the category, as per Kantar IMRB in Jan-Mar 2022.

I am proud to share with you that all our efforts and successes at SBI Card have also been recognised by the industry and during the year we received many accolades at several renowned platforms. One of the key awards that we received was The Economic Times 'Best BFSI Brands 2022' in the credit cards category that was conferred to us for the third consecutive year. It also gives me an immense pleasure to share that owing to our employee-focused policies and initiatives, your Company has now been certified as 'Great Place to Work' for March'22 - March'23. I consider this an important feather on our cap since our people are the ones driving our success.

Today, India's credit card industry is in a sweet spot, ready for steady and robust growth. Given credit card's low penetration in a fast-evolving economy supported by favourable demographic shifts, SBI Card sits in the front row of this exciting opportunity. Geared with several competitive strengths, we are highly optimistic about our prospects. These potencies include a diversified portfolio catering to customers from super premium to new to credit segments; a strong brand backing and legacy; a state-of-the-art and scalable technological infrastructure; an advanced risk management and data analytics capability; and the deep industry expertise with a demonstrated track record. With these competitive strengths, we are primed to deliver superior ROE and value creation within India's financial services space.

In today's dynamic environment, full of both opportunities and challenges, it has become essential than ever that we plan for the future. That is precisely what we are doing at SBI Card as we continue to work on innovative products and services for our customers. As we move forward, we are hopeful of a sustained recovery in the Indian economy despite the global turbulences. I am thankful to our employees, business partners, customers and shareholders for their continued support and confidence in our journey towards becoming India's largest credit card company. On behalf of the Board, I would like to thank you all for your unwavering trust and perennial belief in our capabilities and competencies.

With best wishes,

Rama Mohan Rao Amara
Managing Director & CEO, SBI Card

SURPRISE HER WITH MOVIE TICKETS MORE OFTEN

Now, spend more on your loved ones. Get 10X Reward Points on Movies, Departmental Stores, Dining and Grocery spends.



SimplySAVE Credit Card

OUR STRATEGIES

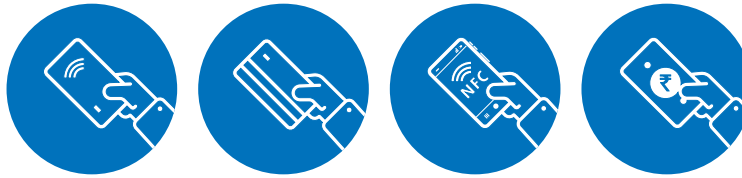


ENABLING CASHLESS TRANSACTIONS

Directing India towards a cashless economy through our credit cards.

India's payments industry has seen a massive digitalisation over the last decade. Today, our country is significantly ahead of most developing nations when it comes to adoption of digital payments. As we move closer to realising the Government's 'Digital India' vision, there is a massive opportunity for growth and innovation in the payments ecosystem. Amidst this, credit cards industry is playing an instrumental role in ensuring safe, secure, and convenient digital transactions.





Over

7.3 croreTotal outstanding credit cards in India
as of March 31, 2022**1.38 crore**

Total cards in force as of March 31, 2022

Today, credit cards have become one of the most widely accepted cashless payments methods in the country. The industry has grown significantly in the past few years from over 2.9 crore outstanding cards in March 2017* to over 7.3 crore outstanding cards in March 2022**. However, the penetration of credit cards is still at low levels in India. This offers a huge potential for growth in the coming years.

As the largest pure-play and the second largest credit card issuer in the country, SBI Card plays a key role in industry's evolution as it achieves new growth milestones. Most importantly, your Company contributes significantly to furthering the ambit of digital payments by offering safe, secure, and convenient payments experience. SBI Card's diverse card portfolio caters to varied customer segments in terms of age and consumption habits. Today, our strong brand

credibility, customised products, and technological innovations have helped us become one of the most preferred payment options among our customers, enabling us to grow our cards in force base to over 1.38 crore.

As the largest pure-play and the second largest credit card issuer in the country, SBI Card plays a key role in industry's evolution as it achieves new growth milestones.

*RBI data - <https://rbidocs.rbi.org.in/rdocs/ATM/PDFs/ATMC250420177F190F923BD24A38846A9F268EBBE16D.PDF>**RBI data - <https://rbidocs.rbi.org.in/rdocs/ATM/PDFs/ATMCARDSTATISTICSM202238D403B4F64C4257B7FB8542E1058924.PDF>

EXPANDING CUSTOMER ACQUISITION CAPABILITIES

Growing our customer base through our diversified acquisition network.

At SBI Card, we strongly believe in India's credit card market potential. To tap this opportunity, we have built a diversified customer acquisition network over the past two decades. Our network allows us to engage prospective customers across multiple channels. We believe our robust customer acquisition capabilities give us a distinct competitive advantage. A pivotal route to customer acquisition for us is paperless and digital, and we have been ramping up our digital customer acquisition capabilities to support our focus on sustainable growth.

SBI Card is one of the leading players in open market customer acquisitions in the country. Our strong and growing nationwide network has helped us cement our position as the second largest credit card issuer with a market share of 18.7% in cards in force, as of March, 2022. In addition to our open market customer acquisitions platform, our partnership with SBI provides us with access to SBI's extensive network across India.

In FY2022, we added 3,572K new accounts, 33% more than 2,685K clocked in FY2021. For Q3 and Q4 FY2022, SBI Card added more than 1 million accounts in each quarter.

Our physical customer acquisition network is complemented with digital channels. In FY2022, your Company has significantly focused on digital acquisition channels for

sourcing of new accounts. Our Sales 24 digital application platform is fully integrated with our customer onboarding and credit decision platforms. We have also enhanced our digital multi-carding capabilities and ramped up instant card issuance to existing customers, enabling us to ensure cost efficiencies along with faster and scalable issuance. Further, SBI's online channel 'YONO' continues to be significant generator of new accounts for SBI Card.

Overall, your Company has ensured seamless customer onboarding through technologically advanced solutions, such as Video KYC, eKYC, and e-card issuance among others, which has enabled digital sourcing channels to become one of the key contributors in new accounts growth.

18.7%

SBI Card's market share for cards in force (RBI Data)

1+MM

SBI Card attained >1 million new cards per quarter for Q3 and Q4 of FY 2022.

3,572 K

New accounts opened in FY2022



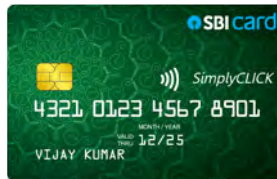
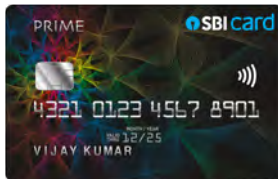
Our physical customer acquisition network is complemented with digital channels. In FY2022, your Company has significantly focused on digital acquisition channels for sourcing of new accounts.

Our diversified product and service offering

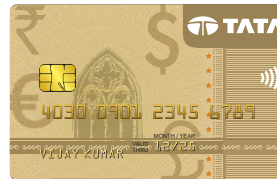
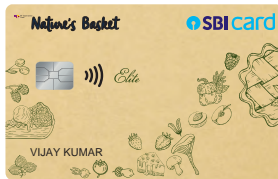
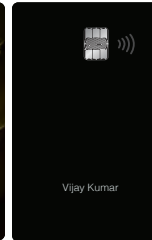
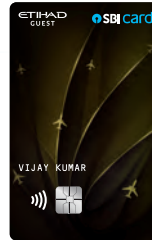
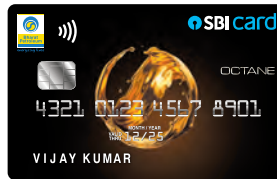
Super Premium Cards



Core Cards



Co-Brand Cards



Corporate Cards





LIVE THE PRIME LIFE

Complimentary memberships - Club Vistara Silver, Priority Pass & Trident Privilege |
10 Reward Points per ₹100 spent on Dining, Movies, Groceries & Departmental Stores |
Complimentary International and Domestic Airport Lounge access | Welcome Gift
Voucher worth ₹3,000 | Spend based Pizza Hut Vouchers worth ₹4,000 in a year



PRIME Credit Card

ROBUST RISK MANAGEMENT FRAMEWORK

Striving for excellence in risk management.

SBI Card recognises risk as an integral component and has adopted a comprehensive Risk Management program to formalise risk-based decision-making and risk management processes. Our Risk Management framework is robust and comprehensive and encompasses risk actions across all plausible risks the organisation faces. Risk Management is an integral part of all organisational activities, including decision-making. We monitor the changes in internal and external contexts to ensure the risk management framework remains appropriate to the organisation’s context or if any changes are required. The Risk Management function enables the business and Senior Management to make informed decisions through direction, tools, and aggregation and analysis of the best available information.



The Company utilises its risk capacity judiciously in pursuit of its strategic goals and risk objectives, including, but not limited to, adequate capital levels, planned earnings, stable credit ratings, better liquidity management, and covering all regulatory assessments.

2.22%

GNPA as of March 31, 2022 down by 278 bps YoY

0.78%

NNPA as of March 31, 2022 down by 37 bps YoY

23.8%

CAR (Capital Adequacy Ratio)

21.0%

Tier 1 Capital as of March 31, 2022

The Company acknowledges risk-taking as a fundamental characteristic of providing financial services. It is inherent to the Company's business and arises in every transaction undertaken by the Company. The Company utilises its risk capacity judiciously in pursuit of its strategic goals and risk objectives, including, but not limited to, adequate capital levels, planned earnings, stable credit ratings, better liquidity management, and covering all regulatory assessments. Accordingly, Risk Appetite Statement has been created, which is a set of written risk objectives and risk limits/ thresholds, both quantified & non-quantified.

Enterprise Risk universe categories are risks that SBI Card has identified within its business environment, which, if materialised, could prevent the Company from achieving its business objectives. These risks are categorised as: Strategic, Credit, Liquidity, Reputational, Regulatory, Concentration, Information & Cyber Security, Talent, Model, Operational and product risk. In addition, risk limits/ plans/ triggers have been established along with their controls, for each Enterprise Risk Category.

ROBUST RISK MANAGEMENT FRAMEWORK

Striving for excellence in risk management.

At SBI Card, we devote significant resources towards developing our policies and procedures to drive excellence in managing our credit risks, and we expect to continue to do so in the future.

Our key risks are Credit Risk, Information & Cyber Security Risk, Reputation Risk and Regulatory Compliance Risk.

Credit Risk Management: At SBI Card, we devote significant resources to developing our policies and procedures to drive excellence in managing our credit risks and expect to continue to do so in the future.

As card dues are primarily retail and are payable monthly, the assessment and monitoring of the credit portfolio are done through the review of the cardholder's repayment performance and outstanding in various buckets. Besides, the Company has a detailed portfolio monitoring for the corporate card portfolio as well. SBI Card uses sophisticated machine learning (ML) models to continuously perform a risk rating of the portfolio for determining the acceptability of risk, drawdown ability, credit limits, eligibility and sanctioning of authorisations, eligibility for loan conversions and review frequency.

As per the Reserve Bank of India norms applicable for NBFCs, SBI Card is required to keep a Capital Adequacy Ratio (CAR) of 15%. The Company's CAR is well above the regulatory requirement at 23.8%, with 21.0% as Tier 1 Capital, as of March 31, 2022.

Information & Cyber Security Risk Management:

We are responsible for complying with the relevant regulatory and statutory Information & Cyber Security requirements. Board-approved Information & Cyber Security Policy is in place to ensure the integrity & security of data. There are laid down norms for data transfer, data storage, and physical, logical access & cyber security procedure. Logging and reporting of cyber security incidents are done. The IT Security practices are audited frequently to ensure strict compliance. Even vendors, to whom various jobs (viz, data entry, verification etc.) have been outsourced, are required to adhere to the Company's Information & Cyber Security Policy.

Reputation Risk Management: We have a dedicated Customer Services function to address & monitor Customer Complaints. This includes the complaints received from all channels, viz. inbound calling, website, email, regulatory, social media etc. The complaints are monitored category-wise, and the turnaround time for complaint resolution is also monitored.

Regulatory Compliance Risk: Being an NBFC, we are subject to regulatory supervision. The Compliance function monitors all compliance activity. The compliance-related matters are discussed at the governance forums in their monthly and quarterly meetings.



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SimplyCLICK Credit Card

T&C Apply.

Exclusive Partners:




AT THE FOREFRONT OF FINANCIAL TECHNOLOGY ADOPTION

Leading the digital transformation of the Indian credit card Industry.





We are a digitally-enabled credit card company that meticulously uses technology to accelerate the advancement of our business. At SBI Card, we have been an aggressive adopter of some of the most important innovations in the financial industry. This tradition continues to endure as the key enabler to sustaining our high profitability and growth. Through FY2022, we continued investing in technologies to improve customer experience and enhance operational efficiencies.



Integral to our business strategy, we constantly focus on enhancing our value proposition to deliver customer growth and product penetration. To succeed in this endeavour, we take a highly customer-centric approach to designing products and services, keeping their convenience levels topmost in our minds. Today, it is important to be present where the customer is and offer contextual and personalised solutions seamlessly, in real-time, using analytics and predictive capabilities. Our digital journey is seamlessly connected with each of our processes, starting from Sourcing to Decisioning, Carding to Onboarding, Digital Marketing to Servicing and Collections. With our presence across all digital channels (Website, Ask ILA, IVR, Mobile App), our products and services are seamlessly intertwined with our customers' lifestyles.

AT THE FOREFRONT OF FINANCIAL TECHNOLOGY ADOPTION

Leading the digital transformation of the Indian credit card Industry.

Key initiatives during the period include:

Expansion of Digital Multi-carding Ecosystem



To facilitate the issuance of an instant pre-approved SBI Credit Card to a pre-qualified set of existing SBI Card customers, the Company introduced Digital Multi-carding, a first-ever initiative of SBI Card towards instant carding that was launched with a vision to issue an instant card to existing customers.

Introduced Lead Management Portal



This platform is an in-house portal designed to increase the efficacy of lead-to-account conversion. It has the capabilities to design automated customer acquisition campaigns and Next Best Action based on prospects' behaviour on digital channels and campaigns. This initiative has been recognised by the industry as 'Best Data Enablement Campaign' and has won the MarTech Leadership Award in year 2021-22.

Integration with Alternate Sources



This involved the integration with alternate sources for faster application processing, better credit decisions and faster approval.

Contextual Servicing



Contextual IVR functionality has been released on use cases such as transaction declines, and KYC renewal, among others. This functionality helps in proactively reminding customers of the latest activity on their account using the IVR, thus leading to a faster curation of issues.

Expanding WhatsApp-based Servicing



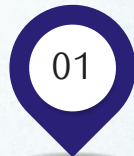
The Company added Whatsapp as a new digital channel for customers to increase their digital reach. Key servicing features now being served through WhatsApp channel include enabling multi-card offers, block and reissue functionality, and statement download requests, among others.

Bharat Bill Pay on Chatbot ILA

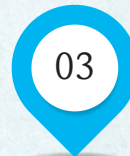
This feature has enabled Bharat Bill Pay on the Chatbot ILA for easy bill payments in just a few clicks. The customers can now make utility bill payments through the Chatbot ILA on registered billers. Customers can also fetch and pay a bill, get biller recommendation based on their spend patterns, and get bill dues and recommended biller alerts through the NBA (Next Best Action) on ILA.

Focus Elements:

Expand digital new to SBI Card customer acquisition capabilities



Focus on transaction volumes especially low ticket & leverage RuPay cards on UPI



Enhanced customer experience through personalisation



Work with partners to create products for digital e-commerce platforms



Deep Integration with State Bank of India digital Platform

Our digital journey is seamlessly connected with each of our processes, starting from Sourcing to Decisioning, Carding to Onboarding, Digital Marketing to Servicing and Collections.

DRIVING OPTIMUM EFFICIENCIES THROUGH OPERATIONAL EXCELLENCE

Strengthening and optimising operational efficiency.

To achieve higher efficiencies and superior results, we continue to leverage operational excellence across the customer lifecycle.

Our ongoing priorities are strengthening our high productivity culture, optimising our channels and reviewing our processes to improve operational efficiency. Innovation and technological development are also fundamental to SBI Card's strategy to optimise people productivity and operational efficiency. The core means for achieving this are our digital initiatives that attempt to hardwire data intelligence with human decision-making. We also focus on operational excellence and the customer experience in response to fresh opportunities that emanate from digital transformation. The information from our technological platforms helps us better understand the customer journey and design a more accurate digital profile to generate more confidence and increase customer loyalty.

We also need to be alert for new entrants to the financial system, whose use of modern technology is both a differentiating factor and a competitive differentiator. To keep us up to speed, we ensure that our sound strategic technology plan provides greater capacity to adapt to customers' needs.

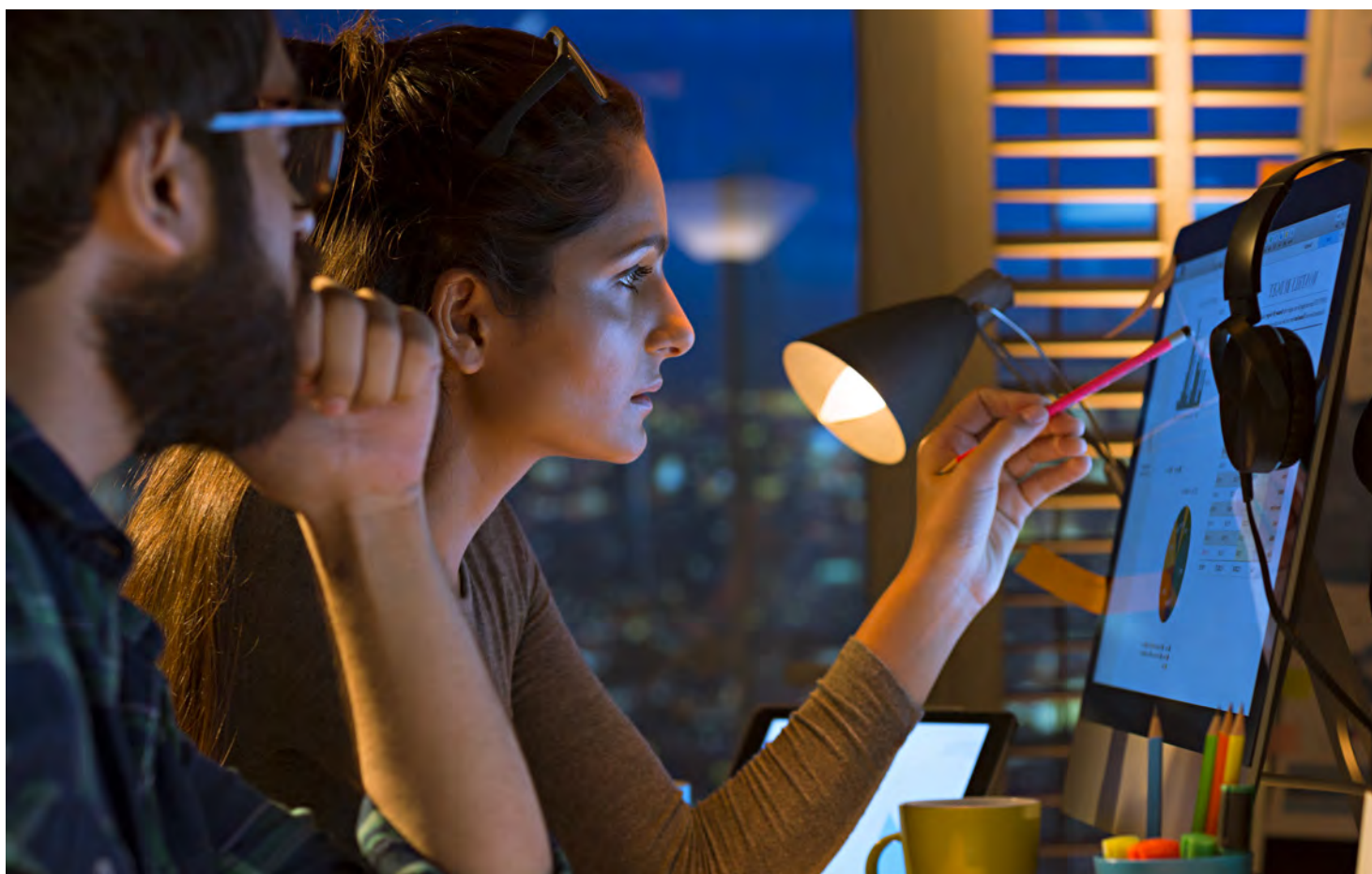


These include customised products and services; full availability and secure service across all channels; enhanced processes for SBI Card professionals to ensure greater reliability and productivity; and risk management, supplying teams with the necessary infrastructures to help identify and assess all business-related, operational, reputational, regulatory and compliance risks.



DRIVING OPTIMUM EFFICIENCIES THROUGH OPERATIONAL EXCELLENCE

Strengthening and optimising operational efficiency.



Key initiatives that promoted innovation as drivers of productivity and growth during FY2022 include:

Credit Risk Interventions



SBI Card has taken a step to the future and enabled migration to adaptive machine learning-based segmented models, incorporating alternate data sources to boost digital verification and streamlined workflows. These interventions led to improvement in sanction rates across channels, increase in customer limit both at acquisition and cross sale for sanctioned portfolio and an increase in cross-selling.



Executing our management priorities enabled us to improve customer experience, increase revenue in FY2022 and remain one of India's most efficient financial institutions.

Data Analytics



The Company has invested in Data Lake, which brings data from multiple core platforms into one place, enabling real-time and near-real-time analytics and next best action for applicable use cases and business functions. This year the Data Lake platform was extensively leveraged to build capabilities using data science to improve customer experience, increase customer spends, increase collection efficiency and take various customer transaction interception-based initiatives.

Digital Collections



We continue to digitise our collections processes with a focus on making it easier for customers to pay and increasing the efficiency of the collections. We introduced WhatsApp as customer communication, implemented self-curing logic for selecting the accounts dynamically on the basis of the customer profile, and then treat customers accordingly with alternate channels such as IVR/SMS/EMAIL, among others.

Strong, Scalable, Reliable & Secure Infrastructure



Introduced fault tolerance in SBI Card network infrastructure through implementation of SDWAN (Software-Defined Wide Area Network) to minimise contact center downtime.



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there's nothing quite like it.*

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0.64 Oz Metallic Card



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is a world reserved for a select few.
A haven for the discerning and the refined.
Where luxury rubs shoulders with good taste
and anything less than perfect simply won't do.

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AURUM

By invitation only



CARING FOR ENVIRONMENT, SOCIETY, AND GOVERNANCE

Helping our people and communities achieve growth, prosperity, and fulfilment.

At SBI Card, our values underscore our duty to the environment and society. We are not just onlookers but duty-bound to participate and be part of solutions. This means that we observe, join the conversation and work to make things better. It underpins how we govern our Company and helps foster an empathetic working culture. We continuously look for and implement innovative ways and solutions to address social and environmental challenges in our markets, and to help our communities achieve growth, prosperity and fulfilment through our various ESG initiatives. Such initiatives enable us to contribute to India's advancement and earn the trust of our stakeholders.



SBI Card aspires to meet the highest professional, legal, and ethical standards and uphold the trust our clients and other stakeholders place in us. We maintain and proactively build a culture of ethics, integrity, and compliance across our Company. To instill a culture of giving and to maintain a high bar for impact, we have formally integrated social responsibility oversight into our governance structure, overseen by the CSR Committee of the Board.

37

DOW JONES
Sustainability Index (previous year - 11)

18.7 Low Risk

Sustainalytics

65

CRISIL
Scored higher than financial sector median

CARING FOR ENVIRONMENT, SOCIETY AND GOVERNANCE

Helping our people and communities achieve growth, prosperity, and fulfilment.

Vision & Mission



Our Vision

To contribute effectively to a better tomorrow by taking unified and holistic actions towards becoming a carbon neutral business, along with empowering employees, customers, communities, and stakeholders responsibly and transparently. ESG is an important element of our present and future.



Our Mission

We're committed to building a more inclusive and responsible business focused on positively impacting the world around us. ESG is at the core of our business and everything that we do. We continue to ensure that the environmental, social, and governance risks are prioritised and embedded into our company-wide policies and frameworks to have the right level of governance on such issues.

IMPACT 360 
An SBI Card ESG initiative

Managing Director & Chief Executive Officer's Statement



Dear Stakeholders,

SBI Card conducts its business based on clearly defined business principles. In all our activities, we carefully weigh the interests of our stakeholders: customers, employees, shareholders, and society at large.

As a responsible corporate citizen, SBI Card has focused on ESG strategy and implementation since FY 2020-21 to create long-term value for all our stakeholders. We are determined to comply with international reporting frameworks such as GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board), and TCFD (Task Force on Climate-related Financial Disclosures), among others, to be in line with current practices. We believe that comprehensive, robust, and comparable disclosures enable stakeholders to understand our activities and progress.

To step up the pace of embedding ESG into our business model, we have partnered with an industry expert to design a forward-looking strategy for long-term business sustainability. On the completion of the initial phase of engagement, we have evaluated our current sustainability maturity and reviewed our policies and practices against international guidelines and frameworks. The initial gap assessment has helped us refine our focus areas. We have done a thorough materiality assessment that aided in shortlisting key topics (in the areas of environment, social, and governance) for our sustainability framework. Our sustainability strategy aligns with the UN SDGs and national ambitions.

As MD & CEO, my priority is to consistently ensure that SBI Card meets all Environment, Social, and Governance obligations and focus on addressing areas where we have scope for improvement.

I wholeheartedly thank our employees for their commitment, expertise, and sense of responsibility. I would also like to thank our customers for their loyalty to our Brand and for trusting us. We look forward to continuing working in this direction and promise to maintain the highest standards of transparency.

Best regards

Rama Mohan Rao Amara
Managing Director & Chief Executive Officer

CARING FOR ENVIRONMENT, SOCIETY AND GOVERNANCE

Helping our people and communities achieve growth, prosperity, and fulfilment.

Sustainability Matters

Stakeholder Management

SBI Card operates within the framework of sustainable development, recognising the importance of protecting the rights of all our stakeholders. We believe it is vital to engage with stakeholders regularly to comprehend the interests and perspectives of those most essential to our business. For stakeholder engagement in FY 2021-22, a robust mechanism guided by principles of inclusion, materiality, and responsiveness for identifying and prioritising stakeholders was adopted and implemented. We classified stakeholder groups based on their significance to the business, their role in the upstream and downstream processes, and their relationships in the internal and external environments.

We then brainstormed internally with management (all levels) based on a developed criterion. We identified people/entities (both internal and external to the organisation) that have an influence on or have been impacted by the core operations and other activities. For each identified group, we determined the mode of engagement (discussions, written communication, stakeholder meetings, sustainability report) and frequency of engagement. We segregated the stakeholders based on the level of impact, frequency of interactions, mode of communication, level of interest in the core operations, and the level of influence on processes. Our key stakeholder groups are customers, employees, regulatory bodies, suppliers, investors, and shareholders.

We also aim to refine this process into a 'stakeholder engagement plan', which will serve as the blueprint for future communications and engagement.

Inclusion & Diversity

Embracing diverse teams, ideas and possibilities helps SBI Card drive progress. SBI Card continues to focus on increasing diverse representation across all levels from Board of Directors to all employees.



Company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of difference in the skills, regional and industry experience, background, race, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when required should be balanced appropriately.

There is no discrimination on the basis of gender, race, and ethnicity while determining the Board composition.

Materiality Assessment

In FY 2021-22, we did an extensive exercise to identify our material topics (i.e., ESG priorities). We followed a step-by-step process to determine these material priorities that began with extensive desk research and concluded with a thorough stakeholder engagement exercise. The desk research identified sustainability challenges by gaining a better grasp of the industry performance, the risk and opportunity landscape, and global megatrends. The assessment was undertaken in line with leading industry framework requirements and consultation with internal and external stakeholders.

Our material topics for FY 2021-22 are as follows:

Material Topic	ESG Category
Energy Consumption	Environment
Waste Reduction & Recycling	Environment
Climate Change	Environment
Colleague Health & Safety	Social
Employee Learning & Development	Social
Employee Engagement & Welfare	Social
Consumer Financial Protection	Social
Colleague Attraction & Retention/ Future Workforce	Social
Inclusion & Diversity	Social
Responsible Digitalisation/IT Deployment And Automation	Governance
Responsible Selling Practices	Governance
Business Ethics/ Transaction Integrity	Governance
Innovative Technologies And Products	Governance
Data Privacy & Security	Governance
Anti-Corruption & Bribery	Governance

ESG Governance

- » CSR Committee of the Board- also overseeing ESG performance.
- » Business Responsibility & Sustainability Committee (Comprising of MD & CEO, CPO, COO, EVP & Head – Open Market & Corporate Sales).
- » Board level meeting every quarter to review Sustainability performance.
- » Senior Management Team – Responsible for implementing strategic initiatives approved by Business Responsibility & Sustainability Committee and ensuring that social, environmental and governance objectives are considered in business decisions.
- » Sustainability Team – Responsible for policy implementation and coordinating with respective functions to execute sustainability initiatives. The core team will be a multi-functional team which will be responsible for the implementation of sustainability initiatives.
- » Risk Management Team- Responsible for overseeing and integrating ESG risks into ERM.

Way Forward

This sustainability section attempts to present a holistic and synchronised approach to how we create value, covering especially non-financial parameters. Through this, we have attempted to:

- » Drive a better understanding of our strategy for all stakeholders.
- » Enhance accountability through demonstrating material priorities and subsequent initiatives.
- » Enrich information availability to enable more efficient and productive decision-making.

We have embarked on this journey to integrate ESG into our core business operations to strengthen and accelerate our vision and strategy execution.

CARING FOR ENVIRONMENT, SOCIETY AND GOVERNANCE

Helping our people and communities achieve growth, prosperity, and fulfilment.



ENVIRONMENT



We continuously aim to minimise our carbon footprint on the environment. We continue to make investments to increase energy efficiency, use renewable energy, reduce GHG emissions, and create sustainable and safe workplaces. In FY2022, we took several steps that cover energy and water use, waste generation, phase out of single-use plastics, and sourcing paper responsibly.

Some key initiatives to protect our environment include:

- » **3.1 Lakh+ Trees Saved** (From FY2018 to FY2022) through paperless communication with customers
- » **Digitised 99%+ vendor payments** and outbound customer payments
- » **Co-Working Spaces** – Hired in Bhubaneshwar, Jaipur, Chandigarh & Lucknow, thereby improving efficiency & reducing wastefulness
- » **Energy consumption was saved by 22.76%** in FY 2021-22 as compared to FY 2018-19 by the installation of high energy efficient equipment
- » **Effective waste management:** Separate trash containers installed in all offices for organic & inorganic waste categories and disposal through government-authorised vendors to ensure diversion of waste from landfills
- » **Rationalisation** of plastic items consumption in office premises, especially cafeterias
- » **Measures to reduce printing requirements** such as limiting access to a printer to employees, promoting digital communications like e-kits, e-cards, e-statements, etc., and encouraging double-sided printing among employees etc. have been implemented
- » **Regular awareness** amongst employees on environment preservation
- » Under CSR:
 - **Supporting plantation of 30,000 trees** in the Aravalli range and undertaking a project to stop crop residue burning in 20 villages of Karnal district, Haryana
 - **Supporting two projects on solid waste management** in Gurugram and Greater Noida. The project aims to promote source segregation of waste and reduce, reuse and recycle waste through awareness generation, establishing composting units and recycling facilities

Environment Associated Policies:

- » *Code of Conduct guidelines*
- » *Business Responsibility & Sustainability Policy*
- » *Corporate Social Responsibility Policy*

CARING FOR ENVIRONMENT, SOCIETY AND GOVERNANCE

Helping our people and communities achieve growth, prosperity, and fulfilment.



We have a long-standing commitment to empowering our teams to drive impact with non-profit organisations spread across country. We have taken multiple CSR initiatives in identified focus areas and disaster management to combat COVID, which includes below:

Focus Area: Healthcare

With an objective to improve the healthcare infrastructure, SBI Card has taken up initiatives in government and charitable hospitals with an aim to provide quality healthcare services to underprivileged communities. Further, the company has piloted and scaled up telemedicine services in the remote Mewat region with an aim to provide quality affordable health services, and thereby helping in reducing pressure on Community Health Center's, Primary Health Center's.

Focus Area: Education

With an aim to improve quality of education in government schools, SBI Card has taken up projects to enhance digital infrastructure and set-up tinkering labs. It is hoped that the projects will not only expose students to new era technology but will also equip the school to conduct classes in hybrid model. The projects involve supporting teachers at the government schools to integrate new technology and new methods in pedagogy.

Focus Area: Environment

Environment is one of the focused thematic areas chosen by the company for implementing CSR projects. Under the theme, the Company has been directing its resources on solid waste management, improving quality of air, reviving Aravalli's through tree plantation, renewable energy and watershed management.

Focus Area: Skill Development

To improve the employment opportunities among the youth and enhancing their earning capability, SBI Card is committed to support skill development through vocational training program. The need is to capitalise on the demographic dividend of the country. SBI Card has undertaken several skill developments programmes for youth and differently abled individuals.

Focus Area: Disaster Management

COVID-19 pandemic impacted every aspect of our modern life resulting into unprecedented loss of life and economic meltdown. With an aim to support government in strengthening healthcare infrastructure and support economically weaker section, SBI Card has taken various COVID-19 relief and response projects.

₹37.6 crore

Invested towards our commitment to CSR in FY2022

20,000

Families impacted through education and skill development

3,00,000+

Lives impacted through healthcare and disaster management projects

100MT

Waste per month avoided from being burnt, littered, and dumped in landfill and water bodies

Inspirational Story - 1 - Indian Pollution Control Association

Indian Pollution Control Association (IPCA), Delhi

It is more than simply "Doing Good": Story of a true Change maker

Mr. Ramesh Chander Goyal, 69, is an avid waste manager. He collects MLP waste, a low-grade plastic waste, which is usually overlooked by waste collectors, and other plastic waste on daily basis. However, storing load of MLP and other plastic waste was becoming problematic for him, hence he started looking for reliable facility where MLP waste is collected and recycled.

It was dream come true for him, when SBI Card and IPCA set up a dry waste collection centre in Geeta Colony, where plastic waste is collected, segregated in different categories and then sent to recycling plant established in Greater NOIDA by SBI Card and IPCA to make eco-friendly sheets and products.

Over the span of seven months, he has deposited more than 1000 Kg of plastic waste in around 60 trips on his bicycle. Mr. Goyal has scaled up waste channelization by engaging like-minded people with him and is a source of inspiration and motivation for citizens of every age.



CARING FOR ENVIRONMENT, SOCIETY AND GOVERNANCE

Helping our people and communities achieve growth, prosperity, and fulfilment.

Inspirational Story - 2 : Manzil Mystics

“Success is where preparation and opportunity meet” – Bobby Unser

Primary School Choir (PSC) is a group of children who study in eight different government schools in South Delhi and reside in nearby slums. Government schools lacked infrastructure and could provide only limited exposure for extracurricular activities. Identifying the gap, SBI Card in collaboration with Manzil Mystics designed a mobile recording studio and classroom to impart first exposure of music education to such kids by providing access to musical equipments and recording studio, personalized help for vocal training, opportunity to perform in various forums and institutions to boost their confidence level, creativity, and hunger to achieve more.

PSC participated in the Hunarbaaz, reality show aired on Colors TV, where thousands of candidates and groups across India participated and showcased their talent. After

overcoming all the odds and clearing intense competitive process the group was able to reach 2nd round of auditions. All kids are very enthusiastic and are working hard to become future musicians.



Inspirational Story - 3: NOIDA Deaf Society

Avishek was born deaf and is the only member of the family who is speech and hearing impaired. He had faced multiple challenges while growing up in small town (Kushinagar, U.P) due to lack of sign language trainer in school, due to which he found it difficult to understand the concepts resulting in low grades.



He wanted to study further but because of his low learning levels, he was unable to cope up with the pace. Financial constraint was another aspect hindering with continuity of studies, he started feeling isolated and frustrated as he couldn't discuss his pain with anybody in family and vicinity.

He then came to know about free sign language course by NOIDA Deaf Society with support of SBI Card. The teachers gave him a lot of confidence, as a result, he could articulate and express his aspirations in life. His learning levels were mapped and he was trained in different courses like English, Computer, Sign language and Pre-Employment Training.

After completing the trainings, Avishek cleared his interview with Pantaloons and started there as Retail Sales Associate. He joined them in October 2021. With the support of NDS he got another job in the month of May 2022 at Orient Fashion with increased salary. Avishek is working as Machine Operator, his team members at Orient Fashion say that he is punctual, hardworking, and quick to learn new things. Avishek says that with this new skill of stitching and tailoring, He can think of his own business in the future. He is an independent young man today, earning his living, supporting his family financially and taking care of his parents.

He says that **“I am ever grateful to SBI Card and my teachers for the support that I got to avail this opportunity”.**

Inspirational Story - 4: The National Association for the Blind

“Being disabled should not mean being disqualified from having access to every aspect of life.” – Emma Thompson.



Inderpreet was born with Retinitis Pigmentosa, a genetic disorder that leads to blindness through gradual degeneration of the retina. By class 12th, he had completely lost his sight. However, this did not deter him from his dream of becoming a journalist and he was determined to plan and achieve his goals. He did not hesitate to enroll himself in graduation programme and simultaneously joined the SBI Card funded skilling course organised by National Association for the Blind (NAB) –New Delhi.

Under the skilling programme, besides his enhanced computer skills, Inderpreet also noticed a marked improvement in his overall personality and communication skills.

Now Inderpreet works at NAB and is earning a monthly salary of ₹18,200 per month. Inderpreet confidently expressed, “This newly acquired knowledge and confidence will really help me to become financially independent”. He smiles with hope and says, “This financial independence would someday help me leverage my long term career goal of becoming a journalist”.

Inspirational Story - 5: Sri Sathya Sai Health and Education Trust

Nothing can stop you until you choose to be stopped

Some children are born warriors and Bhumika is one of those. Little Bhumika was always inspired seeing men and women in Armed Forces uniform and unlike her peers who would admire models, she dreamt of serving in Indian Army. Unfortunately, at the age of 10 she was diagnosed with Congenital Heart Disease while she was suffering recurrently with breathlessness. Life was indeed tough for her when she saw her mother Kusum being victim of domestic violence from her in-laws and her husband. Finally, Kusum left her home along with little Bhumika and started staying separately in a rented apartment. While Kusum was struggling to run the show with a small cosmetics business, Bhumika was undeterred to be in Armed Forces inspite of her health. While her mother warned her of not exerting, she would secretly do physical training including running. Her health could not take this physical exertion and she collapsed one day. Kusum was referred by one of her relatives to Sai Sanjeevani at Palwal and Kusum brought her 15-year daughter for consultation. While it was a case of Atrial Septal Defect, due to late presentation there were some complications and risk

involved. To her good fortune, she got successfully operated on February 10, 2022.

Bhumika is resolute to spring back and pursue her dream to be an Army Woman. Sanjeevani salutes this Braveheart and wishes her all the best in her goal of serving the nation.



CARING FOR ENVIRONMENT, SOCIETY AND GOVERNANCE

Helping our people and communities achieve growth, prosperity, and fulfilment.



EMPLOYEES



Our people are the greatest contributors to our success and enable us to fulfil our determination to delight cardholders, and thus, create value. Together as a team, we aim to deliver on our consumer-centric objectives by drawing on innovation, knowledge sharing, leadership excellence, and our diverse and capable workforce. Our ambition is to create a work environment that values and cares for its people. This entails safety and well-being as our priority; having inspirational leaders who others aspire to emulate; being team-oriented, inclusive, and diverse; and fostering a unique culture that balances innovation, knowledge sharing, and risk management.

28%

Share of women in the total workforce in FY2022

29%

Share of women in senior management in FY2022

Key features of our workforce related initiatives include:

- » **28% women** in the total workforce; **29% women** in the senior management in SBI Card
- » **34.8% workforce** < 30 years age
- » **'Women Alumni'** hiring programme initiated
- » **Inclusive hiring** for people with special needs initiated
- » **Implemented infrastructural changes** to make office spaces more accessible for people with special needs
- » **Launched 'AIM' Women Network**, providing a forum for SBI Card women employees with access to knowledge, training and programmes on career growth, financial literacy, and physical and mental wellbeing
- » **'Celebrating Our People'** week was celebrated with various engagement events for employees
- » **Diversity Management training** conducted for Leadership Team and HR Team Leaders-Mid level
- » **Relief efforts** during COVID-19 for employees
 - **Green Channel launched** for COVID vaccination
 - **Launched** dedicated COVID-19 Medical Advisory Helpline
 - **24X7 COVID assistance helpdesk** to support hospital beds availability, Oxygen cylinders & concentrators, On call doctor assistance
- **3 COVID-19 Vaccination camps** for employees and family members at Gurgaon and Mumbai
- **Free vaccination** for employee and spouse and coverage of ₹500 for two jabs for dependent family members
- **Free 'Specialists Teleconsultations'** for employees and their family members through PRACTO
- » **Introduced** flexible working shifts/ hours for employees
- » **Job evaluation & salary benchmark survey**-initiated organisation wide
- » **Well-structured** senior leadership connects every month across office locations
- » **Wellness sessions conducted** for employees on Mental Health | Heart Health | Diabetes | Hypertension | Thyroid | Gastrointestinal Disorders
- » **Engagement activities** during festival season across all locations
- » **Great Place** to Work certified
- » **Financial Well-being webinar series** for all employees providing special sessions on tax saving strategies, planning for a secure future, Zero EMI and more

Associated Policies:

- » *Fair Practice Code*
- » *Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace*
- » *Business Responsibility & Sustainability Policy*
- » *Corporate Social Responsibility Policy*
- » *Code of Conduct Guidelines*
- » *Grievance Redressal Policy*
- » *Policies for employees - advanced education policy, leave policy, equal opportunity policy for transgender people, CLA policy, car lease policy*

CARING FOR ENVIRONMENT, SOCIETY AND GOVERNANCE

Helping our people and communities achieve growth, prosperity, and fulfilment.



Governance



Governance plays an irreplaceable part in effective management of an organisation. It's a system which enables control framework for an entity and defines structure and processes for decision-making, accountability, control, and behavior amongst all levels within an entity. Governance at SBI Card has an influence on Company's strategy, objectives and their achievement, risk management, and performance optimization. It's a culture that's driven at the Board level and is ingrained in each action of the Company.

At SBI Card, the Board oversees the conduct of the Company's business. Furthermore, the Board has delegated its powers to various Board Level Committees. Each of the Board's Committee has been charged with specific responsibilities/matters as per the Companies Act, 2013, SEBI LODR, RBI Directions/Guidelines and as per the

business requirements. In addition to the Board level committees, the Company has various management-level committees for monitoring processes and ensuring implementation of improvements required basis governance processes and controls.

Key aspects influencing our Governance include:

- » **Incident reporting and vulnerability management** processes are in place
- » **ISO 31000:2018** - Certification for Risk Management Practices received in Oct '21
- » **100% Training penetration** of Improper Payments to all employees.
- » **Vigilance Awareness Week** - celebrated with various awareness sessions, quizzes, and integrity pledge for all employees
- » **Adoption** of new Vendor Risk Management Policy and introduction of business continuity and reputation risk assessment for the vendors
- » **Training** on code of conduct given to all existing employees on an annual basis and induction for new joiners
- » **Annual compliance training** completed for all employees
 - Anti-Money Laundering
 - Prevention of Sexual Harassment
 - Treating Customers Fairly
 - Improper Payments
- » **Regular Training & Education**
 - Information & Cyber Security
 - Compliance & Information Security
 - Risk Awareness
- » **Data Privacy Day 2022** was observed on January 28, and annual virtual training was provided to employees on information and cyber security awareness.
- » **Compliance Day 2022** - Celebrated on March 29 by spreading awareness on all aspects of the code of conduct to all employees
- » **Innovative** technologies & digitisation
- » **Integration** with YONO mobile app, thus increasing digital sourcing from SBI.
 - **The digitally-enabled process** to fetch customer's KYC via DigiLocker channel
 - **More self-service features** on the website, mobile app and expansion of the WhatsApp channel
 - **Integration of information** from alternate data sources like utility bills, etc. for more efficient credit decisions
 - **Added security features** on contact change process on Digital Channels

Associated Policies:

- » *Code of Conduct Guidelines*
- » *Fair Disclosure of UPSI*
- » *Code of Conduct for the Company's Board of Directors and Senior Management Team*
- » *Corporate Governance Code*
- » *Related Party Transactions Policy*
- » *Policy for Determination of Materiality of Events/ Information & Disclosure*
- » *Fair Practice Code*
- » *Vigil Mechanism Policy*
- » *Corporate Social Responsibility Policy*
- » *Sustainability & Business Responsibility Policy*

 SBI card

For the journey
towards a fitter you



Introducing
SBI Card PULSE



SBI Card PULSE, a credit card with amazing benefits to help you on your fitness journey

Welcome Gift

Noise ColorFit Pulse Smart Watch worth ₹4,999



FITPASS PRO Membership

Complimentary 1-Year access to Fitness Studios, In-App Personal Nutritionist and AI based Fitness Coach



Netmeds First Membership

Complimentary Annual Health Checkup & Unlimited Online Doctor Consultations



5X Reward Points

On Chemist, Pharmacy, Dining & Movie spends

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The recovery in domestic economic activity is gathering strength. Rural consumption should benefit from the likely normal southwest monsoon and the expected improvement in agricultural prospects. A rebound in contact-intensive services is likely to bolster urban consumption going forward. Investment activity is expected to be supported by improving capacity utilisation, the Government’s capex push, and strengthening bank credit.

Macro-Economic Environment

The COVID-19 pandemic that broke out in early 2020 continued to inflict health and economic shocks across countries in 2021-22 with its resurgent waves. The Delta variant of COVID-19 struck India at the beginning of 2021-22, marking the onset of the second wave. Unlike the first wave, the second wave was asynchronous in its onset across states and more intense in its spread, entering the rural hinterland. The second wave temporarily stalled the momentum of economic recovery that India had been witnessing since the second half of 2020-21, adding to health challenges. However, the economic impact of the second wave was muted compared to that of the first wave. After the peaking of the second wave in mid-May 2021, the economy swiftly rebounded in the second quarter of 2021-22. Recovery was also reflected in the revival of key, high-frequency indicators such as GST collections, power consumption, PMI Manufacturing and Services, rail freight and port activity. Aiding the swift recovery was India’s rapid progress in vaccination which started in January 2021 that helped contain the momentum due to the second wave and lead to the sequential decline. The growth in GDP during 2021-22 is estimated at 8.7% compared to a contraction of 6.6% in 2020-21.

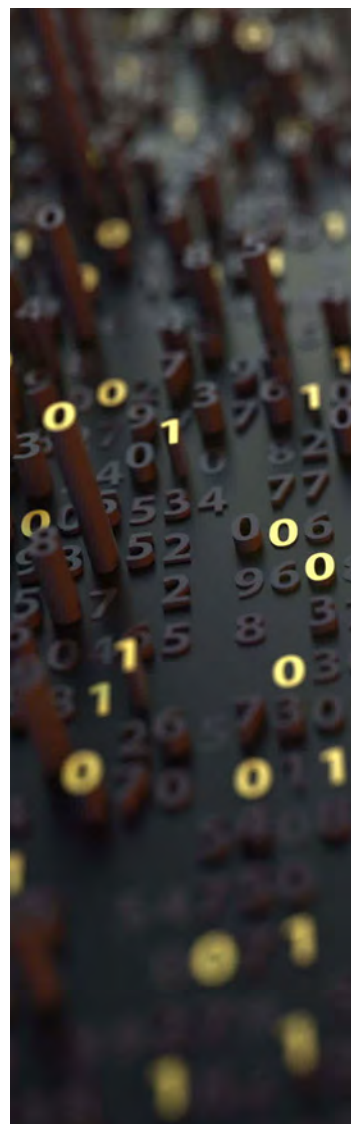
(Source: Macro-Economic Framework Statement Feb 2022, Ministry of Finance, Provisional estimates of annual national income May 2022, National Statistical Office)

7.2%

RBI’s GDP growth projection for India in 2022-23

Outlook for Fiscal 2023

The global economy continues to grapple with multi-decadal high inflation and slowing growth, persisting geopolitical tensions and sanctions, elevated prices of crude oil and other commodities and lingering COVID-19 related supply chain bottlenecks. Global financial markets have been roiled by turbulence amidst growing stagflation concerns, leading to a tightening of global financial conditions and risks to the growth outlook and financial stability. Available information for April-May 2022 indicates a broadening of the recovery in economic activity. Merchandise exports posted robust double-digit growth for the fifteenth month in a row during May, while non-oil and non-gold imports continued to expand





at a healthy pace, pointing to a recovery of domestic demand. The tense global geopolitical situation and the consequently elevated commodity prices impart considerable uncertainty to the domestic inflation outlook. RBI has already increased the repo rate by 90 bps. This may lead to increase in cost of funds. Further increase is also anticipated in case the inflationary situation continues.

The recovery in domestic economic activity is gathering strength. Rural consumption should benefit from the likely normal southwest monsoon and the expected improvement in agricultural prospects. A rebound in contact-intensive

services is likely to bolster urban consumption going forward. Investment activity is expected to be supported by improving capacity utilisation, the Government's capex push, and strengthening bank credit. The growth of merchandise and services exports is set to sustain the recent buoyancy. Spillovers from prolonged geopolitical tensions, elevated commodity prices, continued supply bottlenecks and tightening global financial conditions nevertheless weigh on the outlook. Taking all these factors into consideration, RBI has projected real GDP growth for 2022-23 at 7.2%.

(Source: Monetary Policy Committee Statement, Jun 2022)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

India is a highly underpenetrated market, and represents a huge potential to increase credit card penetration.

Industry Developments

The payments industry continues to be on high growth trajectory. It has seen increased and renewed activity not only from established financial players, but also from a host of fintech players who have brought innovative products, customer engagement and service delivery, backed by aggressive business models. Credit card as a product has also gained acceptance and continues to be popular amongst consumers. As per RBI Industry reports, the number of credit cards in circulation in India stands at 73.6 MM as on March 2022, growing by 19% YoY. Spends on credit cards for FY2022 stand at ₹9,719 billion, a growth of 54% from the previous year. The number of POS terminals stands at 6.1 MM as on March 2022, growing by 29% YoY. The number of BharatQR terminals stands at 5.0 MM, as on March 2022, growing by 39% YoY. Significant growth of POS and BQR terminals enables usage touch points which in turn creates a strong positive momentum for the industry.

One of the key regulatory changes is the new RBI guidelines on Credit Card. It is a welcome move in the direction of customer protection and transparency and as prudent and progressive organisation. We are already compliant and well-covered with all aspects, however, there can be some impact on fee revenue as customer consent will be required for all overlimit transactions.

The Company is the second largest credit card issuer in India in terms of cards in force, and the cards in force market share is at 18.7%. The Company has a total card base of 13.8 MM as on March 2022, which is 16% higher than the previous year. The Company's spends of ₹186,353 crore registered 52% growth from FY2021, and spends share is at 19.2% for FY2022.

(Source: RBI Industry Report, March 2022)

13.8 MM

Total card base of SBI Card as on Mar 2022

18.7%

SBI Card's share of Cards in Force in India, making the Company the 2nd largest credit card issuer in the country

As per the TransUnion CIBIL, the overall industry, in terms of active trades, has grown by 10% from March 2021 to March 2022. In March 2022, the active trades were 31.3 crore Vs 28.3 crore in March 2021. The growth in credit card active trades has been higher. The industry witnessed active credit card trades growing from 5.3 crore in March 2021 to 6.1 crore in March 2022, which is ~15% growth. Interestingly, the unique borrowers with active trades have also increased by 10%, from 31.5 crore to 34.6 crore, in the same period.

Opportunities

India is a highly underpenetrated market, with average card ownership per 100 people being 4, compared to 132 in Brazil, 27 in Russia, 55 in China, 71 in Australia, 90 in UK and 325 in the USA (Source: BIS Data as of end of 2020 updated in March'22). This represents a huge potential to increase credit card penetration in India. The below mentioned enablers will help the industry to grow at a robust pace. According to an industry report ("A Review of India's Credit Ecosystem" by Experian), the Indian consumer credit market is expanding at a rate higher than most other major economies globally, with more than 20 MM Indian consumers applying for new credit every month. Most of India's population is under 40 years of age, and the people in this segment are most likely to seek their first-ever loan or credit card from banks and credit institutions.

1. Infrastructure

- » Acceptance infrastructure inclusive of POS and Bharat QR terminals has seen over 3X growth in the last three years, and initiatives like the acceptance development fund are further expected to aid this growth.
- » QR code-based acceptance is gaining ground, growing faster than POS terminals.

- » RBI has recently allowed RuPay cards to be used at UPI merchants as a pilot. This can foster growth on credit card spends in future.
- » Payments Infrastructure Development Fund (PIDF) has been operationalised by RBI to increase penetration of acquiring devices across the country.

(Source: RBI Payment system indicators report March 2022)

2. Consumer Behaviour

- » Increased digitisation in payments; retail digital payments up to 87% in FY'22 vs. 45% in FY'15.

(Source: RBI and NPCI payments system data, March 2022).

- » Digital customer acquisition end to end digital is gaining customer acceptance as penetration of smart phones increases.

- » Credit acceptance growing; Retail credit grew at 15% CAGR for the 3-year as on March 2022. New customers wanting to take credit card increasing.

(Source: RBI Bank credit data)

- » The E-commerce market is estimated to reach \$188 billion+ by 2025 from \$46 billion in 2020. By 2030 it is expected to reach US \$350 billion.

(Source: IBEF Report).

- » Customers during the pandemic have started making digital payments for their utility bills.

Threats

Along with opportunities, there are also new challenges in the credit category. Post COVID-19, there is a renewed focus on digital lending in a big way. We have seen a lot of new-age players, especially online e-commerce companies offering pre-approved short-term credit to their existing customers and fintech approaching new segments. FinTechs are collaborating with Banks/NBFCs to provide banking services and are redefining financial transactions. BNPL is becoming a small ticket-size loan instrument and is targeted as a substitute for the credit card in the New-to-Credit segment. Easy availability of BNPL to customers is changing customer behaviour. RBI has come out with draft regulations for digital lending wherein, FLDG (First Loss Default Guarantee) and other such synthetic structures has been recommended to stop. RBI's recent guidelines for credit card mandate that co-brand partner should only be responsible for marketing and distribution of cards.

The Government continues to focus and push for the adoption of Digital Payments. UPI, as a payment mechanism, has grown at a fast pace. Multiple FinTech's have launched their

own applications using the UPI platform, which has further increased the adoption of this payment option as they continue to develop and build new use cases. UPI has, hence, grown at a rapid pace vis-à-vis other payment mechanisms. Around 20% of UPI are merchant payments, while the remaining are P2P payments. Enabling transactions on RuPay credit card for merchants on UPI platform opens more categories and can give a significant boost to credit card spends.

Company will need to keep a close watch on these developments to analyse and take actions as and when required.

SBI Card has been amongst the industry front runner in technology adoption. The Company was one of the earliest issuers in the industry to launch contactless cards and has moved all new card issuance to contactless cards.

Risks And Concerns

Over the last two years, the COVID-19 pandemic has presented the biggest risk and disruption. SBI Card was also not unaffected by the pandemic, and we witnessed pressure on our credit costs. However, the Company displayed high levels of resilience to deliver profits during this period while managing through the constantly changing environment. We have now exited FY2022 with the Q4 credit indicators at par or better than pre-COVID levels. We have also invested heavily in our credit and collection capabilities, including developing Machine Learning (ML) based underwriting models, expanding digital collections, and enabling remote dialers, among others.

The buy-now-pay-later (BNPL) industry has grown over the last 2-3 years. Largely driven by new entrants, the industry relies on growing the asset book by acquiring younger customers. BNPL offers digital instant access to credit with easy options like pay in parts and no late fees as a part of the e-commerce journey. SBI Card is cognisant of the challenges posed by this emerging sector.

The pandemic also resulted in a scale-back of credit where select segments were restricted or shut down. While the credit costs have improved, the lower risk has resulted in

MANAGEMENT DISCUSSION & ANALYSIS REPORT

lower revolve rates across the industry. SBI Card is now expanding its Risk Appetite by testing certain segments albeit in a calibrated fashion, and driving profitable and sustainable growth.


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

SBI Card works with RuPay, VISA, Mastercard, Amex. Impact of embargo by RBI on Mastercard was nominal as most SBI credit cards are available on multiple networks.

New Payment Technologies

SBI Card has been amongst the industry's front runner in technology adoption. The Company was one of the earliest issuers in the industry to launch contactless cards and has moved all new card issuance to contactless cards. The existing Scan to Pay and SBI Card Pay payment solutions on SBI Card Mobile App are now also available for Mastercard cardholders. Both these proprietary solutions not only provide ease of transaction and greater payment experience but also enhanced security. Additionally, SBI Card has also integrated with Jio Pay & Paytm Pay for Visa and Mastercard cardholders. With these launches, SBI Card's digital payment suite now includes – all leading payment platforms e.g. – SBI Card Pay, Google Pay, Jio Pay, Paytm Pay and Scan & Pay (Bharat QR) for both VISA and Mastercard. With the advent of upcoming payment technologies, SBI Card is geared toward integrating with them to provide its cardholders easy access to new & frictionless means of payment.

SBI Card has also enabled its customers to save the card alias (token) on the merchant website/app for the better security of our customers, as directed by RBI for VISA, Mastercard and RuPay cardholders.



According to the Brand Track survey commissioned by us and conducted by Kantar IMRB in Jan-Mar 2022, the SBI Card brand enjoys 100% Total Awareness and the highest Top-Of-Mind Awareness in the category.

Business Overview

Card Acquisition

SBI Card sourced 35.7 lakh new accounts in FY2022 Vs 26.9 lakh in FY2021 SBI Card base has increased to 13.8 MM as on March 31, 2022, compared to 11.82 MM cards as on March 31, 2021, at 16% YoY. New card acquisition in the first quarter of FY2022 was impacted due to the pandemic and some partial lockdown. New card acquisition ramped up from Q2 FY2022 onwards, with over 1 MM cards sourced in Q3 FY2022 and Q4 FY2022 each. There has been a continued focus on digital sourcing and digital acquisition processes.

New Product Launches

SBI Card has launched three new products across diverse categories and segments.

Fabindia SBI Card: SBI Card has collaborated with Fabindia, India's largest retail platform for hand-crafted products by Indian artisans, for an exclusive co-branded contactless credit card in two variants – Fabindia SBI Card SELECT and Fabindia SBI Card. The card is designed with curated benefits and privileges to offer a 'Fabexperience' to its affluent and premium customers. The card rewards customers with a direct entry to Fabindia's Fabfamily loyalty programme at higher tiers (Gold and Platinum).

SBI Card PULSE: SBI Card has launched first-of-its-kind fitness & wellness-focused credit card - 'SBI Card PULSE'. The card has been thoughtfully designed with unique features and benefits to complement cardholders' proactive approach toward health and wellness. SBI Card PULSE comes with an industry-first feature of Smartwatch as a welcome gift.

Nature's Basket SBI Card: SBI Card has partnered with 'Nature's Basket', India's leading premium grocery store brand - to launch 'Nature's Basket SBI Card'. The first-of-its-kind credit card will address the consumers' unique lifestyle-related spending needs, including grocery and gourmet.

Spends & Engagement

- » The Company continued strong growth momentum in spends. Retail spends for FY2022 was at ₹146,457 crore, registering a 43% growth.
- » In line with growing consumer preference for affordability products, Company launched EMI offers with all leading consumer durable and mobile manufacturers.
- » Your Company continued to build on higher saliency of online spends with the share of online spends at 54% of retail spends.
- » The Company engaged with leading merchant partners across categories from Apparel, Consumer durables, Mobiles, Travel, Jewellery, and Grocery to online shopping to provide value to cardholders on transacting with SBI Card.
- » The Company also distributes insurance (Both Life and General) and third party products to credit card customers generating commission and fee income.

CORPORATE CARD

Our corporate card portfolio has registered strong growth in FY2022. Spends on corporate cards increased to ~40K crore of spends in the year vis-à-vis 20K crore in FY2021, which was a growth of ~100%. The increase was primarily from B2B spends while Corporate travel was still recovering. New use cases were developed in the B2B space which has helped register the growth.

Brand

SBI Card continues to be a highly trusted and recognised brand in the country, with one of the best Brand Health scores in the category. According to the Brand Track survey commissioned by us and conducted by Kantar IMRB in Jan-Mar 2022, the SBI Card brand enjoys 100% Total Awareness and the highest Top-Of-Mind Awareness in the category.

This year, brand efforts were focused on building a stronger emotional connect with our customers while also boosting brand saliency. Multiple formats of communication were deployed, depending on the purpose of communication – 3 film-based campaigns were launched on TV & Digital, and Print media was leveraged for two campaigns. For Aurum,

₹146,457 crore

Retail spends for FY2022, registering a 43% growth YoY

35.7 lakh

New accounts sourced in FY2022

the Company tapped into the power of OOH media through a highly targeted campaign.

Brand saliency was further augmented through the Retail Kiosks program, now present in 90+ Indian cities, which helped enhance brand visibility at the point of sale in addition to supporting customer acquisition efforts.

SBI Card was awarded the Reader's Digest India Trusted Brand Award 2021 in the Credit Cards category, an accolade that has now been bestowed upon us for the 13th time! We were recognised as ET' Best BFSI Brands 2022' in the credit cards category for the third consecutive year, and also as a 'Superbrand' for the year 2021 in the credit cards category.

Digital Platforms

Mobile App:

- » SBI Card Mobile App continues to be a preferred self-service digital channel for our customers, with over 544 MM Total logins in FY2022. With over 100+ features for self-servicing, cross-sell and insurance now available on the platform. SBI Card App recorded 10.2 MM Active App Installs with App ratings at 4.4/5.0 on Play Store and 4.6/5.0 on App Store in FY2022.
- » Several key features and upgrades were added to the app in FY2022 to enhance customer experience, engagement, security and increased transactions. Some of the key features include – Introduction of insurance products from SBI General and Royal Sundaram, User Interface enhancements for cross-sell products, a contact change process for the convenience of cardholders etc.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

At SBI Card, a Risk Management Framework has been evolved to enable the identification, assessment, aggregation, and reporting of risks prevailing in the processes.

Website:

- » Our website - sbicard.com continues to be highly visited by the prospects looking to apply for SBI Card and attracted over 76 MM visitors.
- » SBI Card's website continued to integrate new features and enhance customer experience during the last financial year through various projects. Key implementations during the year include insurance integration with SBI General, where we added new products and improved User Interface, a Travel Itinerary for seamless transactions for international travellers, a seamless contact change process for the convenience of cardholders, the introduction of transaction switches journey to re-issue/replacement and upgrade journeys etc.

WhatsApp:

- » SBI Card WhatsApp service launched in August 2020, has garnered an additional ~ 2.3 MM Opt-ins during the FY. To increase usage of the platform on our portfolio and to enhance customer engagement, several features have been added in FY2022, such as - Download Card Statement, make payments for credit card dues, Block & Re-issue cards etc.

ILA:

- » Our chatbot "AskILA" seamlessly integrates with our Mobile App and website (sbicard.com) and is an important self-service channel with over 18.7 MM total logins during FY2022. The platform has addressed over 66 MM customer queries in FY2022. Several new features were added to AskILA in the last financial year to enhance customer experience, engagement, security and increase

transactions. Some of the key features include - Utility Bill Payment Service on AskILA to increase transactions, Digital Multi-carding to increase sales, and a new Contact Change Process for customer convenience, among others.

Digital and Social Media Initiatives

- » Continuous digital media campaigns were launched around festive offers, new product launches, portfolio offers and cross-sell product promotions in FY 2022. These digital campaigns during the year helped achieve 1.06 billion+ impressions and 139 MM+ video views and were amplified through a media mix on OTT platforms, e-commerce portals, Publisher networks and social media platforms. Some of the marquee campaigns on digital platforms during FY2022 included the Khushiyon ka Credit Card campaign, Forever Grateful campaign, Festive campaign for online offers, AURUM Card and SBI Card PULSE promotions.
- » SBI Card's social media presence has increased across platforms to a total of 1.89 MM+ followers/subscribers and continues to engage with its customers, followers and subscribers on its social media platforms (Facebook, Twitter, Instagram, YouTube and LinkedIn) through contextual posts, videos, carousels etc. on a regular basis. Content deployed on social media in FY2022 was primarily focused on offers, pandemic safety, #GoDigital (self-service channels), Public Relations, CSR initiatives, fraud awareness, topical/moment marketing, contests, cross-sell and influencer posts. These are supported by content marketing, advertorials, and blogs, to ensure visibility for SBI Card content through paid and organic searches.

Internal Control Systems and Adequacy

The Company has in place a robust and comprehensive Risk Management framework and risk management processes encompassing existing risks, new risks that may have arisen, the likelihood and impact of risks. In addition, the overall risk management process is subjected to periodic review to deliver assurance that it remains appropriate and effective, aligned with the emerging risks. Our Risk Management Framework supports a sound system of internal control, contributes to effective corporate governance and assists in fulfilling risk reporting requirements. Our Risk Management processes have also been ISO 31000 certified.

The internal audit process is synchronised with the Risk Management Framework of the Company. The Company has an internal audit system commensurate with the size of the Company.

Risk Management

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

The Board, along with its various committees, is responsible for overall corporate governance. The Board of Directors is responsible for approving and reviewing policies, risk appetite statements and strategic issues, which are crucial for the organisation's overall growth and development and achievement of its strategic and business goals. Board designated committees, namely, Risk Management Committee of the Board (RMCB), Audit Committee of the Board (ACB), Stakeholder Relationship and Customer Experience Committee of the Board, IT Strategy Committee and various internal committees, including Enterprise Risk Management Committee (ERMC), Operational Risk Management Committee (ORMC), Compliance Review Committee (CRC), Information Security Committee (ISC) and New Product Introduction Committee are in place for monitoring business performance and monitoring and management of various risks.

The major risks faced by the Company are Credit Risk, Operational Risk, Liquidity Risk, Regulatory Risk, Reputation Risk and Strategic Risk. The Company has formulated various policies, including Risk Management Policy, Compliance Policy, Credit Risk Policy, Collection Policy, Fraud Risk Management Policy, Vendor Risk Management Policy, Information and Cyber Security Policy etc., to delineate comprehensive architecture for managing these risks prudently. We have adopted qualitative and quantitative parameters to assess the materiality of risks to be included in our risk universe. The Risk Management department of the Company strives to identify new/ emerging risks. This risk universe is reviewed and updated annually. The Board-approved Risk Appetite Statement provides guidance to the management on the desired level of risk for various types of risks and helps steer critical portfolio and strategic decisions. Performance of Risk Appetite Statement is monitored monthly and reported to the internal risk committees.

a. **Credit Risk:** Credit risk is the risk of a financial loss if the customer fails to meet their contractual obligations. Being a credit card company with retail and corporate portfolio being the earning assets, credit risk arises from all transactions that give rise to actual, contingent, or potential claims against any borrower. The goal of credit risk management is to maintain asset quality and

concentrations at individual exposures as well as at the portfolio level. As card dues are mostly retail in nature and are payable monthly, the assessment and monitoring of the credit portfolio is done through a review of the cardholder's repayment performance and outstanding in various buckets. Besides, we have detailed portfolio monitoring for the corporate card portfolio as well. The collection of dues is also geared towards bucket-wise segmentation, as the behavioural pattern under different buckets differs.

The Company uses sophisticated machine learning (ML) based analytics and models to continuously perform a risk rating of the portfolio for determining the acceptability of risk, drawdown ability, credit limits, eligibility and sanctioning of authorisations, and eligibility for instalment-based balance conversions and review frequency. Risk models are governed by a Model Risk Governance process covering the life cycle of all risk models from inception, methodology, discrimination power, accuracy, and stability, to model calibration and retirement.

SBI Card has a Business Continuity (BCP) framework in place to ensure continuity of service to its large customer base. The effectiveness of the BCP framework is tested to ensure continuity of services and readiness to meet various contingency scenarios.

b. **Operational Risk:** The Company has set up a comprehensive Risk and Controls Self-Assessment (RCSA) process for documenting, assessing, and periodic monitoring of various risks and controls. Risks are assessed for their acceptability or unacceptability by measuring their frequency and impact. An incident reporting mechanism for reporting operational risk incidents is in place. All outsourcing arrangements are examined and approved only after a due diligence process, including Financial, Reputation, Information Security, Compliance and Business Continuity Risk Assessment. The Business Continuity (BCP) framework is in place to ensure continuity of service to its large customer base. The effectiveness of the approved Business Continuity

MANAGEMENT DISCUSSION & ANALYSIS REPORT


Plan (BCP) framework is tested for all identified critical internal activities to ensure continuity of services and readiness to meet various contingency scenarios. The learning from the BCP exercises are used as input to further refine the framework. We have strengthened our data loss prevention systems and deployed various controls to ensure the information/data of our customers, stakeholders, and employees are secure. Information Security Committee regularly reviews the performance of key information and cyber security metrics and provides directions to mitigate risks.

- c. **Liquidity risk:** Liquidity risk arises when a company is unable to meet its payment obligation when they fall due. This may be caused by the Company's inability to liquidate assets or obtain funding to meet its liquidity needs. The Asset Liability Management (ALM) Policy of the Company stipulates a broad framework for liquidity risk management to ensure that SBI Card is in a position to meet its liquidity obligations as well as withstand a period of liquidity stress. Pursuant to RBI Circular on 'Liquidity Risk Management Framework for NBFC', we have introduced various key indicators in liquidity risk appetite to provide early warning signals. We have implemented the Liquidity Coverage ratios as defined by RBI and strive to be at least 10% higher than the specified ratio.

We have also adopted a Stress testing methodology to identify, measure, monitor and control risk concentrations. We have computed the impact of macroeconomic variables on the profitability of the Company, and accordingly, the requirement of additional capital is computed in three scenarios viz., Mild, Moderate & Severe.

- d. **Regulatory Risk:** In order to comply with regulatory guidelines and laws/rules, the SBI Card Compliance team tracks the completion of all regulatory tasks through an automated tool. All key issues are highlighted to Enterprise Risk Management Committee, Operational Risk Management Committee and Compliance Review Committee. In addition, Compliance functions perform independent annual assurance testing to comply with regulatory guidelines.
- e. **Reputation Risk:** As a part of the service industry, managing reputation risk is of paramount importance to us. Therefore, we monitor customer complaints resolution, social media complaints, and negative media incidents and obtain real-time feedback to measure the voice of customers.

- f. **Strategic Risk:** Strategic Risk arises due to a wrong business model or lack of medium- or long-term planning. It may also arise due to a lack of awareness about competition or a changing business environment. SBI Card regularly monitors the environment w.r.t credit cards, payments, new entrants, FinTech's with innovative solutions and other developments across the world. Market developments and strategies are regularly reviewed and action plans are designed to strategically position the Company for the long term. Regular benchmarking exercise is conducted. The Board is very actively engaged in providing strategic direction to the company. New and innovative products and offers are designed and offered to customers regularly.



SBI Card successfully implemented new digital initiatives even during the COVID-19 pandemic, thereby increasing agility and efficiency in its various processes.

- g. **Vendor Risk:** SBI Card engages with multiple third parties or vendors for various services across geographies. Failure to manage risks arising out of vendor risk may result in significant financial loss, reputational damage, and/or legal and regulatory issues. The Company has accordingly adopted a Vendor Risk Management Policy detailing guidelines on vendor risk management framework. The framework details the process of risk assessments during the onboarding process. Vendors are classified into high, medium and low risk vendors depending on the nature of service they provide as well as the kind of data shared /managed by them. There is also a process for annual renewals and ongoing monitoring of vendors as well as specific audits/reviews of vendors. A specific committee – Vendor Risk Management Committee has been set up to monitor these risks as well as provide oversight to the Vendor Risk Team.
- h. **Information and Cyber security risks:** We are responsible for complying with the relevant regulatory and statutory Information & Cyber Security requirements. Board approved Information & Cyber Security Policy is in place to ensure integrity and security of data. There are laid

down norms for data transfer, data storage, and physical, logical access and cyber security procedure. Logging and reporting of cyber security incidents is done. The IT security practices are audited frequently to ensure strict compliance. Even vendors, to whom various jobs (viz, data entry, verification etc.) have been outsourced, are required to the Company's Information & Cyber Security Policy.

Operations and Customer Servicing

At SBI Card, keeping the customer first is the focus of all our endeavours. Our business processes and technology are aligned to provide the best customer experience to all our customers. This coupled with building operational excellence, have been the hallmark of our operations. The operations unit at SBI Card has adopted a highly scalable variable cost model with a judicious mix of outsourcing and the use of technology to manage business across cycles. Our processes are constantly reviewed and benchmarked with the customer expectations through a rigorous mechanism of process baselining, cross-industry benchmarking, and most importantly, customer's voice, that help to identify focus areas for improvement. Our customers have a very high digital adoption and extensive use of Artificial Intelligence (AI) and Robotic Process Automation (RPA) have won us industry accolades and deepened customer trust.

Mentioned below are some of the key achievements/initiatives of FY2022 that helped create value in customer experience and higher cost efficiencies:

- » Digitisation of key customer touch points:
 - Statements and PIN on SMS – 97% non-paper statements
 - 99% customer repayments through digital modes
 - Introduced eNACH payment facility for activation as well as deactivation on digital channels.
- » All outward remittances through digital modes
- » Introduction of SBI Card membership e-kits leading to cost reduction and eliminating paper.
- » Deployed RPA to enhance the efficiency of the card delivery process.
- » Focus on digitisation to deflect customers for self-servicing, thereby reducing any complaints arising out of incorrect execution or delays.
 - Digitised Credit Balance Refund
 - Digital On-Call resolution for Fee Waiver
 - Automated Card Downgrade Process

SBI Card has put a specific focus on digitising the new card application processes with instant issuance for existing and new SBI Card customers.

- Contextual IVR has been undertaken, and scenarios are in the pipeline for further improvements.
- Digitisation of Contact change process effective Dec '21 & converted to On Contact Resolution process at Digital channels

In FY 2022, SBI Card, in pursuit of its continued vision of enriching the experience of customers, SBI Card strategically embarked on expansion in assisted channels and planned interventions in digital channels of customer interaction. The Company today provides omnichannel customer support across channels such as IVR, website, Mobile APP, helpline, Chatbot "AskILA", SMS, and WhatsApp.

Customer experience and digital continue to be the bedrock of our Servicing strategy and we continue to build advanced capabilities. Over 83% of the customer enquiries/ requests are digitally serviced. We continue to leverage our existing capabilities in AI, ML & Data models to proactively cater to the needs of our customers and move towards faster resolution. Some of the recent implementations include Contextual IVR, Email Bot, etc.

This is backed by a State-of-the-art Command centre with globally acknowledged "COPC" certification in workforce management practice providing the ability to manage scale and meet the dynamic servicing needs of our customers.

With a strong emphasis on resolving and reducing customer complaints, we have strengthened complaint management practices for faster and more accurate customer issue resolution.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Technology

We at SBI Card are committed to digitising our journey, across the life cycle of a Card, from New Accounts to Collections, powered by Artificial Intelligence and Data, built on a strong infrastructure to enable growth in the payments ecosystem while protecting our customers.

» **Digital Sourcing Capabilities & Alternate Data Integration with Artificial Intelligence (AI)/ Machine Learning (ML):**

Our Sales 24 platform (Origination/New Account sourcing platform) is enabled for accepting applications and documents through digital channels. Both these features are available for applicants for all sourcing journeys, i.e. Direct to Customer, Open Market, Sales tele calling team or self-assisted journey on the SBI Card's website or SBI Branch Sourcing through the YONO Branch Portal. This year we have added new digital capabilities like Lead Management Portal, Integrated with Alternate Data Sources and introduced AI/ML-based models for fraud screening. These upgrades, particularly in the area of alternate data sources and AI/ML-based models, help us in better and faster credit decisions.

» **Digital Customer Acquisition:**

SBI Card has put a specific focus on digitising the new card application processes with instant issuance for existing SBI Card and new-to-SBI Card customers. With these as objectives, the team has launched the below transformation Digital Multicarding Process for our existing customers, where eligible customers are issued card instantly with no documentation or human intervention. This is the first time in the history of SBI Card that we have issued cards to customers in real-time. We also won the industry MarTech award (on February 10, 2022 for FY FY2022) for this digital transformation as the entire platform was built in-house.

» **SBI Card – SPRINT: Straight Through Processing for New to SBI Card Customers**

SBI Card has built an end to end digital processing application with instant card issuance for New to SBI Card Segment. The new process offers digital application submission on the SBI Card website, Digital KYC (using Digilocker), alternate data integration and instant decision-making based on AI and ML models for the customers with real-time card issuance. The new process will provide an instant carding option for new customers of SBI Card.

» **Data Analytics**

The Company has invested in Data Lake, which brings data from multiple core platforms into one place, enabling real-time and near real-time analytics and next best action for applicable use cases and business functions. This year the data lake platform was extensively leveraged to build capabilities using data science to improve customer experience, increase customer spends, increase collection efficiency and various customer transaction monitoring initiatives. Some of these initiatives are Contextual Servicing built-in IVR wherein customers are presented with a personalised IVR menu, Digital Collections capabilities to enable SBI Card Customers with multiple digital payment option. Digital capabilities were also enhanced using Data Lake to offer an instant call back to our customers for transaction declines and next best action.

SBI Card is a rapidly growing organisation, with average employee age of 33 years and is consistently focused on its biggest asset – Human Capital.

» **Digital Servicing:**

In our endeavour to empower our customers with self-servicing empowerment, we introduced many new self-service capabilities on our digital channels, and a few critical ones are mentioned, such as WhatsApp servicing expansion with new features such as statement download, Reward Summary etc., BBPS on AskILA (Bharat Bill Payments on AskILA), online fee waiver capability of digital channels (industry-first initiative), Digital Credit Balance Refund request, enabling digital journey for International Travel Itinerary updation, implementation of additional fraud/security policy checks to strengthen the contact change process etc.

» **Digital Collections:**

We have a state-of-the-art collections platform, and we continue to digitise our collection processes and journeys with an endeavour to make life simpler for end users & customers. To augment digital collections and drive cost efficiency, a new collections model has been deployed

to identify self-cure segments for digital-only follow ups. Digital collections communication modes include IVR/Email/WhatsApp and SMS. To further enhance digital communication efficacy, Vernacular language messaging has also been enabled on SMS. We also leverage the digital ecosystem to improve collection efficiency through the usage of alternate data sources to enhance customer connects.

» **Strong, Scalable, Reliable & Secure Infrastructure:**

Introduced fault tolerance in SBI Card network infrastructure through implementation of SDWAN (Software-Defined Wide Area Network) to minimise contact center downtime.

Compliance

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

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

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

The compliance function reviews all new products and processes and ensures that the internal policies of the Company address the regulatory requirements comprehensively. The compliance function also aims to continuously strengthen the culture of integrity and ethics through employee awareness and education on key compliance themes and regulatory obligations through various modes like e-learning sessions, leadership connect, focus group sessions, location connect, online knowledge checks etc. A comprehensive compliance

To ensure the highest standards of compliance, SBI Card has a strong, independent and robust compliance program in accordance with the regulatory and ethical obligations.

training program ensures continuous employee education and awareness for all new and existing employees.

At SBI Card, we also firmly believe that as business transactions become more digitised, trust and transparency remain vital elements of the business. This approach strengthens our current relationship with the customers and also shapes our endeavours for future business growth.

Internal Audit

The Internal Audit function of the Company provides independent assessment to the management on the effectiveness of Internal Controls, Risk Management and Regulatory compliance of the organisation. Besides contributing to the effectiveness of the internal controls in achieving the corporate objectives. The internal audit team is responsible for planning and getting the internal audits in FY2022 conducted for all functions, policies and processes through an independent external audit firm engaged for the purpose. The risks associated with the business and various processes are identified as part of the risk assessment exercise and RCSA conducted by the risk function. The internal audit function ensures that all risks and controls identified and captured in the RCSA are reviewed and controls are validated during the audit process. The audit process includes elements to assess possible risks to organisational business performance, business sustainability and reputational risk. All key policies are audited by the auditors to ensure that the design of the policy addresses the potential risks and that the policy is correctly implemented to give the desired results. The Internal Audit function of the Company operates under the supervision of the Audit Committee of the Board (ACB), thereby ensuring its independence. The effectiveness of internal controls in terms of the Company's internal processes and regulatory guidelines

MANAGEMENT DISCUSSION & ANALYSIS REPORT

are regularly reviewed by the ACB, and wherever necessary, directions are passed for the required compliance.

The company has also implemented the Risk Based Internal Audit program in line with the RBI Circular.

Human Resources

SBI Card is a rapidly growing organisation, with average employee age of 33 years and is consistently focused on its biggest asset – Human Capital, i.e. the employees. Overall employee strength was 3774 as on March 31, 2022. Strong and stable Senior Management (excluding officers deputed from SBI) has an average tenure of ~15 years with the organisation. FY2022 witnessed some strong HR initiatives around all aspects of the employee lifecycle, as discussed below.

Focus on Talent Acquisition framework

1. Recruitment of Graduate Engineering Trainees from engineering institutes in addition to Management Trainees program to bolster talent pipeline in technical roles.
2. Women Alumni hiring: - Successful roll out of women alumni hiring program.
3. Creation of talent pipeline through job portals and social media platforms for generic and niche skills roles.
4. Partnering with Non-Government Organisations (NGOs) working in the field of empowerment of people with disabilities to hire such candidates.
5. Organising hiring drives virtually and in-person to boost lateral hiring from the market.

Restructured Talent Management Framework to cater to business dynamics by:

1. Scientific and comprehensive process of Organisation Structure, designed with clear linkages to productivity metrics
2. Robust Career Progression process & principles established through:
 - i. Individual Development Plan for employees in the middle and senior management level, ensuring the enhancement in the behavioural as well as technical skills.
 - ii. Introduction of career aspiration tab under the PMS module enabling an employee to express willingness to move within the organisation.
 - iii. Internal Job Posting framework for employees to move inter/intra function to create an agile workforce.
3. Implemented Performance Management philosophy aligned to business requirement.

FY2022 witnessed some strong HR initiatives at SBI Card around all aspects of the employee lifecycle.

Robust Learning & Development domain in the organisation

1. Implemented a framework for measuring the learning impact of L&D interventions on employees and business.
2. Introduced executive coaching for senior management with a 360-degree leadership benchmark assessment.
3. Functional and Technical skills curriculum crafted basis training needs identifications exercise conducted with each business leader and their teams.
4. Managerial capability development program deployed for first-time people managers.
5. Sales excellence for areas sales managers was introduced to enhance the productivity of Areas Sales Managers deployed. The programme is designed to post deep discovery discussions with businesses and participants across Banca and Corporate Sales.
6. IT leadership academy launched wherein the program is conceptualised to give an opportunity to employees across the organisation with a passion and interest in IT to get upskilled towards building a career in IT. Successful candidates post completion of 9 months of project-based learning will be absorbed in the IT function.

Digitisation of HR processes

1. The entire Employee life cycle from Talent acquisition to Exit of an employee is automated and can be tracked in real-time
2. Online HR Analytics & Dashboard went live for all people and individual managers across the organisation, which provides them with key insights on different HR Metrics, viz. headcount and gender diversity, among others.
3. To provide work-life balance to employees, the capability was built into the system by which employees can track their average working hours on a real-time basis.

- To enhance employee experience, a state-of-the-art HR Chat Bot (Drishti) is running successfully, and continuous technology interventions are conducted for an enhanced employee experience.

Employee Wellness & Engagement

- To enable work-life balance, flexible working hours were introduced.
- Under the Wellness theme, multiple sessions with medical and other experts were conducted on a wide range of topics such as mental and physical well-being.
- Enhanced and comprehensive insurance coverage with increased insurance limit and enrollment of parents.
- Quarterly employee townhalls conducted across India, SMT connects initiated in every quarter to increase the facetime as well as the visibility.
- Engagement activities – fun@work was concluded across the organisation, and diversity and inclusion week was initiated apart from ongoing festivities.

As a socially-responsible company, we marked our presence in various states/UTs through our CSR initiatives in FY2022 to strengthen public infrastructure, benefiting thousands of needy individuals, including youth, women, elderly and differently-abled individuals in areas of Education, Health, Disaster Management, Environment Sustainability & Skill Development

Financial Performance

Given under is a snapshot of the financial results for the year ended March 31, 2022, and the previous year:

(in ₹ crores)

Particulars	FY2022	FY2021	% Change
Total Income	11,302	9,714	16%
Finance Costs	1,027	1,043	-2%
Credit Costs	2,258	2,700	-16%
Operating Costs	5,844	4,646	26%
PBT	2,172	1,324	64%
PAT	1,616	985	64%

Total Income increased by 16% from ₹9,714 crore in FY2021 to ₹11,302 crore in FY2022. This was a result of the following key factors:

- » Fees and commission income increased 34% from ₹3,908 crore in FY2021 to ₹5,227 crore in FY2022. Business development incentive income increased 50% from ₹299 crore in FY2021 to ₹448 crore in FY2022. The increase in fees and commission income and business development incentives income was driven by a 16% growth in cards in

16%

YoY increase in Total Income during FY2022

force and 52% growth in spends. Other Income increased 50% from ₹417 crore in FY2021 to ₹624 crore in FY2022. Other income included in a one-off gain of ₹108 crore provision write back towards GST refund.

- » Interest income decreased by 2% from ₹4,947 crore in FY2021 to Rs. ₹4,866 crore in FY2022. Interest income yield decreased from 20.1% in FY2021 to 17.6 % in FY2022, while average receivables increased by 12%.

Finance costs decreased 2% from ₹1,043 crore in FY2021 to ₹1,027 crore in FY2022 and were driven by lower cost of funds from 6.1% in FY2021 to 5.2% in FY2022.

Operating costs increased by 26% from ₹4,646 crore in FY2021 to ₹5,844 crore for FY2022. The cost-to-income ratio increased from 53.6% in FY2021 to 56.9% in FY2022. Cost-to-income was lower in FY2021 due to lower business volumes impacted by COVID-19 disruptions.

Impairment losses and bad debt expenses, along with net loss on derecognition of financial instruments under amortised category (Credit costs) for the year, decreased by 16% from ₹2,700 crore for FY2021 to ₹2,258 crore for FY2022. Gross credit costs as a percentage of average receivables decreased from 11% in FY2021 to 8.3% in FY2022. Net credit costs (after deducting recoveries from bad debts) as a percentage of average receivables decreased from 9.4% to 6.4% during the same period.

Net profit (after tax) increased by 64% from ₹985 crore in FY2021 to ₹1,616 crore in FY2022.

To enhance employee experience, a state-of-the art HR Chat Bot (Drishti) is running successfully, and continuous technology interventions are conducted for an enhanced employee experience.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Balance Sheet

- » Total balance sheet size increased by 28% from ₹27,013 crore as of March 31, 2021, to ₹34,648 crore as of March 31, 2022.
- » Net worth increased by 23% from ₹6,374 crore as on March 31, 2021, to ₹7,824 crore as of March 31, 2022.
- » Gross credit card receivables increased by 25% from ₹25,114 crore as of March 31, 2021, to ₹31,281 crore as of March 31, 2022.

Asset Quality

Gross Non-performing Assets (GNPA) as a percentage of gross advances decreased from 4.99% as on March 31, 2021, to 2.22% as on March 31, 2022. Net Non-Performing Assets (NNPA) as a percentage of gross advances decreased from 1.15% to 0.78% during the same period.

Capital Adequacy and liquidity

As per the capital adequacy norms issued by the RBI, the Company's capital to risk ratio (CRAR) consisting of tier I and tier II capital should not be less than 15% of its aggregate risk-weighted assets on the balance sheet and of the risk-adjusted value of off-balance sheet items. CRAR of the Company was 23.8% as on March 31, 2022, compared to 24.8% as of March 31, 2021.

The tier I capital in respect of an NBFC-ND-SI, at any point in time, is required to be not less than 10%. The Company's tier I capital was 21% as of March 31, 2022, compared to 20.9% as of March 31, 2021.

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

Credit Rating

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

The high credit ratings depict the robustness of the Company's liquidity management framework and its ability to meet financial obligations. The Company has access to a diverse source of funds, and its borrowing composition consists of multiple bank lines, commercial papers and debentures. As on March 2022, the Company had ₹5,005 crore of unutilised banking limits, which translates into 25% of sanctioned banking limits which is more than sufficient to meet its future obligations. The Company also has a robust Asset Liability

₹34,648 crore

Total Balance Sheet Size as of
 March 31, 2022.

Management process with positive cumulative mismatches across all buckets.

Segment-wise or product-wise performance

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

Key Ratios

Particulars	FY2022	FY2021	Change
Return on Average Assets	5.4%	3.8%	156 bps
Return on Average Equity	22.8%	16.6%	621 bps
EPS (basic) ₹	17.16	10.48	64%
Total Capital Adequacy Ratio	23.8%	24.8%	-92 bps
Financial Leverage (Debt/Equity = Liabilities/Tier 1 Equity)	4.1	4.0	-
Interest Income Yield	17.6%	20.1%	-251 bps
Net Interest Margin	13.9%	15.9%	-200 bps
Cost to Income	56.9%	53.6%	329 bps
Gross NPA	2.22%	4.99%	-278 bps
Net NPA	0.78%	1.15%	-37 bps

Explanation of Return on Average Equity

Return on Average Equity (ROAE) increased from 16.6% in FY2021 increased to 22.8% in FY2022. Return on Average Assets (ROAA) increased from 3.8% in FY2021 to 5.4% in FY2022. The following table provides a summary computation of the ratios:

ROA tree as a percentage of average total assets

Particulars	FY2022	FY2021	Change
Total Income	37.8%	37.9%	-10 bps
Finance Costs	3.4%	4.1%	-64 bps
Operating Costs	19.5%	18.1%	142 bps
Credit costs	7.5%	10.5%	-298 bps
PBT	7.3%	5.2%	210 bps
Taxes	1.9%	1.3%	54 bps
PAT (ROAA)	5.4%	3.8%	156 bps
Average Assets/ Average Equity	4.2	4.3	
ROAE	22.8%	16.6%	621 bps

Prospects

The Company shall continue to leverage sourcing from the SBI customer database. We continue to focus on increasing high-quality new accounts all customer acquisition channels. The Company aims to increase its digital sourcing from both banca and open market channels and has launched an end-to-end paper-less & presence-less journey for card acquisition. During the year, the Company launched new co-brands with Fabindia and Nature's Basket and will continue to explore co-brand opportunities with online and premium partners. The company will also continue to target new segments of customers, for example, urban youth health-conscious customers are through new products like SBI Card PULSE.

The Company is focused on growing its portfolio by increasing spends and receivables through increasing engagement with customers through merchant alliances and targeted offers. It

SBI Card is well-placed to tackle challenges and leverage the immense possibility in the credit card space to maximise value for its stakeholders.

is also focused on growing interest-earning assets through higher instalment lending product penetration.

SBI Card strives to maximise customer satisfaction through superior servicing and product offerings. The Company shall continue to leverage its human and technical assets towards this objective.

The Company shall continue to remain vigilant towards emerging risks, including credit, information security and enterprise risks and shall continue to monitor and intervene where required.

The Company is well-placed to tackle challenges and leverage the immense possibility in the credit card space to maximise value for all its stakeholders.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Twenty Fourth (24th) Annual Report along with the Audited Annual Accounts of your Company for the financial year ended March 31, 2022.

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

The financial performance of the Company for the financial year ended March 31, 2022 and for the previous year is summarized below: –

		(₹ In Crores)	
S. No.	Particulars	2021-22	2020-21
1	Income	11301.52	9713.58
2	Finance Cost	1027.32	1043.40
3	Operating & Other Expenses	7953.48	7223.19
4	Depreciation and Amortization	148.56	123.26
5	Profit /(Loss) Before Tax	2172.16	1323.73
6	Tax	556.02	339.21
7	Profit /(Loss) After Tax	1616.14	984.52
10	Add: Opening surplus in statement of profit and loss	3418.78	2719.51
11	Add: Transfer from other comprehensive income	5.16	5.55
12	Less: Transfer to Statutory Reserve	323.23	196.90
13	Less: Interim equity dividend declared (amount ₹ 2.50 per share in FY 21-22, ₹ 1 in FY 20-21)	235.79	93.90
14	Balance of P&L Account C/F to Balance Sheet	4481.06	3418.78

In FY22, the Company sourced 35.72 lacs new accounts at 33% YoY. Cards-in-force grew by 16% to reach 1.38 Crore as on March 31, 2022. In terms of cards-in-force, SBI Card is the 2nd largest credit card issuer. The company generated spends of ₹1,86,353 Crore at 52% YoY. Receivables grew by 25% to close the year at ₹31,281 Crore. The remarkable portfolio growth has been achieved despite COVID related economic lockdown in the 1st quarter of FY22.

Backed by robust portfolio growth, the company delivered an impressive Profit after Tax of ₹1,616 Crore at 64% YoY with ROAA of 5.4% and ROAE of 22.8%.

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

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR UNDER REVIEW

During the financial year 2021-22, the Company had allotted 26,47,033 Equity Shares of ₹10/- each to the eligible employees of the Company pursuant to the exercise of options under the SBI Card - Employee Stock Option Plan 2019 (ESOP Scheme 2019) at the exercise price of ₹152.10 per share. Accordingly, the paid-up capital of the Company increased from ₹ 9,40,52,54,560/- consisting of 94,05,25,456 equity shares of ₹10/- each as on March 31, 2021 to ₹ 9,43,17,24,890/- consisting of 94,31,72,489 equity shares of ₹10/- each as on March 31, 2022. There has been no change in the nature of business during the year under review.

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

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

BOARD'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

DIVIDEND

During the year ended March 31, 2022, the Board of Directors have declared interim dividend of 25% (₹2.50 per

equity share of the face value of ₹10.00) for the financial year 2021-22 in accordance with provisions of the Companies Act, 2013 and the Dividend Distribution Policy of the Company, as amended. (March 31, 2021 - NIL)

DIVIDEND DISTRIBUTION POLICY

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

RESERVES

During the year ended March 31, 2022, the Company appropriated ₹323.23 Crores towards the Statutory Reserves (₹196.90 Crores in FY21) in accordance with Section 45-IC of the Reserve Bank of India Act, 1934.

Status of other reserves and share application money pending allotment (stated as other equity in financial statements) as on March 31, 2022 is as follows:

Other Equity Particulars	(Figure in ₹ Crores)	
	2021-22	2020-21
Capital Redemption Reserve	3.40	3.40
General Reserve	13.11	13.08
Statutory Reserves	1,335.08	1,011.85
Capital Reserve (on account of amalgamation)	(71.51)	(71.51)
Securities Premium	988.09	935.19
Retained Earnings	4,481.06	3,418.78
Share application money pending allotment	-	2.92
Share Options outstanding account	47.97	40.50
Equity investment - OCI	12.32	7.29
Total	6,809.52	5,361.50

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

Pursuant to the provisions of Regulation 23 (4) of Listing Regulations, the Company has necessary approval of the Members for material related party transaction(s) undertaken in the FY 2021-22. Further, pursuant to the Clarification issued by SEBI vide its Circular No. SEBI/HO/ CFD/CMD1/CIR/P/2022/47 dated April 8, 2022, the Material Related party Transactions entered/ to be entered during the FY 2022-23 and thereafter till the next annual general meeting of the Company to be held in FY 2023-24 or fifteen months from the date of 24th Annual General Meeting, whichever is earlier, are being placed for the approval of members at the ensuing AGM.

BOARD'S REPORT

CAPITAL ADEQUACY

As per the Reserve Bank of India norms applicable for NBFC, the company is required to keep a Capital Adequacy Ratio (CAR) of 15 %. Company's CAR is well above the regulatory requirement at 23.83% with 21.03% as Tier 1 Capital, as of March 31, 2022.

DEBENTURES

ISSUE OF DEBENTURES

During the Financial Year 2021-22, your Company has raised money by issue and allotment of following debentures:

- Raised ₹ 455 Crores by issue and allotment of 4,550 Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Senior, Listed Non-Convertible Debentures of ₹10,00,000/- each.
- Raised ₹ 500 Crores by issue and allotment of 5,000 Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Senior, Listed Non-Convertible Debentures of ₹10,00,000/- each.
- Raised ₹ 500 Crores by issue and allotment of 5,000 Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Senior, Listed Non-Convertible Debentures of ₹10,00,000/- each.
- Raised ₹ 500 Crores by issue and allotment of 5,000 Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Senior, Listed Non-Convertible Debentures of ₹10,00,000/- each.
- Raised ₹ 650 Crores by issue and allotment of 6,500 Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Senior, Listed Non-Convertible Debentures of ₹10,00,000/- each.

REDEMPTION OF DEBENTURES

During the Financial Year 2021-22, following Non-Convertible Debentures were duly redeemed on due date:

- Series 05, 1000 Unsecured Non-Convertible Debentures of ₹ 10,00,000/- each.
- Series 10, 1100 Unsecured Non-Convertible Debentures of ₹ 10,00,000/- each.

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

The Company, being a non-banking financial company registered with the RBI and engaged in the business of issuing credit cards, is exempt from complying with certain provisions

of section 186 of the Companies Act, 2013. Other necessary details as required under the Section 186 of the Companies Act, 2013 are furnished in the financial statements of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year under review, Mr. Ashwini Kumar Tewari (DIN: 08797991) and Mr. Mihir Narayan Prasad Mishra (DIN: 08321878) were appointed as Non - Executive Director (Nominee of SBI) of the Company w.e.f. April 5, 2021 and June 18, 2021, respectively.

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

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

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

During the year under review the Shareholders of the Company have approved re-appointment of Dr. Tejendra Mohan Bhasin and Mr. Rajendra Kumar Saraf as Independent Directors of

BOARD'S REPORT

the Company for a second term of three years i.e. w.e.f. June 28, 2022 and August 14, 2022, respectively.

As on March 31, 2022, the Company had three Key Managerial Personnel namely Mr. Rama Mohan Rao Amara, MD and CEO; Mr. Nalin Negi, CFO and Ms. Payal Mittal Chhabra, Company Secretary. Company Secretary also act as Compliance Officer of the Company for the purposes of SEBI, Stock Exchanges and other listing compliances.

Mr. Nalin Negi, Chief Financial Officer of the Company has tendered his resignation from the services of the Company and will cease to be the Chief Financial Officer of the Company w.e.f. July 31, 2022.

The shareholders of the Company at their Extra-ordinary General Meeting held on November 15, 2019 had appointed Mr. Dinesh Kumar Mehrotra and Ms. Anuradha Nadkarni as Independent Directors of the Company for a term of three years w.e.f. November 14, 2019 till November 13, 2022. Accordingly, the term of Mr. Mehrotra and Ms. Nadkarni will conclude on November 13, 2022.

In view of the knowledge, background, experience and contribution (including time commitment) made by Mr. Mehrotra and Ms. Nadkarni during their tenure, it would be in the interest of the Company to have continued association with them as Independent Directors. Accordingly, the Nomination and Remuneration Committee had recommended the appointment of Mr. Dinesh Kumar Mehrotra and Ms. Anuradha Nadkarni as Independent Directors of the Company for the second term of three years w.e.f. from November 14, 2022 to November 13, 2025. Further, the Board of Directors of the Company, at its meeting held on July 28, 2022, recommended to the shareholders, re-appointment of Mr. Mehrotra and Ms. Nadkarni as Independent Directors of the Company for the second term of three years w.e.f. from November 14, 2022 to November 13, 2025. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing their candidature for re-appointment as an Independent Director on the Board of the Company.

Mr. Ashwini Kumar Tewari, Non-Executive Director (Nominee of SBI) resigned from the directorship of the Company with effect from July 14, 2022, consequent upon his stepping down from the position of Managing Director (IB, T & S) in State Bank of India.

Your Directors place on record their sincere appreciation for the contribution made by Mr. Devendra Kumar, Mr. Sunil Kaul and Mr. Ashwini Kumar Tewari during their tenure on the Board of the Company.

Further, the Board of Directors of the Company appointed Mr. Swaminathan Janakiraman as a Non – Executive Director (Nominee of SBI) (DIN: 08516241) of the Company w.e.f. July 22, 2022, subject to the approval of members of the Company, as per Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received a notice in writing regarding candidature of Mr. Swaminathan Janakiraman for appointment as Nominee Director. Appointment of Mr. Swaminathan Janakiraman as a Non – Executive Director (Nominee of SBI) on the Board is recommended by the Nomination and Remuneration Committee. The Board also recommends the appointment of Mr. Swaminathan Janakiraman as Non – Executive Director (Nominee of SBI), to the members of the Company.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, the Company has been undertaking and participating in the socially important projects to strengthen public infrastructure benefiting thousands of needy individuals that includes youth, women, elderly & differently abled individuals in areas of Education, Health, Environment sustainability, Skill Development and Disaster Management. The Company has also framed a CSR policy in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

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

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

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

Apart from receiving sitting fees for attending Board and Committee meetings by the eligible Non-executive Directors

BOARD'S REPORT

of the Company and credit card transactions in the ordinary course of business, there are no pecuniary relationship of the Non-executive Directors with the Company.

The Closing Balance as on March 31, 2022 of the credit cards issued to Directors of the Company was ₹ 0.04 Crores.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

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

AUDITORS AND COMMENTS ON AUDITORS REPORT

During the year under review, the office of the Comptroller and Auditor General of India (hereinafter referred to as "CAG") exercising the power conferred under section 139 of the Companies Act, 2013, appointed M/s. S. Ramanand Aiyar & Co., Chartered Accountants (Registration No. 000990N), as the Statutory Auditor of the Company for the financial year 2021-22. Statutory Audit was duly done by the referred firm. Also, Supplementary Audit of the Company was conducted by Principal Director of Audit Industry & Corporate Affairs, New Delhi, on behalf of Comptroller and Auditor General of India, in accordance with Section 143 of the Companies Act, 2013.

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditor and CAG in their reports.

The Statutory Auditors' report and Comments of the CAG are self-explanatory in nature and does not require any comments from Directors of the Company.

Further, Statutory Auditors of the Company, single or joint for the Financial Year 2022-23 will be appointed by the Comptroller and Auditor General of India.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed M/s. Chandrasekaran Associates, Company Secretaries, as the Secretarial Auditor of the Company to carry out secretarial audit for the financial year 2021-22. The Secretarial Audit Report obtained from

M/s. Chandrasekaran Associates; Company Secretaries is enclosed with this report as **Annexure 3**. The Secretarial Audit Report does not contain any qualification or reservations or adverse remarks.

INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS

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

FRAUD REPORTING

Certain instances of customer frauds on the Company, primarily relating to fraudulent usage of credit cards issued by the Company, have been reported during the FY 2021-22.

The total amount involved in these frauds was ₹0.97 Crores and the recovery against this amount (pertaining to current year as well as the previous years) was ₹1.01 Crores.

SECRETARIAL STANDARDS

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During FY 2021-22, the Company incurred foreign currency expense of an amount of ₹ 446.39 Crores on network, other service charges and other expenses (2020-21: ₹ 313.54 Crores).

The dividend remitted for the FY 2021-22 in foreign currency was ₹ NIL (2020-21: ₹ NIL).

The foreign exchange earnings during the FY 2021-22 were ₹462.34 Crores (2020-21: ₹292.72 Crores) Income in foreign currency represents Incentive Income from network partners.

BOARD'S REPORT

INTERNAL FINANCIAL CONTROLS

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

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

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

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

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

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

RISK MANAGEMENT AT SBI CARD

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

PARTICULARS OF EMPLOYEES

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

Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available on the website of the Company, at www.sbicard.com.

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

PUBLIC DEPOSITS

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

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

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

EMPLOYEE STOCK OPTION SCHEME

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

The objective of employee stock option plan is to reward employees to align individual performance with Company objectives and drive share-holders' value creation, create a culture of ownership among the executives, works towards successful Initial Public offering and employees to enhance their commitment to organization, motivate management to collaborate and attract and retain key talent, critical to organizations' success. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, which was subsequently replaced by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

BOARD'S REPORT

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

(a)	Total Options granted during the year ended March 31, 2022	Nil
	Total Options granted till the date of report	13,475,650
(b)	Number of options vested:	
	➤ During the year ended March 31, 2022	24,02,295
	➤ As on the date of the Annual report	48,52,855
(c)	Options exercised during the year;	24,55,263
(d)	The total number of shares arising as a result of exercise of option;	24,55,263
(e)	Options lapsed;	7,000
(f)	The exercise price;	₹ 152.10
(g)	Variation of terms of options;	None
(h)	Money realized by exercise of options during the year;	₹ 37.34 Crores
(i)	Total number of options in force;	90,65,440 (including options vested but not exercised)
(j)	Employee wise details of options granted to:-	
	(i) Key managerial personnel;	No options were granted to the KMP during the FY21-22
	(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	NIL
	(iii) Identified employee who was granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NIL

Company is using fair value method to value its options. The detailed disclosures pursuant to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 have been placed on website of the Company i.e. www.sbicard.com.

UPDATE ON CUSTOMER COMPLAINTS

Particulars	Gross Inflow		Net Complaints (Subset of Gross Inflow)	
	As of March 31, 2022	As of March 31, 2021	As of March 31, 2022	As of March 31, 2021
No. of cases pending at the beginning of the year	12,150	5,959	81	133
No. of cases received during the year	7,33,546	6,22,099	11,777	6,415
No. of cases redressed during the year	7,36,713	6,15,908	10,448	6,467
No. of cases pending at the end of the year	8,983	12,150	1,410	81

Note: Gross inflow of complaints means any issue raised by our customers across channels and recognized and tagged as a complaint basis the initial voice of the customer

Net Complaints means all gross complaints identified as complaints post validation and checking internal and external records including any document provided by the customers.

The Company receives complaints from both internal and external channels. Internal channels include various touch points within the organization i.e. in person by visiting SBI Card Office/branch, by telephone, mail, fax, e-mail, website, mobile app, or on social media channels. External channels include any customer approaching external bodies including Reserve Bank of India (RBI), Banking Ombudsman Office,

Consumer Education & Protection Department (CEPD), Corporate Center of State Bank of India including complaints received from any external sources by them, Department of Public grievances/Centralized Public Grievance Redress and Monitoring System (DOPG/CPGRAMS), National Consumer Helpline/ Integrated Grievance Redressal Mechanism (NCH/ INGRAM), etc.

BOARD'S REPORT

The number of complaints reported by the Company in the Annual Report for FY 20-21 comprises Net Internal Complaints and Gross Banking Ombudsman Complaints. Effective FY 21-22 organization is moving towards reporting both gross and Net complaints received from internal & external channels post validation. The complaints reported also include 218,150 complaints which were redressed within the next working day.

The organization has been working towards enriching customer experience by focusing on Customer complaints. While there is no industry-wide consistent definition around tagging of complaints, we have expanded the scope to capture a more significant number of issues from the voice of customers (VOC), to help make the processes more customer-centric.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) 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;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) 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.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website at www.sbicard.com.

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Report as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 describing the initiatives taken by Company from environmental, social and governance perspective, has been appended herewith as **Annexure 5** and is also displayed on the website of the Company i.e. www.sbicard.com.

CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the CEO and CFO of the Company have certified the accuracy of the Financial Statements, the Cash Flow Statement and adequacy of Internal Control Systems for financial reporting for the year ended March 31, 2022.

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

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

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

Your Company has a strong and committed corporate governance framework, which encompasses policies, processes and people, by directing, controlling and managing activities with objectivity, transparency and integrity.

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

BOARD'S REPORT

of conditions of Corporate Governance has been appended herewith as **Annexure 6** and forms part of this Annual Report.

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

- (a) Particulars of the Board Meetings held during the financial year under review.
- (b) The details with respect to composition of the Committees of the Board and establishment of Vigil Mechanism.
- (c) The manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors has been made.
- (d) Compliance with provisions under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(e) The credit ratings of the company as at the end of March 31, 2022.

(f) Name of the debenture trustees with full contact details:

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Date: July 28, 2022
Place: Mumbai

Dinesh Khara
CHAIRMAN
DIN: 06737041

ANNEXURE – 1 TO THE BOARD'S REPORT**FORM NO. AOC-2**

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

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

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

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

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

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including Transaction, value if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any (in ₹)
1	State Bank of India, Holding Company	<ul style="list-style-type: none"> • Finance charges • Advertisement, sales promotion (incentives) & Collection • Cost allocations and other arrangements • Borrowings (including Interest) • Fixed Deposit (including Interest) • Fees and Commission, Bank charges • Royalty Expenses • Loans & Advances • Contribution to Other Fund – NPS • Dividend Paid • Cash & Bank Balance 	Ongoing	<p>All the transactions are in ordinary course of business and are at arms' length.</p> <p>(The values of transactions are disclosed in notes to accounts)</p>	Not Applicable as the Transactions are entered in the Ordinary Course of Business and at arms' length.	20,00,000/-

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

For and on behalf of the Board

Date: July 28, 2022
Place: Mumbai

Dinesh Khara
CHAIRMAN
DIN: 06737041

ANNEXURE – 2 TO THE BOARD’S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 22

1. Brief outline on CSR Policy of the Company

SBI Card is committed to simplify the lives of its stakeholders through trust and excellence. Being a responsible corporate citizen, it has integrated Corporate Social Responsibility in the way it conducts its business. It has taken up innovative CSR projects with an aim to create sustainable impact by facilitating access, enhancing collaboration, and building capacity.

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

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

2. Composition of the CSR Committee (as on March 31, 2022):

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	Mr. Rajendra Kumar Saraf	Chairman, Independent Director	4	4
2	Mr. Rama Mohan Rao Amara	Member, Executive Nominee Director	4	4
3	Mr. Mihir Narayan Prasad Mishra*	Member, Non-Executive Nominee Director	3	3
4	Mr. Dinesh Kumar Mehrotra*	Member, Independent Director	3	3

* Mr. Mihir Narayan Prasad Mishra and Mr. Dinesh Kumar Mehrotra were inducted in the Committee w.e.f. June 18, 2021 and June 28, 2021, respectively.

Further, during FY 2021-22 Mr. Devendra Kumar and Mr. Sunil Kaul, were ceased to be the members of the Committee w.e.f. June 8, 2021 and June 18, 2021, respectively.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

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

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

CSR Projects: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/csr-projects-undertaken-in-fy-21-22.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.

The Company carried out impact assessment of CSR projects on following projects in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 –

Sl. No.	Name of the project	Implementing agency	Amount Spent (₹ In Cr.)
1	Support of Covid testing kits for investigation and treatment of COVID patients.	Rajasthan Medicare Relief Society Mother and Child Helath Institute, Jaipur	2.68
2	CSR support to Pediatric department of SMS Medical College (equipment and infrastructure support)	Rajasthan Medicare Relief Society Mother and Child Helath Institute, Jaipur	1.80

Please refer to Annexure - A for summary of Impact Assessment undertaken by Independent Agency. Further the detailed Impact Assessment Report is available at the website of the Company at <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/SBI-Card-Impact-Assessment-Detailed-Report.pdf>

ANNEXURE – 2 TO THE BOARD’S 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 Cr.)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	0.004	0
	TOTAL	0.004	0

*₹ 0.004 Cr. relates to CSR overspent of financial year 2020-21 and is being carried forward to be set-off in the three subsequent financial years following FY 2020-21. Please note that the set-off of ₹ 0.004 Cr. has not been claimed in the current financial year and is being carried forward to be set-off in coming financial years.

6. Average net profit of the company as per section 135(5) - ₹ 1,877.47 Crores**7. (a) Two percent of average net profit of the company as per section 135 (5) - ₹ 37.55 Crores****(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NIL****(c) Amount required to be set off for the financial year, if any - NIL****(d) Total CSR obligation for the financial year (7a+7b- 7c).- ₹ 37.55 Crore****8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (₹ In Crores)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5).		
	Amount (₹ in Cr.)	Date of transfer	Name of the fund	Amount	Date of transfer
37.30*	0.25	25 April 2022	NA	NA	NA

*The amount spent includes ₹ 9,83,905 (0.1 Cr.) spent over and above disbursed amount by implementing agencies during the FY 21-22. The amount has been provisioned and considered in the CSR spent of the FY 21-22. This amount has been transferred into CSR Unspent account for the FY 21-22 in addition to the amount transferred as per requirement of section 135(6).

(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 ₹ Cr.)	Amount spent in the current financial year (In ₹ Cr.)	Amount transferred to unspent CSR account for the project as per section 135 (6) (In ₹ Cr.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	The project aims to promote sustainable solutions to the farm stubble burning problem. Farmers in 20 villages of Karnal district in Haryana will be supported, encouraged & trained to give up the conventional practice of stubble burning and use suitable tools and technologies for managing the residual straw in an environment friendly manner, especially through adopting largescale in-situ recycling of straw.	Environment (iv)	No	Haryana	Karnal	Sept 21- Sept 23	1.92	0.94	0.03	No	CII Foundation	CSR00001013

ANNEXURE – 2 TO THE BOARD’S REPORT

1 Sl. No	2 Name of the project	3 Item from the list of activities in Schedule VII to the Act	4 Local Area (Yes/No)	5 Location of the project		6 Project Duration	7 Amount allocated for the project (In ₹ Cr.)	8 Amount spent in the current financial year (In ₹ Cr.)	9 Amount transferred to unspent CSR account for the project as per section 135 (6) (In ₹ Cr.)	10 Mode of Implementation – Direct (Yes/No)	11 Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration Number
2	To develop sustainable supply chain and strengthen segregation and collection of plastic waste. In addition to this, the project would recycle plastic waste for commercial use.	Environment (iv)	Yes	Delhi, Uttar Pradesh	East Delhi, Gautam Buddha Nagar	Feb 21 – Jan 22	2.86	1.16	0	No	Indian Pollution Control association	CSR00001162
3	Phase 2 of the project involves setting up of one MRF of 10 MTD in association with Greater Noida Authority and two MRF of 2 MTD each with East Delhi Municipal Corporation.	Environment (iv)	Yes	Delhi, Uttar Pradesh	East Delhi, Gautam Buddha Nagar	Dec 21 – Dec 22	1.72	0.21	0	No	Indian Pollution Control association	CSR00001162
4	The project aims to provide training of government school-teachers on pedagogy with an aim to improve the performance of Government Schools in Haryana along with providing digital infrastructure assistance to schools.	Education (ii)	No	Haryana	Kaithal	Feb 21 – Mar 22	0.74	0.02	0	No	International Association for Human Values	CSR00000683
5	Train a total of 560 eligible candidates under 4 different job roles related to COVID-19 Frontline Workers which were launched by the Hon'ble Prime Minister on 18th June 2021.	Skill Development (ii)	Yes	Delhi & Haryana	Gurugram, North West Delhi	Sept 21 – Aug 22	1.83	0.91	0	No	Healthcare Sector Skill Council	CSR00008921
6	Development of resilience in students of classes 6th-8th enrolled in NCR schools through an audiovisual program based on bio-psycho and socio-cultural model of well-being and support for Mental Health E-Magazine "Mansik Swasthya Patrika"	Healthcare (i)	Yes	Delhi	South Delhi, South west Delhi, East Delhi, North West Delhi	Mar 21 – Mar 22	0.69	0.16	0	Mental Health Foundation	CSR00011911	
7	Installation of 2 Oxygen generation plant (OGP) in COVID Care Centre's developed for COVID care in Delhi and LMO Tanks at Rajiv Gandhi Super Specialty Hospital, Delhi.	Disaster Management (xii)	Yes	Delhi	Northwest Delhi, East Delhi	May 21 – June 22	2.11	2.00	0	No	Plan International India Chapter	CSR00001490
8	The project is designed to directly impact 1,200 women candidates to increase the employability opportunity and positively impact their livelihood. TSSC will establish a Skill Centre at Government Girls' College, Sector 15, Gurugram and training will be provided on two Telecom sector job roles.	Skill Development (ii)	Yes	Haryana	Gurugram	Dec 21 – Dec 22	2.67	1.27	0	No	Telecom Sector Skill Council	CSR00009264

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1 Sl. No	2 Name of the project	3 Item from the list of activities in Schedule VII to the Act	4 Local Area (Yes/No)	5 Location of the project		6 Project Duration	7 Amount allocated for the project (In ₹ Cr.)	8 Amount spent in the current financial year (In ₹ Cr.)	9 Amount transferred to unspent CSR account for the project as per section 135 (6) (In ₹ Cr.)	10 Mode of Implementation – Direct (Yes/No)	11 Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration Number
9	Employability Training program to equip young adults on the Autism spectrum, who have finished higher secondary school education with the skills required to be employable such as Life Skills, Communication Skills and Social Skills.	Skill Development (i)	No	Kerala	Thiruvananthapuram	Aug 21 – Aug 23	0.77	0.25	0	No	Centre for Autism and Other Disabilities Rehabilitation, Research and Education	CSR00004591
10	Skill building of children from low-income background in writing, composing, recording and music production along with focus on life skills and mental health.	Healthcare (i)	Yes	Delhi	South Delhi, South West Delhi, South East Delhi, Central Delhi, New Delhi, East Delhi, North Delhi	Feb 21 – Mar 22	0.73	0.15	0	No	Manzil Mystics	CSR00001739
11	The aim of the project is skill development of deaf youth through professional job-related skills and successfully enabling them to be employed.	Skill Development (ii)	No	Uttar Pradesh	Gautam Buddha Nagar	Feb 21 – Mar 23	1.12	0.52	0	No	Noida Deaf Society	CSR00000396
12	The aim of the project is to strengthen infrastructure and processes at 10 sub centers of primary healthcare system through telemedicine support in Nuh, Haryana.	Healthcare (i)	No	Haryana	Nuh	Feb 21 – Mar 23	3.69	1.43	0	No	Smile Foundation	CSR00001634
13	Supporting five mobile primary health care units providing doorstep delivery of medical facilities to the underprivileged in Delhi, Gurugram, Chennai and Agra (Uttar Pradesh)	Healthcare (i)	Yes	Delhi, Haryana, Tamil Nadu and Uttar Pradesh	West Delhi, Southwest Delhi, Gurugram, Chennai & Agra	Dec 20 – Nov 21	1.78	0.88	0	No	Smile Foundation	CSR00001634
14	Extension of five mobile primary health care units providing doorstep delivery of medical facilities to the underprivileged in Delhi, Gurugram, Nuh and Agra (Uttar Pradesh)	Healthcare (i)	Yes	Delhi, Haryana and Uttar Pradesh	West Delhi, Southwest Delhi, Nuh, Gurugram and Agra	Dec 21 – Nov 22	1.81	0.52	0	No	Smile Foundation	CSR00001634
15	Supported 6 family-based care homes (4 in Greenfield, Faridabad and 2 at Bawana, New Delhi)	Childcare (iii)	Yes	Delhi & Haryana	Northwest Delhi and Faridabad	Dec 20 – Nov 21	0.89	0.43	0	No	SOS Children's Village of India	CSR00000692
16	The program will improve the employability of India's underprivileged youth by improving communication and employability skills followed by placements.	Skill Development (ii)	Yes	Delhi & Haryana	East Delhi, West Delhi, South Delhi, North Delhi & Gurugram	Feb 21 – Feb 22	1.00	0.25	0	No	NUDGE Lifeskills Foundation	CSR00000180
17	To plant a total of 30,000 tree saplings of different variety in the Aravalli Hills, Gurugram with the aim to enhance green cover. The plantation will help with carbon sequestering leading to better environment.	Environment (iv)	Yes	Haryana	Gurugram	Nov 21 – Nov 24	1.35	0.56	0	No	Sankalp Taru Foundation	CSR00000590

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1 Sl. No	2 Name of the project	3 Item from the list of activities in Schedule VII to the Act	4 Local Area (Yes/No)	5 Location of the project		6 Project Duration	7 Amount allocated for the project (In ₹ Cr.)	8 Amount spent in the current financial year (In ₹ Cr.)	9 Amount transferred to unspent CSR account for the project as per section 135 (6) (In ₹ Cr.)	10 Mode of Implementation – Direct (Yes/No)	11 Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration Number
18	The aim of the project is to establish 25 ATL/ Robotics Lab/STEMS in Government Schools across Delhi-NCR & Haryana. The labs include educational kits and equipment on – science, electronics, robotics, sensors and 3D printers and computers. These Tinkering labs will be implemented in Government schools to help children understand concepts of Coding, Science and Mathematics by practical applications.	Education (ii)	Yes	Delhi & Haryana	East Delhi, South Delhi, Southwest Delhi, West Delhi, Northwest Delhi, Southeast Delhi, Faridabad, Nuh, Gurugram and Panchkula	Dec 21 – Dec 23	5.00	2.50	0	No	Sumangal Foundation	CSR00009312
19	Home based management of COVID- 19 through tele-consultation facility, home visit by general physician and by providing medicines and basic equipment's to track COVID 19 symptoms.	Disaster Management (xii)	Yes	Haryana	Gurugram	Jan 22 – Apr 22	2.17	1.47	0.20	No	Doctors For You	CSR00000608
20	Project aims to empower people with locomotive disorder by providing customized and detachable mobility solutions, consisting of a combination of wheelchair and scooter. The solution can also be used as a scooter and separately as a wheelchair as per the requirement and situation.	Healthcare (i)	Yes	PAN India		Jan 22 – Apr 22	1.67	0.84	0	No	Round Table India Trust	CSR00000895
21	The project sponsors the education for 200 girl children studying in Vidyapeeth School in Gurgaon from poor backgrounds and to provide pre-vocational skill training to 380 children (inclusive of the 200 girl children) in computer hardware, beauty, and wellness, stitching and tailoring, mobile repair, home science and cooking. The project covers students from class 5th to 10th.	Education (ii)	Yes	Haryana	Gurugram	Jan 21- Dec 21	0.35	0.17	0	No	Literacy India	CSR00000061
22	The project proposes to provide awareness and implementation of source segregation of waste in the location of intervention; funding and technical guidance in establishing decentralized wet waste processing unit, monitoring & evaluation framework for sustainable waste management, data capture methods for the generated and processed waste. The project has four components- Source Segregation Implementation, Resource Recovery, Better Visual Cleanliness, and Integrating/ inclusion of waste workers into formal waste management.	Environment (iv)	Yes	Haryana	Gurugram	Mar 21 – Feb 23	1.43	0.40	0	No	SAAHAS	CSR00000097

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1 Sl. No	2 Name of the project	3 Item from the list of activities in Schedule VII to the Act	4 Local Area (Yes/No)	5 Location of the project		6 Project Duration	7 Amount allocated for the project (In ₹ Cr.)	8 Amount spent in the current financial year (In ₹ Cr.)	9 Amount transferred to unspent CSR account for the project as per section 135 (6) (In ₹ Cr.)	10 Mode of Implementation – Direct (Yes/No)	11 Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration Number
23	Improving mental wellbeing and resilience among adolescents and young married women through community led approach in GOI's RMNCH+A strategy.	Healthcare (i)	Yes	Delhi	Northwest Delhi	Feb 21 – Jan 24	3.28	0.74	0.02	No	Mamta Health Institute for Mother and Child	CSR00001978
24	The program aims to empower youths with visual impairment/ low vision through skill building along with supporting education of blind students.	Skill Development (ii)	Yes	Delhi	Southwest Delhi	Feb 21 – Mar 22	0.71	0.05	0	No	The National Association for the Blind	CSR00000523
25	The project is centered around enhancing learning outcomes by improving access to technology and empowering students across 11 schools of Delhi and Gurgaon.	Education (ii)	Yes	Delhi & Haryana	West Delhi, North Delhi & Gurugram	Feb 21 – Nov 22	1.55	0.24	0	No	Yuva Unstoppable	CSR00000473
26	In Phase 2 of the project support has been extended to 40 more Schools in Haryana to enhance learning outcomes by improving access to technology and empowering students.	Education (ii)	Yes	Haryana	Nuh & Gurugram	Dec 21- Mar 24	5.48	4.04	0	No	Yuva Unstoppable	CSR00000473
27	Under this project, palliative care for terminally ill cancer patients is provided, for whom 'treatment to cure' is no longer effective. Objective of the project is to 'alleviate pain without curing,' and offer everyone a personal, warm & dignified departure.	Healthcare (i)	Yes	Telangana	Hyderabad	Jan 21 – Sept 21	1.60	0.87	0	No	Rotary Club of Banjara Hills Charitable Trust	CSR00002050
28	Project support the development and operation of the Hybrid School at Lotus Petal Foundation Silokhera Gurgaon, Haryana which aids the provision of education to children of underprivileged background through the Hybrid model of schooling, which is essentially a blend of traditional in-school learning and online learning for imparting quality education.	Education (ii)	Yes	Haryana	Gurugram	Feb 21 – May 22	1.78	1.35	0	No	Lotus Petal Charitable Foundation	CSR00001939
29	The project aims at enabling youth with disability to live financially independent lives through vocational skill building and placement support creation. Through concerted efforts in the direction of skill building and employment support, trainees would get employed, and sustain themselves via quality performance.	Skill Development (ii)	Yes	Gujarat & West Bengal	Ahmedabad & Kolkata	July 21 – June 22	0.95	0.49	0	No	Sarthak Educational Trust	CSR00001093

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1 Sl. No	2 Name of the project	3 Item from the list of activities in Schedule VII to the Act	4 Local Area (Yes/ No)	5 Location of the project		6 Project Duration	7 Amount allocated for the project (In ₹ Cr.)	8 Amount spent in the current financial year (In ₹ Cr.)	9 Amount transferred to unspent CSR account for the project as per section 135 (6) (In ₹ Cr.)	10 Mode of Implementation – Direct (Yes/ No)	11 Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration Number
30	The project aims to create water security for 9 villages in Nuh District, Haryana. To tackle this, 15 rainwater harvesting structures will be constructed and 50 farmers will be equipped with water efficient irrigation technique. TBS will also mobilize local communities for participatory water resources management.	Environment (iv)	No	Haryana	Nuh	Nov 21 – Nov 22	1.07	0.39	0	No	Tarun Bharat Sangh	CSR0000505
31	Design, supply, erection, and commissioning of 300 kWp Grid tied Solar PV plants at 2 government hospitals in Delhi.	Environment (iv)	Yes	Delhi	South Delhi	Dec 21 – Dec 24	1.69	0.41	0	No	Skill Council for Green Jobs	CSR00001359
32	Objective of the project is to expand ICU facility by providing critical medical equipment for Child Heart Care in Sai Sanjeevani Hospital in Palwal, Haryana, who are providing free of cost quality health care services to underprivileged children.	Healthcare (i)	No	Haryana	Palwal	Dec 21 – June 22	1.58	1.23	0	No	Sri Sathya Sai Health and Education Trust	CSR00001048
Total							57.99	26.86	0.25			

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

1 Sr. No.	2 Name of the project	3 Item from the list of activities in Schedule VII to the Act	4 Local Area (Yes/ No)	5 Location of the project		6 Amount spent for the project (₹ in Cr.)	7 Mode of Implementation – Direct (Yes/ No)	8 Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Support of two ambulances to district administration of Gurgaon during pandemic.	Disaster management (xii)	Yes	Haryana	Gurugram			I Am Gurgaon	CSR00000018
2	Healthcare equipment and medicine support for treatment of COVID Patients at Telangana Institute of Medical Sciences through Healing Field Foundation.	Disaster management (xii)	Yes	Telangana	Hyderabad	0.70	No	Healing Field Foundation	CSR00002097
3	To strengthen healthcare infrastructure as a requirement by RNT Medical College, Udaipur by providing 14 ICU ventilators.	Disaster management (xii)	No	Rajasthan	Udaipur	1.62	No	International Association for Human Values	CSR00000683
4	Serving the middle, low-income group, geriatric, and differently abled people who lack proper resources for required treatment though strengthening infrastructure of COVID Care Centers along with distributing medical kits and food kits.	Disaster management (xii)	Yes	Telangana & Andhra Pradesh	Hyderabad & Visakha -patnam	1.77	No	Samdrushti Kshamata Vikas Evam Anusandhan Mandal - SAKSHAM	CSR00004963
5	Support rescue for 400+ abandoned, destitute & homeless elderly across Delhi/ NCR and food, medical care and recreational activities for 200+ uniquely identified elderly beneficiaries at SHEOWS facilities in Delhi and Garhmukhteshwar, Uttar Pradesh.	Healthcare (i)	Yes	Delhi & Uttar Pradesh	South East Delhi&	2.02	No	Saint Hardayal Educational And Orphans Welfare Society	CSR00000685

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1 Sr. No.	2 Name of the project	3 Item from the list of activities in Schedule VII to the Act	4 Local Area (Yes/No)	5 Location of the project		6 Amount spent for the project (₹ in Cr.)	7 Mode of Implementation – Direct (Yes/No)	8 Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
6	Support abandoned and destitute elderly and physically challenged in Delhi by providing dry ration support and basic hygiene kit.	Disaster management (xii)	Yes	Delhi	South Delhi, South west Delhi, South East Delhi	0.97	No	Saint Hardayal Educational And Orphans Welfare Society	CSR00000685
7	Support of 35,000 Antigen Test Kits to District Administration Gurugram to fill the supply gap and increase testing to combat COVID -19.	Disaster management (xii)	Yes	Haryana	Gurugram	0.14	No	Smile Foundation	CSR00001634
8	Supporting district authorities by providing Ventilators, Bi-PaPs and rapid antigen kits required in COVID Care Centers, Gurugram, India.	Disaster management (xii)	Yes	Haryana	Gurugram	1.60	No	Yuva Unstoppable	CSR00000473
9	COVID-19 Disaster Relief by distribution of 18,000 Happiness Boxes to students enrolled in Government Schools of Ranga Reddy district, Telangana	Disaster management (xii)	No	Telangana	Ranga Reddy	0.99	No	The Akshayapatra Foundation	CSR00000286
Total						10.44			

(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) – ₹ 37.30 Crores****(g) Excess amount for set off, if any –**

Sl. No.	Particular	Amount (₹ In Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	37.55
(ii)	Total amount spent for the Financial Year	37.30
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

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

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

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(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 ₹ Cr.)	Amount spent on the project in the reporting financial year (In ₹ Cr.)	Cumulative amount spent at the end of reporting financial year	Status of the Project – Completed/ Ongoing
1	FY31.03.2021_5	To develop sustainable supply chain and strengthen segregation and collection of plastic waste. In addition to this, the project would recycle plastic waste for commercial use.	2020-21	Feb 21 – Jan 22	2.86	1.16	2.86	Completed
2	FY31.03.2021_6	The project aims to provide Training of government school-teachers on pedagogy with an aim to improve the performance of Government Schools in Haryana along with providing digital infrastructure assistance to schools.	2020-21	Feb 21 – Mar 22	0.74	0.02	0.74	Completed
3	FY31.03.2021_9	Development of resilience in students of classes 6th-8th enrolled in NCR schools through an audiovisual program based on bio-psycho and socio-cultural model of well-being and support for Mental Health E-Magazine “Mansik Swasthya Patrika”	2020-21	Mar 21 – Sep 22	0.69	0.16	0.37	Ongoing
4	FY31.03.2021_8	Skill building of children from low-income background in writing, composing, recording and music production along with focus on life skills and mental health.	2020-21	Feb 21 – Aug 22	0.73	0.15	0.66	Ongoing
5	FY31.03.2021_10	The aim of the project is skill development of deaf youth through professional job-related skills and successfully enabling them to be employed.	2020-21	Feb 21 – Mar 23	1.12	0.52	0.71	Ongoing
6	FY31.03.2021_3	The aim of the project is to strengthen infrastructure and processes at 10 sub centers of primary healthcare system through telemedicine support in Nuh, Haryana.	2020-21	Feb 21 – Mar 23	3.69	1.43	1.64	Ongoing
7	FY31.03.2021_2	Supporting five mobile primary health care units providing doorstep delivery of medical facilities to the underprivileged in Delhi, Gurugram, Chennai and Agra (Uttar Pradesh)	2020-21	Dec 20- Nov 21	1.78	0.88	1.68	Completed

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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 ₹ Cr.)	Amount spent on the project in the reporting financial year (In ₹ Cr.)	Cumulative amount spent at the end of reporting financial year	Status of the Project – Completed/ Ongoing
8	FY31.03.2021_1	Supported 6 family-based care homes (4 in Greenfield, Faridabad and 2 at Bawana, New Delhi)	2020-21	Dec 20 – Nov 21	0.89	0.43	0.89	Completed
9	FY31.03.2021_11	The program will improve the employability of India's underprivileged youth by improving communication and employability skills followed by placements.	2020-21	Feb 21 – Feb 22	1.00	0.25	0.50	Completed
10	FY31.03.2021_13	The project sponsors the education for 200 girl children studying in Vidyapeeth School in Gurgaon from poor backgrounds and to provide pre-vocational skill training to 380 children (inclusive of the 200 girl children) in computer hardware, beauty, and wellness, stitching and tailoring, mobile repair, home science and cooking. The project covers students from class 5th to 10th.	2020-21	Jan 21- Dec 21	0.35	0.17	0.35	Completed
11	FY31.03.2021_16	The project proposes to provide awareness and implementation of source segregation of waste in the location of intervention; funding and technical guidance in establishing decentralized wet waste processing unit, monitoring & evaluation framework for sustainable waste management, data capture methods for the generated and processed waste. The project has four components- Source Segregation Implementation, Resource Recovery, Better Visual Cleanliness, and Integrating/ inclusion of waste workers into formal waste management.	2020-21	Mar 21 – Feb 23	1.43	0.40	0.54	Ongoing
12	FY31.03.2021_15	Improving mental wellbeing and resilience among adolescents and young married women through community led approach in GOI's RMNCH+A strategy.	2020-21	Feb 21 – Jan 24	3.28	0.74	1.03	Ongoing

ANNEXURE – 2 TO THE BOARD’S REPORT

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 ₹ Cr.)	Amount spent on the project in the reporting financial year (In ₹ Cr.)	Cumulative amount spent at the end of reporting financial year	Status of the Project – Completed/ Ongoing
13	FY31.03.2021_17	The program aims to empower youths with visual impairment/low vision through skill building along with supporting education of blind students.	2020-21	Feb 21 – Mar 22	0.71	0.05	0.71	Completed
14	FY31.03.2021_18	The project is centered around enhancing learning outcomes by improving access to technology and empowering students across 11 schools of Delhi and Gurgaon.	2020-21	Feb 21 – Nov 22	1.55	0.24	1.45	Ongoing
15	FY31.03.2021_12	Under this project, palliative care for terminally ill cancer patients is provided, for whom 'treatment to cure' is no longer effective. Objective of the project is to 'alleviate pain without curing,' and offer everyone a personal, warm & dignified departure.	2020-21	Jan 21 – Sept 21	1.60	0.87	1.60	Completed
16	FY31.03.2021_14	Project support the development and operation of the Hybrid School at Lotus Petal Foundation Silokhera Gurgaon, Haryana which aids the provision of education to children of underprivileged background through the Hybrid model of schooling, which is essentially a blend of traditional in-school learning and online learning for Imparting quality education.	2020-21	Feb 21 – May 22	1.78	1.35	1.78	Ongoing
17	FY31.03.2021_4	Support of medical equipment to PGIMS (Rohtak).	2020-21	Feb 21 – Oct 21	3.26	Nil	3.26	Completed
18	FY31.03.2021_7	Process and Recycle Horticulture and Wet Waste in Four Areas of New Delhi through State-Of-The-Art Waste Processing and Composting Units in Partnership with NDMC	2020-21	Feb 21- Feb 22	0.19	Nil	0.19	Completed
19	FY31.03.2021_19	Supporting the elderly diagnosed with mental health issues by provision of shelter and healthcare facilities, targeted for abandoned senior citizens and mentally disabled citizens.	2020-21	Feb 21 – Jan 22	0.86	Nil	0.86	Completed

ANNEXURE – 2 TO THE BOARD’S REPORT

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 ₹ Cr.)	Amount spent on the project in the reporting financial year (In ₹ Cr.)	Cumulative amount spent at the end of reporting financial year	Status of the Project – Completed/ Ongoing
20	FY31.03.2021_20	Promoting Mental Healthcare by Improving mental wellbeing to overcome mental issues such as suicidal tendency, alcohol and drug dependence, anxiety, stress, emotion control by providing treatment to patients suffering from mental health issues.	2020-21	Mar 21 – Sept 21	0.95	Nil	0.95	Completed
21	FY31.03.2021_21	Support provided to set up a Computer Operator Programming Assistant in the laboratory in Hathras (U.P).	2020-21	Sept 20- Mar 22	0.23	Nil	0.23	Completed
22	FY31.03.2021_22	Undertaken multiple projects with focus on inclusive education, improving healthcare infrastructure and awareness, skill development with focus on differently abled individuals, environment conservation and rural development.	2020-21	Apr 20 – June 24	11.89	Nil	8.87	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). None

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

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

During the financial year 2021-22, the Company had a total CSR obligation of ₹ 37.55 Cr. against which it has spent ₹ 37.30 Cr. Amount remaining unspent for the FY 2021-22 stands at 0.25 Cr. The unspent amount relates to different ongoing projects which could not spend full amount allocated due to practical challenges on ground. This amount has been transferred into CSR Unspent Account as per the provisions of Section 135(6) and will be utilized in pursuance of the Company’s CSR policy as per provision of the Companies Act and Rules made thereunder.

For and on behalf of the Board

Rama Mohan Rao Amara
MD & CEO
DIN:08951394

Rajendra Kumar Saraf
Chairman CSR Committee
DIN:02730755

Dinesh Khara
Chairman
DIN:06737041

IMPACT ASSESSMENT REPORT

Paediatric Equipment Support extended to Rajasthan Medicare Relief Society Mother and Child Helath Institute, Jaipur

SBI Card support to Rajasthan Medicare Relief Society Mother and Child Helath Institute, Jaipur (FY 2019 – 2020)

SBI Cards and Payment Services Limited (herein referred to as SBI Card) is a public company incorporated under the provisions of the Companies Act, 1956. The Corporate Social Responsibility (CSR) programmes of SBI Card strive toward an equitable and accessible healthcare infrastructure, especially for the marginalised sections of the Indian society.

SBI Card entered into a CSR agreement effective from 20 February, 2020 with Rajasthan Medicare Relief Society Mother and Child Helath Institute (RMRS), a society registered under the Societies Registration Act. SBI Card funded paediatric equipment support worth INR 1,79,50,000 (One Crore Seventy-Nine Lakhs and Fifty Thousand only) to be utilised at the JK Lon Paediatric Hospital, Jaipur.

Samhita Social Ventures was engaged by SBI Card to conduct an impact assessment of the CSR support to RMRS, Jaipur, Rajasthan, to assess the outcomes and impact of the support.

Research objectives

The overall aim of Samhita’s approach to the impact assessment is to ‘prove and improve’,



Prove

1. The **efficiency of processes** used to deliver interventions and create impact.
2. The **effectiveness of programmes** in terms of programme impact, social outcomes and improvements in lives of end beneficiaries.



Improve

1. By providing actionable suggestions and recommendations for improving programme design and implementation, thereby strengthening the social impact.

The key findings of the study are as outlined below:

The following equipment and support were provided to RMRS by SBI Card in the financial year 2019-20.

- Laparoscope

- Paediatric Neuro Endoscope (Ventriculoscope)
- Compact Paediatric Cystoscope
- Intubation Flexible Video Endoscope
- Neo-natal Ventilator
- Nellcor Bedside SpO2 Monitor

Apart from the above equipment support, the waiting area outside the operation theatre in the hospital was furnished with chairs. Additionally, renovation of the paediatric wing was carried out with the support of SBI Card funds.

To understand the impact of this support, in-person interviews were conducted in February and March 2022 with individuals who held specific positions at the hospital, to get a holistic perspective of the programme. The following were the key informants:

- Accounts Department Head, Sawai Man Singh Hospital
- Assistant Accounts Officer, Sawai Man Singh Hospital
- Head of Paediatric Department, JK Lon Hospital
- Assistant Head of Paediatric Department, JK Lon Hospital
- Paediatric Doctor and Specialists, JK Lon Hospital
- Paediatric Operation Theatre Nurse, JK Lon Hospital
- Doctors and Technicians using the equipment
- Families of patients benefitted from the support

Additionally, 100 community members were randomly selected and surveyed in Jaipur. This was conducted among people who had visited the JK Lon Hospital and the parents/guardians of patients who accessed the hospital’s paediatric treatment facility.

A set of indicators have been used to rate the programme under each of the following outcome indicators (a weightage of 1 has been given for each indicator)

- **0** indicates that the outcome indicator is not present (low)
- **0.5** indicates that the outcome indicator has been partially met, but needs improvement (medium)
- **1** indicates that the outcome indicator is present and well-executed (high)

IMPACT ASSESSMENT REPORT




Overall rating	Interpretation	Inference
	All objectives met; key indicators present & well-executed	Programme well designed, methodically executed, created good societal impact: Extremely Satisfactory
	Few programme indicators partially present; needs improvement	Programme well designed; however, some indicators need improvement: Satisfactory
	Programme indicators not met	Need to rework programme goal, objective and implementation model: Not Satisfactory

Table 1 Assessment metrics for rating outcome indicators

Based on the above metrics, the following are the ratings of the outcome indicators of the programme.









Indicators	Rating
Efficiency Indicators	
Process-driven approach	
Condition and maintenance of the equipment	
Bookkeeping of equipment usage record	
Effectiveness Indicators	
Improved access to quality treatment	
Improved access to affordable health services	
Positive contribution to innovation in medicine	
Improved facility at the hospital	
Quality of care at the hospital	

Table 2 Outcome indicators and their corresponding rating

Overall, the equipment was maintained in a good condition. The procurement followed a streamlined process wherein RMRS carried out a structured tendering process to efficiently identify vendors for equipment purchase. The support provided by SBI Card has created an impact by enabling access to quality treatment in public institutions, contributing to the enhancement of public health infrastructure, and has improved the facility at the JK Lon Hospital. With the support of the equipment provided, a total of 1152 surgeries have been undertaken by JK Lon Hospital between mid-2020 and March 2022 (Laparoscope – 367 surgeries; Paediatric Neuro Endoscope – 88 surgeries; Compact Paediatric Cystoscope – 204 surgeries; and Intubation Flexible Video Endoscope – 493 surgeries). The respondents rated the quality of doctors and the treatment provided at the hospital at 4.8 out of 5 during the community survey interaction, and they rated the average cleanliness of the hospital at 4.2 out of 5.

The recommendation is to sustain the focus on strengthening public health infrastructure in India. As an initiative, SBI Card

should continue working with public hospitals and charitable health institutions to support and enhance their infrastructure. This would help a large number of people who access public health institutions to receive quality treatment. Based on the current assessment, it was observed that JK Lon Hospital has exhibited an extremely satisfactory execution of the support provided by SBI Card. Hence, it is recommended that SBI Card considers this partnership for future support as well.



Figure 1 Equipment supported by SBI Card

IMPACT ASSESSMENT REPORT



Figure 1 Equipment supported by SBI Card



Figure 2 Waiting area for caretakers outside the operation theatre at JK Lon Hospital

IMPACT ASSESSMENT REPORT

COVID-19 Testing Support, Rajasthan Medicare Relief Society Mother and Child Helath Institute, Jaipur

SBI Card support to Rajasthan Medicare Relief Society Mother and Child Helath Institute, Jaipur (FY 2020 – 2021)

SBI Cards and Payment Services Limited (herein referred to as SBI Card) is a public company incorporated under the provisions of the Companies Act, 1956. The Corporate Social Responsibility (CSR) programmes of SBI Card strive toward an equitable and accessible healthcare infrastructure, especially for the marginalised sections of the Indian society.

SBI Card entered into a CSR agreement effective from 30 April, 2020 with Rajasthan Medicare Relief Society Mother and Child Helath Institute (RMRS), a society registered under the Societies Registration Act. SBI Card funded the procurement of SARS-CoV-2 RT-PCR kits worth INR 2,68,00,000 (Two Crores and Sixty-Eight Lakhs only) in the year 2020.

Samhita Social Ventures was engaged by SBI Card to conduct an impact assessment of the CSR support to RMRS, Jaipur, Rajasthan, to assess the outcomes and impact of the intervention.

Research objectives

The overall aim of Samhita's approach to the impact assessment is to 'prove and improve',



Prove

1. The **efficiency of processes** used to deliver interventions and create impact.
2. The **effectiveness of programmes** in terms of programme impact, social outcomes and improvements in lives of end beneficiaries.



Improve

1. By providing actionable suggestions and recommendations for improving programme design and implementation, thereby strengthening the social impact.

The key findings of the study are as outlined below:

SBI Card funded a total amount of INR 2,68,00,000 (Two Crores and Sixty-Eight Lakhs only) in the year 2020 to procure SARS-CoV-2 RT-PCR kits. A total of 49,960 testing kits were procured.

To understand the impact of this support, in-person interviews were conducted in February and March 2022 with individuals who held specific positions at RMRS and the Sawai Man Singh (SMS) Hospital. The key informants were as follows:

- Accounts Department Head, Sawai Man Singh Hospital
- Assistant Accounts Officer, Sawai Man Singh Hospital
- RMRS Management
- Head of Department, Biomedical Department, Sawai Man Singh Hospital
- 3 Lab Technicians working at the COVID-19 testing labs in Bikaner and Jaipur

Additionally, 100 community members were randomly selected and surveyed in Jaipur. This was conducted to identify people who had visited the Sawai Man Singh Hospital, Jaipur, for COVID-19 testing or treatment, and to understand their feedback on the support provided for COVID-19 testing.

A set of indicators have been used to rate the programme under each of the following outcome indicators. A weightage of 1 has been given for each indicator, scored as follows:

- **0** indicates that the outcome indicator is not present (low)
- **0.5** indicates that the outcome indicator has been partially met, but needs improvement (medium)
- **1** indicates that the outcome indicator is present and well-executed (high)

Overall rating	Interpretation	Inference
	All objectives met; key indicators present & well-executed	Programme well designed, methodically executed, created good societal impact: Extremely Satisfactory
	Few programme indicators partially present; needs improvement	Programme well designed; however, some indicators need improvement: Satisfactory
	Programme indicators not met	Need to rework programme goal, objective and implementation model: Not Satisfactory

Table 1 Assessment metrics for rating outcome indicators

IMPACT ASSESSMENT REPORT

Based on the above metrics, the following are the ratings of the outcome indicators of the programme.

Indicators	Rating
Efficiency Indicators	
Process-driven approach	👍
Centralised procurement process	👍
Effectiveness Indicators	
Improved access to rapid COVID-19 testing	👍
Impact on communities by enabling early detection of COVID-19	👍

Table 2 Outcome indicators and their corresponding rating

When COVID-19 cases were rapidly escalating in 2020, there was only one centralised testing lab stationed at the Sawai Man Singh Hospital, Jaipur, in Rajasthan. As a response to the alarming need for rapid testing, the number of labs in Rajasthan was scaled up and as of early 2022, there were approximately 38 labs in the state. This exponentially increased the need for testing kits at the public testing centres to detect COVID-19.

The support provided to RMRS, Jaipur, by SBI Card for

procurement of COVID-19 testing kits was carried out in a structured way, with a tendering process to select vendors for the supply of testing kits. The quality control and batch testing of the kits were undertaken centrally at the public lab housed in the Sawai Man Singh Hospital, Jaipur. The testing kits procured through the SBI Card funds were distributed to different labs in Rajasthan from May 2020 to October 2020.

The support has highly impacted communities as it enabled access to a higher number of testing kits and ensured early detection of COVID-19 to follow it up with immediate treatment. As of October 2020, the total number of COVID-19 tests undertaken in Rajasthan was 37,47,267, out of which around 1,98,773 had tested positive¹. With this assumption of a 5% positivity rate, the total number of people supported by SBI Card for early detection of COVID-19 could be estimated at approximately 2,650 people. With an average income of INR 5,000 to INR 15,000 per month, it would have been challenging for the target communities to access private testing facilities as this would have cost between INR 1,200 – INR 2,200 per test. Thus, the support to procure testing kits positively impacted the communities in need, and it enabled early detection and treatment of COVID-19.

It was also ensured that the testing kits procured adhered to the ICMR guidelines of approved kits for COVID-19 detection.



Promea Therapeutics, Telangana	ProPCR COVID-19 RT-qPCR	TRCV 2001	Domestic
QRX Private Limited, Delhi	SaralTest SARS-CoV-2-RT LAMP Kit	COVLAMP06210 01A	Domestic
QuantuMdx, United Kingdom (Ally-Bio Private Limited)	QuantuMDx SARS-CoV-2 RT PCR Detection Assay	P01090	Imported
Reliance Industries Limited, India	'R-Green Kit (SARS CoV-2 realtime PCR)	44228	Domestic
Reliance Industries Limited, India	R-Green PRO-one: Taqman based real-time PCR Kit	44201	Domestic
Roche Diagnostics, Switzerland	Light Mix Modular SARS-CoV-2 (COVID19) RdRp	48492015	Imported
Sansure Biotech Inc., Changsha, China	Novel Coronavirus(2019-nCoV) Nucleic Acid Diagnostic Kit (PCR-Fluorescence Probing)	2020029/S3102E	Imported
SD Biosensor, South Korea	nCoV Real-Time Detection kit	MNCO 0120004 MNCO0120009	Imported
Seegene, South Korea	Allplex 2019-nCoV assay	RP4520A01 RP4520D34 RP4520D47 RP4520D50 RP4520D51 RP4529D70	Imported
SeegeneInc, South Korea	Allplex SARS-CoV-2 Master Assay	RVA321C02	Imported

Figure 1 The highlighted testing kit purchased by SBI Card funds has been listed on the ICMR website as an approved testing kit for COVID-19 detection

¹ <https://www.covid19india.org/state/RJ>

IMPACT ASSESSMENT REPORT

As a recommendation, it is suggested that SBI Card extends support to similar initiatives in collaboration with public health institutions in the future as well. In the long-term, SBI Card could consider supporting institutions to subsidise the testing and detection cost for illnesses that need immediate attention. The approach could also be to allocate emergency funds for

healthcare support every year as part of the company's CSR initiatives. Based on the current assessment, Sawai Man Singh Hospital has exhibited an extremely satisfactory execution of the support provided by SBI Card. Hence, it is recommended that SBI Card considers this partnership for future support as well.

ANNEXURE – 3 TO THE BOARD’S REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

To,
The Members,
SBI CARDS AND PAYMENT SERVICES LIMITED
Unit 401 & 402, 4th Floor, Aggarwal Millennium
Tower E 1, 2, 3, Netaji Subhash Place,
Wazirpur New Delhi-110034

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 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 examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2022 ("Period under review") according to the provisions of:

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 to the extent applicable, prior to its repealment;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 to the extent applicable, prior to its repealment;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client to the extent of securities issued;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable during the period under review.**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the period under review.**
- (vi) The Management has confirmed and certified the following laws are being specifically applicable to the Company:
 - a) Reserve Bank of India Act, 1934 and Rules made thereunder;
 - b) Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

ANNEXURE – 3 TO THE BOARD’S REPORT

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

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

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda were sent in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of

the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

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

- (i) During the period under review the Company has made allotment of 26050 Non-Convertible Debentures of ₹1,000,000/- each to the selected group of investors on Private Placement basis aggregating to ₹2605 crore.
- (ii) During the period under review, the Company has redeemed its Non-Convertible Debentures aggregating to ₹210 crores

**For Chandrasekaran Associates
Company Secretaries**

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Dr. S Chandrasekaran

Senior Partner

Membership No. F1644

Certificate of Practice No. 715

UDIN: F001644D000583368

Date: July 7, 2022

Place: Delhi

Note:

- (i) This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.

ANNEXURE – A TO SECRETARIAL AUDIT REPORT

To,
The Members,
SBI CARDS AND PAYMENT SERVICES LIMITED
Unit 401 & 402, 4th Floor, Aggarwal Millennium
Tower E 1, 2, 3, Netaji Subhash Place,
Wazirpur New Delhi-110034

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is

the responsibility of Management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Chandrasekaran Associates
Company Secretaries

FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Dr. S Chandrasekaran

Senior Partner
Membership No. F1644
Certificate of Practice No. 715
UDIN: F001644D000583368

Date: July 7, 2022
Place: Delhi

ANNEXURE – 4 TO THE BOARD'S REPORT

Particular of Employees

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for Financial Year 2021-22

S. No.	Name of Employee	Designation and Nature of Duties	Relation with any Director/CEO of the Company	Nature of Employment, whether contractual or otherwise and other Terms and conditions	Remuneration Per Annum (₹. Crores)	Perquisite Value of the ESOPs exercised during the year (₹. Crores)	Qualification and Age	Experience (Years)	Date of Commencement of Employment	Last Employment
1	Mrs. Aparna Kuppuswamy	Executive Vice President & Chief Risk Officer	NA	Full Time Employee (FTE)	1.77	3.48	BSc Chem (H)+ Master of Finance and control; 51 Years	26	1-Apr-09	GE Money
2	Mr. Nalin Negi	Executive Vice President & Chief Financial Officer	NA	Full Time Employee (FTE)	1.71	3.18	CA+ICWA; 53 Years	28	1-May-12	GECSI
3	Mr. Girish Budhiraja	Executive Vice President & Chief Product and Marketing Officer	NA	Full Time Employee (FTE)	1.56	5.15	B.Tech from Indian School Of Mines, LLB from DU, PGDBM from IIM, Bangalore; 50 Years	27	22-Oct-12	American Express
4	Mr. Manish Dewan	Executive Vice President & Chief Sales Officer	NA	Full Time Employee (FTE)	1.64	5.47	BE Mechanical, MBA from IIM; 54 Years	30	1-Oct-11	GE Capital Business Process Management Services Private Limited
5	Mr. Pradeep K Khurana	Executive Vice President & Chief Information and Digital Officer	NA	Full Time Employee (FTE)	1.35	2.06	• Bachelor of Engineering (with Hons) • Post Graduate Diploma in Advanced Computing • GE Information Management Leadership Program (2 Years) • GE Experienced Information Management Program (1 Year); 43 Years	21	1-Jan-12	GE – 11 years (GECIS, GE Corporate, GE Capital)
6	Mr. Richhpal Singh	Chief Operating Officer	NA	Full Time Employee (FTE)	1.34	0.98	BA, Economics; 63 Years	31+	11-Dec-17	JIO Payments Bank Ltd
7	Mrs. Rinku Sharma	Executive Vice President & Chief Compliance Officer	NA	Full Time Employee (FTE)	1.04	4.00	BSC (Hons) Chemistry, MBA (Marketing & Finance); 49 Years	26	1-Nov-12	GE Capital
8	Mr. Vishal Singh	Executive Vice President - Head, Banca Channel	NA	Full Time Employee (FTE)	1.33	4.16	PG Diploma from Institute of Integrated Learning in Management; 45 Years	22	16-Nov-04	ARCUS LTD.

S. No.	Name of Employee	Designation and Nature of Duties	Relation with any Director/CEO of the Company	Nature of Employment, whether contractual or otherwise and other Terms and conditions	Remuneration Per Annum (₹. Crores)	Perquisite Value of the ESOPs exercised during the year (₹. Crores)	Qualification and Age	Experience (Years)	Date of Commencement of Employment	Last Employment
9	Mr. Amit Batra	Executive Vice President & Head - Operations	NA	Full Time Employee (FTE)	1.40	1.05	<ul style="list-style-type: none"> INSEAD Leadership Programme for Senior Executives (1 year) IIM Calcutta GE Capital certified Master Black Belt in Six Sigma GE Capital Asia Pacific LEAP Program (1 year) 49 Years	29	1-Apr-08	GE
10	Mr. Monish Vohra	Executive Vice President & Head - Customer Services	NA	Full Time Employee (FTE)	1.24	4.44	Delhi College of Engineering, FMS Delhi; 51 Years	27	27-Jan-14	MetLife India Insurance Co. Ltd

Note:

- Pursuant to amalgamation of SBI Business Process Management Services Private Limited (SBIBPMSL) with SBI Card, the employees of SBIBPMSL were transferred to the Company.
- Top ten employees of the Company in terms of Remuneration drawn is determined on the basis of remuneration paid by the Company during the Financial year 2021-22, excluding the perquisite on ESOP exercised during the financial year 2021-22. However, for the purpose of good governance the perquisite value of esops exercised during the financial year 2021-22 has been disclosed.
- None of the employees listed above hold 2% or more of the paid-up share capital of the Company as at March 31, 2022.

For and on behalf of the Board

Dinesh Khara
 Chairman
 DIN: 06737041

Date: July 28, 2022
 Place: Mumbai

ANNEXURE – 4 TO THE BOARD'S REPORT

Particular of Employees

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

- (i) the ratio of the remuneration of MD & CEO to the median remuneration of the employees of the company for the financial year; - MD & CEO remuneration to median remuneration of the employees as on March 31, 2022 – **14.50:1**
The Company has paid sitting fees aggregating to ₹ 1.16 Crores to the Eligible Non-executive Directors for attending the meetings of the Board and/or Committees thereof.
- (ii)* the percentage increase in remuneration of MD & CEO, Chief Financial Officer, and Company Secretary in the financial year:
- **MD & CEO – 23.92# %**
 - **Chief Financial Officer – 7%**
 - **Company Secretary – 8%**
- (iii)* the percentage increase in the median remuneration of employees in the financial year: **4.22%**
- (iv) the number of permanent employees on the rolls of company as on March 31, 2022 – **3774**.
- (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; - as stated above. **No exception to be reported.**
- (vi) affirmation that the remuneration is as per the remuneration policy of the company. - **Yes.**

Note:

1. Remuneration considered in this disclosure excludes perquisite on ESOP exercised during the FY22.
- 2.* Remuneration considered at point (ii) and (iii) excludes variable payout.
- 3.# MD & CEO remuneration for FY 20-21 has been considered on annualized basis.

For and on behalf of the Board

Date: July 28, 2022
Place: Mumbai

Dinesh Khara
Chairman
DIN: 06737041

ANNEXURE – 5 TO THE BOARD’S REPORT

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the company	L65999DL1998PLC093849
2.	Name of the Company	SBI Cards and Payment Services Limited
3.	Registered address	Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi 110 034, India;
4.	Website	www.sbicard.com
5.	E-mail ID	investor.relations@sbicard.com;
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Credit Card Business (Division 64 and 66 Activities through credit cards- NIC Code)
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Credit Cards
9.	Total number of locations where business activity is undertaken by the Company	International locations - NIL National Location - As on March 31, 2022, SBI Card has total 20 offices.
	(a) Number of International Locations (Provide details of major 5)	
	(b) Number of National Locations	
10.	Markets served by the Company Local/State/National/ International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up capital (INR)	943.18 Cr
2.	Total Turnover (INR)	11301.52 Cr
3.	Total profit after taxes (INR)	1616.14Cr
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	37.55 Cr representing 2% of the Profit after Tax

5. List of activities in which expenditure in 4 above has been incurred:
The major activities in which the above CSR expenditure has been incurred includes:
- Skill Development
 - Education
 - Healthcare
 - Environment
 - Disaster Management

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?
No.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
Not Applicable.

ANNEXURE- 5 BUSINESS RESPONSIBILITY REPORT

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No.

SECTION D: BR INFORMATION**1 Details of Director/ Directors responsible for BR****a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies and b) Details of the BR Head**

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

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

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

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

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

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7 Note 3	P8	P9
1	Do you have a policy/policies for..?	Y	Y	Y	Y	Y	Y	-	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / International standards? If yes, specify? (Note 1)	Y	Y	Y	Y	Y	Y	-	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ Appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y

ANNEXURE- 5 BUSINESS RESPONSIBILITY REPORT

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7 Note 3	P8	P9
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online (Refer Note)	Note 2	Note 2	Note 2	Note 2	Note 2	Note 2	-	Note 2	Note 2
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the company carried out independent Audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

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

Note 2:

1. Principle 1:

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

2. Principle 2:

- a. Fair Practice Code: <https://www.sbicard.com/en/fair-practice-code.page>

ANNEXURE- 5 BUSINESS RESPONSIBILITY REPORT**3. Principle 3:**

- a. Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/POSH.pdf>
- b. Code of Conduct Guidelines: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/code-of-conduct-guidelines.pdf>
- c. SBI Card has more policies conforming to this Principle. Few of such policies are advanced education policy, leave policy, equal opportunity policy for transgenders, CLA policy, Car lease policy. These policies are internal documents and not accessible to the public.

4. Principle 4, 6 and 8:

- a. Business Responsibility & Sustainability Policy: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/sustainability-and-business-responsibility-policy1.pdf>
- b. Corporate Social Responsibility Policy: https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/csr_policy_sbicpsl.pdf

5. Principle 5:

- a. Code of Conduct Guidelines: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/code-of-conduct-guidelines.pdf>
- b. Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace: <https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/POSH.pdf>

6. Principle 9:

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

Note 3: The Company has not advocated/lobbied through any association.

b) If answer to Sr. No. 2 against any principle, is 'No', please explain why:

Not Applicable

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

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

In order to ensure that the Company adopts responsible business practices in line with its social, environmental and economic responsibilities, the Board of Directors

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

ANNEXURE- 5 BUSINESS RESPONSIBILITY REPORT

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

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

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

Yes, post Company's listing on March 16, 2020, the Company had published its first Business Responsibility Report which formed part of the Annual Report for FY 2019-20. Since then the company has been publishing its Business Responsibility Report annually as a part of its Annual Reports. The reports are available at <https://www.sbicard.com/en/who-we-are/annual-reports.page>.

Further, since Q2 of FY 2020-21, the Quarterly Investor Presentation also includes Sustainability performance of the Company. The said presentations can be accessed at <https://www.sbicard.com/en/who-we-are/business-presentations.page>

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

No, the Code of Conduct which is part of the Compliance Policy of the Company covers the above aspects and the same is applicable to all employees, suppliers, contractors, third parties representing the Company and consultants of the Company.

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

During FY21-22 no complaints pertaining to ethics, bribery and corruption were received by the company.

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

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

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

a. Doctor's SBI Card: This card was launched by SBI Card in association with Indian Medical Association. The card is specifically created for medical professionals and offers a suite of rewarding features to Doctors for their personal and professional purchasing needs. Indian medical association has lent their support to this credit card as a symbol of their belief in this SBI Card venture for the medical community.

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

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

Not Applicable.

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

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

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

The Company procures paper and plastic from local and authorized vendors after considering the environmental footprint of the materials being used. Further, when the Company purchases electrical equipment like computers, laptops, lighting, air conditioners, etc., it takes energy efficiency standards into account.

ANNEXURE- 5 BUSINESS RESPONSIBILITY REPORT

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

The Company has number of Micro, Small & Medium Enterprises (MSME) registered as Vendor for various goods and services and the Company is committed to promote participation of MSME in the Company. At present, 20% of our active vendors are registered under MSME.

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

All the waste generated within office premises is being segregated and handed over to a CPCB/SPCB authorized vendor, which ensures effective management of the waste, including recycling of plastics.

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

1. **Please indicate the total number of employees.**

As on March 31, 2022, total number of employees was 3,774.

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

As on March 31, 2022 the outsourced workforce of the Company was 33,985.

3. **Please indicate the number of permanent women employees.**

As on March 31, 2022 number of permanent women employees were 1,062 which is 28% of the overall permanent employees.

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

As on March 31, 2022 number of permanent employees with disability were 4.

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

Considering the nature of our operations, there is no employee association.

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

Not Applicable.

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

The Company provides equal access to opportunities, fair treatment and is committed to the applicable labor and employment laws. The Company also refrains from any discrimination on the basis of caste, creed, gender or religion. Further, the Company's Code of Conduct reinforces our commitment to prohibit any form of child labor, forced labor, involuntary labor, and sexual harassment.

Number of Complaints on the above points are:

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

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

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

100% of our full-time employees across the organization and outsourced employees are imparted the essential skills, competency development, compliance, infosec, health & wellness trainings. Such trainings are provided to the employees in various ways such as classroom module (now virtual), web-based e-learning, drills etc. Further, the Company also

ANNEXURE- 5 BUSINESS RESPONSIBILITY REPORT

create awareness among its employees, about such aspects through various Communication Channels. These trainings have been imparted during the FY 2022 as per schedule.

Category	% Trained in the last year	
	Safety	Skill Upgradation
Permanent Employees	100%	100%
Permanent Women Employees	100%	100%
Casual/ Temporary/ Contractual Employees	100%	99%
Employees with Disabilities	100%	100%

Health & Safety

During Covid – 19 pandemic, SBI Card constituted a Core Quick Response Team (CQRT) and local QRTs at all SBI Card office locations. Its purpose was to create a safe and healthy environment for all its employees. It undertook various measures to tide through the crisis. All necessary precautions were taken including thermal scanning, use of Aarogya Setu app, strict social distancing norms implementation and regular sanitization. Regular awareness amongst employees was created by sharing government advisories and protocols.

The organization continues to focus on employee's overall wellness. Previous financial year, various wellness sessions and webinars were organized on physical fitness, mindfulness, heart health, lifestyle disease management (Diabetes, Kidneys, Thyroid)

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

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

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

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

Yes, the CSR committee has identified such stakeholders from the community and has developed the roadmap and action plan taking into consideration the expectations

of different stakeholders including those which need support on multiple fronts. The Company mobilizes resources to implement various programs for upliftment of these stakeholders.

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

The Company has undertaken CSR initiatives for skill development of people with different kind of disabilities (special needs), people suffering from Autism, young girls and youth from low-income families; to enhance access to mobility for people with locomotive disability; to support healthcare of destitute and abandoned elderly people; to assist orphanage; to make health facility accessible to people in slums and remote rural areas; to support education of girls and boys from economically weaker sections of the societies; and supporting palliative care and end of life care for terminally ill cancer patients

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

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

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

Yes, the Code of Conduct which is part of the Compliance Policy of the Company covers the above aspects and the same is applicable to all employees, suppliers, contractors, third parties representing the Company and consultants of the Company. Also, Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace ensures to prevent and protect women from sexual harassment at the workplace and thereby ensuring a safe working environment for women.

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

During the financial year 2021-22 no complaints pertaining to Human Rights were received by the Company. For the status of other Complaints kindly refer Principle 1 & 3.

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

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

It Covers only the Company.

ANNEXURE- 5 BUSINESS RESPONSIBILITY REPORT

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

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

During FY 2021-22, a materiality assessment was also conducted to understand the key E, S, or G issues for the company. Key prioritized environmental issues are climate change, energy consumption, waste reduction and recycling. A detailed ESG strategy along with time-based action items has been developed internally.

Furthermore, the following initiatives have been undertaken to address global environmental issues:

By ways of Digitization initiatives and use of paperless communication like eKits, statement on e-mail and SMS, SBI Card has saved over 3.1 lac+ trees from FY 2017-18 to FY 2021-22.

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

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

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

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

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

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

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

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

The Company started monitoring its Scope 1, 2 and 3 GHG emissions.

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

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

In FY 2021-22, the Company has internally conducted an ESG risk assessment to identify what could be the possible internal and external risk drivers. Accordingly, an ESG strategy has been developed and is being implemented.

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

A: The aspect outlined in this principle is not relevant to the Company given the nature of its business. However, SBI Card has taken multiple CSR initiatives in environment category. The Company has been supporting two projects on solid waste management in Gurugram and Greater Noida. The aim of the projects are to promote source segregation of waste and reduce, reuse and recycle waste through awareness generation, establishing composting units and recycling facilities.

Additionally, the Company is also supporting plantation of 30,000 trees in Aravalli range and undertaking a project to stop crop residue burning in 20 villages of Karnal district, Haryana

The Company has undertaken above mentioned projects which help in carbon sequestration or reducing greenhouse gas (GHG) emissions. However, the Company has not registered the projects with UNFCCC and no report has been filed on them.

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

Yes. Please refer to point 2 under principle 6 above.

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

None of the SBI Card processes results in hazardous emission/wastes. GHG emissions (especially scope 2)

ANNEXURE- 5 BUSINESS RESPONSIBILITY REPORT

generated have been reported by the Company as ESG Disclosures on www.sbicard.com

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

None

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

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

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

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

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

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

Our Company does not engage in policy advocacy or in lobbying through any association. However, from time to time, we work with the associations mentioned above on various issues relevant for the industry and contribute our views in case the same are solicited.

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

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

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

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

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

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

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

The Company undertakes programs/projects through NGOs/Implementing agencies such as Smile Foundation, Lotus Petal Foundation, Noida Deaf Society etc.

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

Yes, the Company has undertaken impact assessment of two of their projects - COVID-19 Testing Support and Pediatric Equipment Support to Rajasthan Medicare Relief Society Mother and Child Helath Institute, Jaipur. The impact assessment was undertaken by Samhita Social Ventures.

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

The Company has undertaken projects under thematic areas of environment and healthcare with strong community development components. Under thematic area of environment, the Company is supporting rainwater harvesting project which has components of introducing efficient irrigation techniques and community led water resource management in addition to developing rainwater harvesting structures in Nuh, Haryana.

In Karnal district of Haryana, the Company has been supporting a project to promote sustainable agriculture practices aimed at reducing crop residue burning by mobilizing farmers and creating awareness on harmful affect of such a practice and introducing technologies to help make switch to sustainable farming practices.

In Sikanderpur area of Gurugram, the Company has been supporting community led solid waste management initiative aimed at promoting source segregation of waste and reduce, reuse and recycle waste through awareness generation and establishing decentralized composting unit.

The Company is supporting afforestation of Aravalli hills in Gurugram by plantation of 30,000 trees of native species. The project has a strong community

ANNEXURE- 5 BUSINESS RESPONSIBILITY REPORT

engagement through awareness generation to ensure long term sustainability of the plantation

Under healthcare, the Company has been promoting better access to healthcare by introducing technology led solution. The aim of the project is to help community have access to quality health services near to their home and thereby promote the culture of seeking professional health services.

The Company is also assisting the marginalized communities of Mangolpuri slums in Delhi with a project aimed at improving mental wellbeing and resilience among adolescents and young married women through community led approach in GOI's RMNCH+A strategy.

Overall outlay of the above-mentioned projects is ₹16.32 Cr and in FY 21-22, the Company spent ₹5.86 Cr on them.

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

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

The above-mentioned projects have been designed to include following steps (wherever applicable) to ensure that community development initiatives are successfully adopted by the community -

- Involvement of community leaders and influencers in project planning and implementation
- Use of appropriate behaviour change communication to promote awareness on the issues and motivate to adopt new behaviour being promoted
- Building capacity of local communities through workshop and training on the issues
- Creating forums and opportunities for participation of the community in designing, planning, implementation and monitoring of the projects.

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

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

~1% Gross Inflow of complaints were pending as on the end of FY22 including ~12% Net complaints were pending as on the end of FY22. 75% of cases pending are consumer cases.

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

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

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

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

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

In the ordinary course of business, the customers, at times, file cases against the Company, including cases in Consumer forums, alleging, inter-alia deficiency of services etc. However, we would also like to confirm that no case has been filed nor pending against the Company

ANNEXURE- 5 BUSINESS RESPONSIBILITY REPORT

before the Competition Commission of India alleging unfair trade practices/ anti-competitive behavior.

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

SBI Card is a customer focused organization that measures Customer Experience through internal Transactional CSAT process covering various touch points i.e Website, Mobile app , IVR, helpline & Service request closures. Customer feedback request is initiated on interactions over aforementioned channels basis logics built in system to measure customer experience

level and consider customer inputs for driving process improvements.

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

For and on behalf of the Board

Place: Mumbai
Date: July 28, 2022

Dinesh Khara
Chairman
DIN:06737041

ANNEXURE – 6 TO THE BOARD’S REPORT**CORPORATE GOVERNANCE REPORT****Company’s Philosophy on Code of Corporate Governance:**

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

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

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

BOARD OF DIRECTORS:

The Board of Directors consists of Nine Directors as on March 31, 2022, of which one is Executive Director and eight are Non-Executive Directors (NED); out of eight NED, five are Independent Directors (IND). Twelve Board Meetings were held during the twelve months period from April 1, 2021 to March 31, 2022 i.e., on April 5, 2021, April 26, 2021, May 31, 2021, June 18, 2021, July 23, 2021, July 30, 2021, October 4, 2021, October 28, 2021, December 7, 2021, January 20, 2022, January 24, 2022, and March 22, 2022. Attendance and other details as on March 31, 2022 are as given below alongwith the changes in the Board during the year under review till the date of the Report: -

Sr. No	Name of the Director	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/Chairmanships held in other companies			Directorship in other listed entity Indian Public (Category of Directorship)
					Directorships \$	Committee Memberships**	Committee Chairmanships**	
1	Mr. Dinesh Khara (DIN: 06737041)	Chairman, Non-Executive, Non-Independent Director (Nominee of SBI)	7	Yes	6	0	0	1. State Bank of India (Chairman) 2. SBI Life Insurance Company Limited (Chairman, Non-Executive - Nominee Director)
2	Mr. Ashwini Kumar Tewari (DIN: 08797991)	Non-Executive, Non-Independent Director (Nominee of SBI)	12	Yes	8	5	0	1. State Bank of India (Managing Director) 2. SBI Life Insurance Company Limited (Non-Executive - Nominee Director)
3	Mr. Rama Mohan Rao Amara (DIN: 08951394)	Executive, Non-Independent Director (Nominee of SBI)	12	Yes	0	0	0	-
4	Mr. Mihir Narayan Prasad Mishra (DIN: 08321878)	Non-Executive, Non-Independent Director (Nominee of SBI)	9	Yes	1	0	0	-
5	Dr. Tejendra Mohan Bhasin (DIN: 03091429)	Non-Executive, Independent Director	12	Yes	5	7	2	1. Ruchi Soya Industries Limited (Non-Executive - Independent Director) 2. PNB Housing Finance Limited (Non-Executive - Independent Director) 3. PNB Gilts Limited (Non-Executive - Independent Director) 4. SBI Life Insurance Company Limited (Non-Executive - Independent Director)
6	Mr. Rajendra Kumar Saraf (DIN: 02730755)	Non-Executive, Independent Director	12	Yes	1	1	0	-

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

Sr. No	Name of the Director	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/Chairmanships held in other companies			Directorship in other listed entity Indian Public (Category of Directorship)
					Directorships \$	Committee Memberships**	Committee Chairmanships**	
7	Mr. Dinesh Kumar Mehrotra (DIN: 00142711)	Non-Executive, Independent Director	11	Yes	4	4	0	1. VLS Finance Limited (Non-Executive - Independent Director) 2. Computer Age Management Services Limited (Non-Executive - Independent Director) 3. UTI Asset Management Company Limited (Non-Executive - Independent Director)
8	Ms. Anuradha Nadkarni (DIN: 05338647)	Non-Executive, Independent Director	11	Yes	0	0	0	-
9	Mr. Shrinivas Yeshwant Joshi (DIN: 05189697)	Non-Executive, Independent Director	12	Yes	1	1	0	-

Note:

SBI- State Bank of India

- Mr. Ashwini Kumar Tewari (DIN: 08797991) was appointed as Non-Executive, Non-Independent Director (Nominee of SBI) w.e.f. April 5, 2021. Further, Mr. Ashwini Kumar Tewari ceased to be the director of the Company w.e.f. July 14, 2022.
- Mr. Devendra Kumar (DIN: 08828056), Non-Executive, Non-Independent Director (Nominee of SBI) ceased to be the director of the Company w.e.f. close of business of June 8, 2021.
- Mr. Sunil Kaul (DIN: 05102910), Non-Executive, Non-Independent Director (Nominee of CA Rover Holdings) ceased to be the director of the Company w.e.f. June 18, 2021.
- Mr. Mihir Narayan Prasad Mishra (DIN: 08321878) was appointed as Non-Executive, Non-Independent Director (Nominee of SBI) w.e.f. June 18, 2021.
- Mr. Swaminathan Janakiraman (DIN: 08516241) was appointed as Non-Executive, Non-Independent Director (Nominee of SBI) w.e.f. July 22, 2022, subject to approval of the shareholders of the Company.

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

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

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

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

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

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

The number of Equity Shares of ₹ 10/- each (i.e. Shares) held by the Directors as on March 31, 2022 are: Mr. Rama Mohan Rao Amara – 70 Shares, Mr. Rajendra Kumar Saraf - 38 Shares and Mr. Ashwini Kumar Tewari - 40 Shares.

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

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

Details of Skills/Expertise/Competencies possessed by the Directors who were part of the Board on March 31, 2022:

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

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

A chart or a matrix setting out the skills / expertise / competence of the Board of Directors as on March 31, 2022 is as follows:

Sr. No	Name of the Director	Core skills / expertise / competencies		
		Industry Knowledge/ Experience	Technical Skills/ Experience	Governance Competencies
1	Mr. Dinesh Khara Non-Executive Chairman	✓	✓	✓
2	Mr. Rama Mohan Rao Amara Managing Director and CEO	✓	✓	✓
3	Mr. Ashwini Kumar Tewari Non-Executive Director	✓	✓	✓
4	Mr. Mihir Narayan Prasad Mishra Non-Executive Director	✓	✓	✓
5	Dr. Tejendra Mohan Bhasin Independent Director	✓	✓	✓
6	Mr. Rajendra Kumar Saraf Independent Director	✓	✓	✓
7	Mr. Dinesh Kumar Mehrotra Independent Director	✓	✓	✓
8	Ms. Anuradha Nadkarni Independent Director	✓	✓	✓
9	Mr. Shriniwas Yeshwant Joshi Independent Director	✓	✓	✓

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on March 28, 2022. Mr. Shriniwas Yeshwant Joshi was unanimously elected as Chairman of the said meeting. All the Independent Directors were present at the said meeting.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

REMUNERATION PAID TO DIRECTORS:

(i) Executive Directors: The details of remuneration paid in the financial year ended March 31, 2022 to the Executive Director is as follows:

- Mr. Rama Mohan Rao Amara, Managing Director & Chief Executive officer- ₹ 0.84 Crores (inclusive of PLI for FY21 paid in FY22, amounting to ₹ 0.03 Crores)

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

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

(ii) Non-executive Directors: The Company has paid sitting fees aggregating to ₹ 1.16 Crores to the Non-executive Independent Directors for attending the meetings of the Board and/or Committees thereof.

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

Closing Balance as on March 31, 2022 of the credit cards issued to Directors of the Company was ₹ 0.04 Crores.

COMMITTEES OF THE BOARD

The Board has delegated powers to various committees. Each of the Board's Committee has been delegated with specific responsibilities/ matters as per the provisions of the Companies Act, 2013, Listing Regulations, RBI Directions/ Guidelines and as per the business requirements. The minutes

of every Committee meetings are finalised and recorded in the minute book maintained by the Company Secretary. The Minutes of Committee meetings are also placed before the Board. Further, the Terms of reference of the Committees are available on the website of the Company. The various committees, their roles and their members are;

Audit Committee:

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

As on March 31, 2022, the Committee consists of five Directors, out of which four are Non-executive Independent Directors and one is Non-Executive, Non-Independent Director. All the members of the Committee are financially literate and have necessary accounting & financial management expertise/ background. Mr. Shrinivas Yeshwant Joshi, Chairman of the Committee is a professional Chartered Accountant with strong financial analysis background.

Sixteen meetings of the Audit Committee were held during the financial year ended March 31, 2022. Dates of the meetings are: April 5, 2021, April 23, 2021, April 26, 2021, May 31, 2021, June 18, 2021, July 13, 2021, July 23, 2021, July 30, 2021, September 23, 2021, October 22, 2021, October 28, 2021, December 7, 2021, January 20, 2022, January 24, 2022, February 25, 2022 and March 22, 2022. The names of the Members of the Committee and their attendance at the Meetings held during the year under review are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Mr. Shrinivas Yeshwant Joshi, Chairman	16	16
2	Dr. Tejendra Mohan Bhasin	16	16
3	Mr. Rajendra Kumar Saraf	16	16
4	Ms. Anuradha Nadkarni	16	15
5	Mr. Mihir Narayan Prasad Mishra@	11	10
6	Mr. Sunil Kaul*	5	3
7	Mr. Devendra Kumar*	4	4

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

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

The Company Secretary acts as the Secretary of the Committee.

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

Nomination and Remuneration Committee:

As on March 31, 2022, the Committee consists of six Directors, out of which Four are Non-executive Independent Directors and two are Non-Executive, Non-Independent Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of the Listing Regulations and the NBFC Regulations.

Three meetings of the Nomination and Remuneration Committee were held during the financial year ended March 31, 2022. Dates of the meetings are: May 31, 2021, September 23, 2021 and January 24, 2022. The names of the Members of the Committee and their attendance at the Meetings held during the year under review are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Dr. Tejendra Mohan Bhasin, Chairman	3	3
2	Mr. Ashwini Kumar Tewari@	2	1
3	Mr. Mihir Narayan Prasad Mishra@	2	2
4	Mr. Rajendra Kumar Saraf	3	3
5	Mr. Shriniwas Yeshwant Joshi	3	3
6	Ms. Anuradha Nadkarni@	1	1
7	Mr. Dinesh Khara*	1	0
8	Mr. Devendra Kumar*	1	1
9	Mr. Sunil Kaul*	1	1

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

@ Mr. Mihir Narayan Prasad Mishra and Mr. Ashwini Kumar Tewari were inducted in the Committee w.e.f. June 18, 2021. Ms. Anuradha Nadkarni was inducted in the Committee w.e.f. November 16, 2021.

Note: Mr. Ashwini Kumar Tewari ceased to be the Member of the Committee w.e.f. July 14, 2022. Further, Mr. Swaminathan Janakiraman was inducted in the Committee w.e.f. July 22, 2022.

Performance Evaluation

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

evaluation of the Board, each Director, Committees and Chairman for the financial year ended March 31, 2022 has been duly completed as required under law.

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

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

Stakeholders Relationship and Customer Experience Committee:

As on March 31, 2022, the Committee consists of four Directors, out of which two are Non-executive Independent Director, one is Non-Executive, Non-Independent Director and one is Executive, Non-Independent Director. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. Further, the Board of Directors of the Company at its meeting held on June 18, 2021 had re-constituted the 'Stakeholders Relationship Committee' as 'Stakeholders Relationship and Customer Experience Committee'.

Three meetings of the Stakeholders Relationship and Customer Experience Committee were held during the financial year ended March 31, 2022. Dates of the meetings are: July 22, 2021, December 7, 2021 and March 17, 2022. The names of the Members of the Committee and their attendance at the Meetings held during the year under review are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Dr. Tejendra Mohan Bhasin, Chairman#	3	3
2	Mr. Rajendra Kumar Saraf @	3	3
3	Mr. Rama Mohan Rao Amara#	3	3
4	Mr. Mihir Narayan Prasad Mishra#	3	3
5	Mr. Devendra Kumar*	0	0
6	Mr. Sunil Kaul*	0	0

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

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

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

- (a) number of shareholders' complaints received during the Financial Year ended March 31, 2022: **532**
- (b) number of Complaints not solved to the satisfaction of shareholders: **Nil**
- (c) number of pending complaints (as on 31.3.2022): **20**
- (d) name and designation of compliance officer; **Ms. Payal Mittal Chhabra, Company Secretary and Compliance Officer**

Note: Number of Complaints pending as on 31.3.2022 mentioned above were subsequently resolved in the next quarter. Further, the number of Complaints referred above also includes queries, requests etc. received from the shareholders.

Corporate Social Responsibility and ESG Committee:

The Company has a 'Corporate Social Responsibility Committee of Directors' which comprises of four Directors, out of which two are Non-executive Independent Director, one is Non-Executive, Non-Independent Director and one is Executive, Non-Independent Director, as on March 31, 2022. The composition and the role of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013. Further, the Board of Directors of the Company at its meeting held on June 6, 2022 had changed the nomenclature of the 'Corporate Social Responsibility Committee' as 'Corporate Social Responsibility and ESG Committee'.

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

During the financial year ended March 31, 2022, Four Meetings of the Corporate Social Responsibility Committee were held. Date of the meetings are: May 31, 2021, July 23, 2021, October 28, 2021 and March 22, 2022. The names of the Members of the Committee and their attendance at the Meetings during the year under review are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Mr. Rajendra Kumar Saraf, Chairman@	4	4
2	Mr. Rama Mohan Rao Amara	4	4
3	Mr. Mihir Narayan Prasad Mishra@	3	3
4	Mr. Dinesh Kumar Mehrotra@	3	3
5	Mr. Devendra Kumar*	1	1
6	Mr. Sunil Kaul*	1	0

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

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

Risk Management Committee:

The Company has a 'Risk Management Committee' which comprises of four Directors, out of which two are Non-executive Independent Director, one is Non-Executive, Non-Independent Director and one is Executive, Non-Independent Director, as on March 31, 2022. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Regulation 21 of the Listing Regulations and the NBFC Regulations.

During the financial year ended March 31, 2022, Six Meetings of the Risk Management Committee were held. Date of the meetings are: May 31, 2021, June, 18 2021, July 22, 2021, September 23, 2021, December 7, 2021, and March 17, 2022. The names of the Members of the Committee and their attendance at the Meetings during the year under review are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Mr. Dinesh Kumar Mehrotra, Chairman@	6	6
2	Mr. Rama Mohan Rao Amara	6	6
3	Mr. Mihir Narayan Prasad Mishra@	4	4
4	Ms. Anuradha Nadkarni@	4	4
5	Mr. Devendra Kumar*	1	1
6	Mr. Sunil Kaul*	2	1

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

@Mr. Dinesh Kumar Mehrotra, was appointed as the Chairman of the Committee w.e.f. June 18, 2021. Further, Mr. Mihir Narayan Prasad Mishra and Ms. Anuradha Nadkarni were inducted in the Committee w.e.f. June 18, 2021 and June 28, 2021, respectively.

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

Executive Committee:

With a view of achieving speedier decision making on corporate card proposals in order to ensure business growth, the Board of Directors had constituted a Management Level Executive Committee. Thereafter, the Board of Directors of the Company at its meeting held on June 18, 2021 had reconstituted the Executive Committee as a Board Level Committee. As on March 31, 2022, the Committee consists of four Directors, out of which two are Non-executive Independent Directors and One is Non-Executive, Non-Independent Director and One is Executive Director. The composition and the 'Terms of Reference' of the Committee is also available on the website of the Company at www.sbicard.com.

During the financial year ended March 31, 2022 and Post reconstitution of the Executive Committee as a Board Level Committee, two Meetings of the Executive Committee were held. Date of the meetings are: July 7, 2021, and November 1, 2021. The names of the Members of the Committee and their attendance at the Meetings are as follows:

Sl. No.	Name of the Member	Meetings held during the tenure of the Member	No. of Meetings attended
1	Mr. Ashwini Kumar Tewari, Chairman	2	2
2	Mr. Dinesh Kumar Mehrotra	2	2
3	Mr. Rama Mohan Rao Amara	2	2
4	Ms. Anuradha Nadkarni	2	2

Note: Mr. Ashwini Kumar Tewari ceased to be the Member of the Committee w.e.f. July 14, 2022. Further, Mr. Swaminathan Janakiraman was inducted in the Committee and appointed as the Chairman of the Committee w.e.f. July 22, 2022.

IT Strategy Committee:

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

During the financial year ended March 31, 2022 and Post reconstitution of the IT Strategy Committee as a Board Level Committee, one Meeting of the IT Strategy Committee was held i.e. on December 7, 2021. All the Members of the Committee attended the said meeting.

The composition of the Committee as on March 31, 2022 is as follows:

Sl. No.	Name of the Members	Position
1	Mr. Rajendra Kumar Saraf, Independent Director	Chairman
2	Dr. Tejendra Mohan Bhasin, Independent Director	Member
3	Mr. Rama Mohan Rao Amara, Managing Director and CEO	Member
4	Chief Operating Officer	Member
5	Chief Information & Digital Officer	Member
6	Chief Financial Officer	Member
7	Chief Information Security Officer	Member
8	Chief Technology Officer	Member

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

ANNUAL GENERAL MEETINGS

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

Date	Venue	Time	Special Resolution(s) Passed
August 26, 2021	Meeting was conducted through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') pursuant to the relevant MCA/SEBI Circulars. Deemed Venue of the meeting: Registered Office of the Company i.e. Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower, E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi – 110034	11.00 A.M.	None
September 28, 2020	Meeting was conducted through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') pursuant to the relevant MCA/SEBI Circulars. Deemed Venue of the meeting:Registered Office of the Company i.e. Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower, E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi – 110034	11.00 A.M.	Approval of Article 33(ii) (b) and (c) and Article 37(ii) (b) of the Articles of Association,
September 27, 2019	Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower, E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi 110 034	11.00 A.M.	Approval of Initial Public Offering ("IPO") of the Company, comprising of combination of a fresh issue and an offer for sale of equity shares by the existing shareholders.

POSTAL BALLOT

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

Postal Ballot 1:

Date of Postal Ballot Notice: March 1, 2021

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

Date of Declaration of Results: April 9, 2021

Voting Pattern:

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

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

Postal Ballot 2:

Date of Postal Ballot Notice: January 24, 2022

Voting period: February 2, 2022 (from 10.00 A.M.) to March 3, 2022 (till 5.00 P.M.)

Date of Declaration of Results: March 4, 2022

Voting Pattern:

Item No.	Description	Type of Resolution	No. of Votes Polled	Votes in Favour		Votes Against	
				No. of Votes	%	No. of Votes	%
1	Re-appointment of Dr. Tejendra Mohan Bhasin (DIN:03091429) as an Independent Director of the Company	Special Resolution	832293984	823991177	99.00	8302807	1.00
2	Re-appointment of Mr. Rajendra Kumar Saraf (DIN: 02730755) as an Independent Director of the Company	Special Resolution	832473173	829874250	99.69	2598923	0.31

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

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

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

MEANS OF COMMUNICATION:

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. Your Company believes that all stakeholders should

have access to complete information regarding its position to enable them to accurately assess its future potential. Accordingly, the Company disseminates information on its operations and initiatives on a regular basis.

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

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

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

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT**GENERAL SHAREHOLDER INFORMATION**

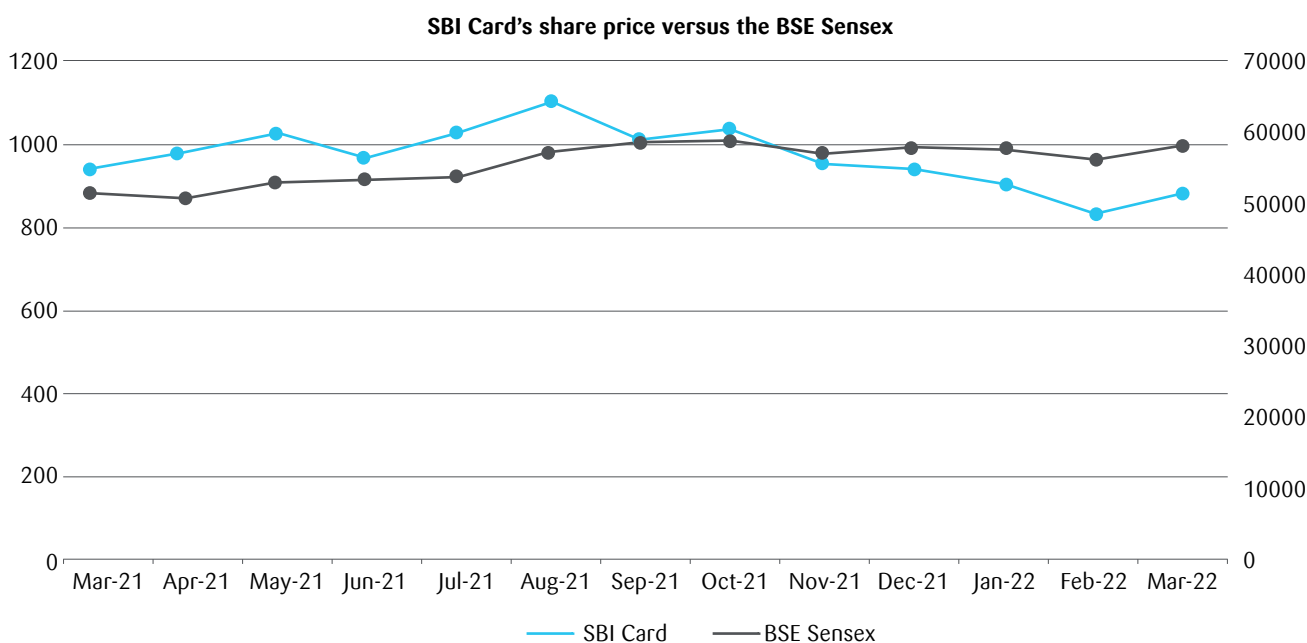
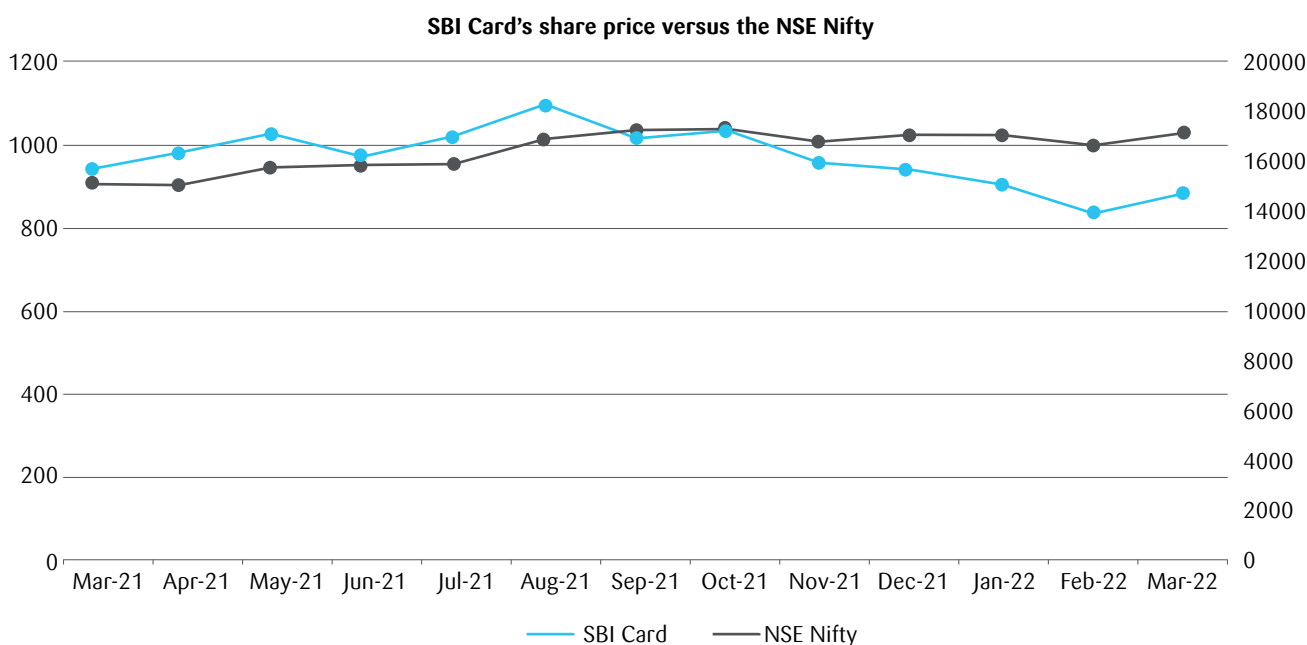
Annual General Meeting - Date, Time and Venue	Friday, August 26, 2022 at 11.00 a.m through video /other permissible audio-visual means. Deemed Venue for Meeting: Registered Office: Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi 110 034, India;
Financial Year	01.04.2021 to 31.03.2022
The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	<ul style="list-style-type: none"> The Equity Shares of the Company are listed on the following Stock Exchanges: <ul style="list-style-type: none"> (i) BSE Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (ii) National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 The Non-Convertible Debentures of the Company are listed on BSE. <p>The annual listing fee for the financial year 2021-22 have been paid to both the aforesaid Stock Exchanges.</p> <p>The securities of the Company are not suspended from trading.</p>
Stock Code;	BSE – 543066; NSE – SBICARD; ISIN – INE018E01016

STOCK MARKET PRICE DATA

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2021	1035.2	882.65	1016	883
May 2021	1105	930.1	1103.3	946
June 2021	1140	930.9	1139.5	931
July 2021	1041	924	1040	923.9
August 2021	1160.8	994.65	1160.95	995
September 2021	1164.65	1007.3	1165	1007.35
October 2021	1160.6	1023.5	1160.1	1023.75
November 2021	1130	918.45	1130.9	918.7
December 2021	1020	860.05	1020	860.2
January 2022	942.6	781.25	941.8	781.2
February 2022	900	750	899	750
March 2022	882.55	712.35	882.9	712.25

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

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



REGISTRAR AND TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

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

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT**FOR EQUITY:****Link Intime India Private Limited**

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

FOR DEBT:**Zuari Finserv Limited**

Zuari House, Plot No. 2,
Community Centre Zamrudpur,
Kailash Colony, New Delhi - 110048
Telephone: 011-46474000, Extn. 204
Email: rta@adventz.zuarimoney.com
Website: www.zuarimoney.com

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022 [Face Value of ₹ 10/- each];

Sr. No.	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	1175898	99.33	34406628	3.65
2	501 to 1000	4397	0.37	3192420	0.34
3	1001 to 2000	1653	0.14	2309476	0.24
4	2001 to 3000	472	0.04	1182007	0.13
5	3001 to 4000	198	0.02	686681	0.07
6	4001 to 5000	147	0.01	678119	0.07
7	5001 to 10000	313	0.03	2253294	0.24
8	10001 to above	716	0.06	898463864	95.26
TOTAL :		1183794	100	943172489	100

DEMATERIALIZATION OF SHARES AND LIQUIDITY;

Trading in the Equity Shares of the Company is permitted only in dematerialized form. As on March 31, 2022, all the Equity Shares were held in dematerialized form except one equity share.

OUTSTANDING GDRS/ADRS/WARRANTS/ OPTIONS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY: Total number of ESOPs in force as on March 31, 2022 – 90,65,440 (including options vested but not exercised).

PLANT LOCATIONS: NIL

ADDRESS FOR CORRESPONDENCE FOR SHARE TRANSFER AND RELATED MATTERS:

Ms. Payal Mittal Chhabra
Company Secretary and Compliance Officer
2nd Floor, Tower-B, Infinity Towers,
DLF Cyber City, Block 2 Building 3, DLF Phase 2,
Gurugram, Haryana 122 002, India
Telephone: +91 124 458 9803
E-mail: investor.relations@sbicard.com

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

NAME OF THE DEBENTURE TRUSTEES WITH FULL CONTACT DETAILS:**Axis Trustee Services Limited**

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

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

Contact: 022-62300451 Fax: 022-62300700

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

Email: Debenturetrustee@axistrustee.in

Website: www.axistrustee.com

SEBI Registration No.: IND000000494

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

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

The credit ratings of the company as at the end of March 31, 2022 are as below:

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

During the financial Year ended March 31, 2022, there were no revisions in the Credit Rating obtained by the Company.

OTHER DISCLOSURES:

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

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

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

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

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

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

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

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

The details of establishment of such mechanism have been disclosed on the website of the Company i.e. www.sbicard.com.

sbicard.com. The policy provides every whistleblower access to the Chairperson of the Audit Committee. Further, it is affirmed that no personnel has been denied access to the Audit Committee.

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

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

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

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

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

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

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT**5. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities;**

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

During the year ended March 31, 2022, the Company has designated certain foreign exchange forward contracts as cash flow hedges the movement in spot rates to mitigate the risk of foreign exchange exposure on underlying foreign currency exposures. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting and any hedge ineffectiveness is calculated and accounted for in the statement of profit or loss at the time of the hedge relationship rebalancing.

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

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

7. The Company has received a certificate dated July 7, 2022 from Dr. S Chandrasekaran, (FCS 1644 CP No. 715) Senior Partner, M/s. Chandrasekaran Associates, Company Secretaries, certifying that none of the Directors on the

Board of the Company as on the Financial Year ended March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. The Copy of the said certificate is annexed to this report.

8. Web link where policy for determining 'material subsidiaries is disclosed: Not Applicable, since the Company does not have any subsidiaries.**9. There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the financial year ended March 31, 2022.**

10. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: During the financial year ended March 31, 2022, the Company has paid total fees for various services including statutory audit, amounting to ₹ 0.48 Crores to the Statutory Auditor, namely - M/s. S. Ramanand Aiyar & Co., Chartered Accountants (Registration No. 000990N). No fees was paid by the Company to any entity in the network firm/network entity of which the Statutory Auditor is a part. Further, the Company does not have any subsidiaries.

11. This Corporate Governance Report of the Company for the financial year ended March 31, 2022 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

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

13. Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

The Company in the ordinary course of its business issues Credit Cards to firms/companies in which directors are interested. The details of the same is mentioned hereunder:

(₹ In Crores)			
Sl. No.	Name of the Entity	Spends during FY 21-22	Balance as on March 31, 2022
1	State Bank of India	0.49	0.02
2	SBI Life Insurance Co Limited	0.02	0.00
3	SBI General Insurance Company Limited	0.61	0.04
4	SBI Funds Management Limited	1.08	0.11
5	SBI Capital Markets Limited	0.11	0.01
6	SBICAP Securities Limited	0.61	0.07
7	SBICAP Ventures Limited	0.05	0.01
8	SBI DFHI Limited	0.28	0.01
9	Indian Bank Association	0.01	0.00
10	SBI SG Global Securities Services Private Limited	0.23	0.01

ANNEXURE- 6 CORPORATE GOVERNANCE REPORT

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

- a) Mr. Dinesh Khara is the Chairman of the Company. He is a Non- Executive Director nominated by the State Bank of India and is not related to the Managing Director or the Chief Executive Officer as per the definition of the term “relative” defined under the Companies Act, 2013.;
- b) Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company’s website www.sbicard.com and are also submitted to the Stock Exchanges.

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

- c) Company has submitted a declaration with the stock exchanges that the Statutory Auditors of the Company have issued Audit Report on Audited Financial Results for year ended March 31, 2022 with unmodified opinion.
- d) The Company has separate Internal Audit Department which periodically submit Internal Audit Reports directly to the Audit Committee of the Company.

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

Details of Unclaimed Suspense Account provided by our Registrar and Transfer Agent are given below:

Sr. No.	Description	No. of shareholder	No. of shares*
1	Aggregate number of shareholders and the outstanding shares lying unclaimed as on April 1, 2021	6	114
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	1	19
3	Number of shareholders to whom shares were transferred from suspense account during the year	1	19
4	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2022	5	95

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

For and on behalf of the Board

Dinesh Khara

Chairman
DIN: 06737041

Place: Mumbai
Date: July 28, 2022

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

To the members of
SBI Cards and Payment Services Limited

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

I hereby declare that all the Board members and Senior Management Personnel as on March 31, 2022, have affirmed compliance with the Code of Conduct for the Company's Board of Directors and Senior Management Team.

Rama Mohan Rao Amara
Managing Director & CEO
DIN:08951394

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

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

We have examined all relevant records of SBI Cards and Payment Services Limited (“the Company”) for the purpose of certifying all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2022. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

For Chandrasekaran Associates Company Secretaries

FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Dr. S Chandrasekaran

Senior Partner
Membership No. F1644
Certificate of Practice No. 715
UDIN: F001644D000704786

Date: July 28, 2022
Place: Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,

The Members

SBI CARDS AND PAYMENT SERVICES LIMITEDUnit 401 & 402, 4th Floor, Aggarwal Millennium
Tower E 1,2,3, Netaji Subhash Place,
Wazirpur, New Delhi-110034

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Original Date of appointment in Company
1.	Dinesh Khara	06737041	01/11/2016
2.	Ashwini Kumar Tewari	08797991	05/04/2021
3.	Rama Mohan Rao Amara	08951394	30/01/2021
4.	Mihir Narayan Prasad Mishra	08321878	18/06/2021
5.	Tejendra Mohan Bhasin	03091429	28/06/2019
6.	Rajendra Kumar Saraf	02730755	14/08/2019
7.	Dinesh Kumar Mehrotra	00142711	14/11/2019
8.	Anuradha Shripad Nadkarni	05338647	14/11/2019
9.	Shriniwas Yeshwant Joshi	05189697	04/12/2020

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

**For Chandrasekaran Associates
Company Secretaries**

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Dr. S Chandrasekaran

Senior Partner

Membership No. F1644

Certificate of Practice No. 715

UDIN:F001644D000583621

Date: July 7, 2022

Place: Delhi

INDEPENDENT AUDITOR’S REPORT

To the Members of
SBI Cards and Payment Services Limited

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of SBI Cards and Payment Services Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“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 and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

Emphasis of Matter

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

Our Opinion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No.	Key Audit Matters	Auditor’s Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of Impairment of financial assets (Expected Credit Loss) in view of adoption of Ind AS 109 “Financial Instruments”</p> <p>In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets measured at amortised cost. For recognition of impairment loss on Loans to customers, where no significant increase in credit risk has been observed, such assets are classified in “Stage 1”, loans that are considered to have significant increase in credit risk are considered to be in “Stage 2” and those which are in default or for which there is an objective evidence of impairment are considered to be in “Stage 3”. Credit risk is measured using Probability of Default (PD), Exposure of Default (EAD), Loss Given Default (LGD).</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures relating to the allowance for credit losses included the following, among others:</p> <ul style="list-style-type: none"> Compliance of the Company’s accounting policies in relation to impairment allowance with Ind AS 109 was assessed. We evaluated the appropriateness of the ECL model chosen, assessed the reasonableness of the assumptions and estimates and completeness of information used in the estimation of Probability of Default and Loss Given Default. Portfolio categorization into appropriate stages (Stage 1, Stage 2 and Stage 3) for purposes of measurement of ECL was analysed on the basis of their past-due status.

INDEPENDENT AUDITOR'S REPORT

Sr. Key Audit Matters No.	Auditor's Response
<p>Further, for corporate portfolio, Company's credit risk function also segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal sources supplemented by external data. Impairment allowance for these exposures are reviewed and accounted on a case by case basis.</p> <p>The current ECL model does not cater to future economic deterioration expected due to COVID-19 fall out and it is based on past historical data. However, additional management overlay has been provided on stress segments portfolio of loan and advances, duly approved by the Board of Directors.</p> <p>Considering the degree of estimation involved in the model and computation of impairment loss allowance along with the significance of the amount and its impact on the financial statements of the company, this area has been considered as a Key Audit Matter.</p> <p>Refer Note 38.1.2 to the Financial Statements</p>	<ul style="list-style-type: none"> Review of additional management overlay, particularly in response to COVID- 19 pandemic situation, by critically evaluating the stress segments that have been identified by management and approved by Board of Directors through overlays. We also tested management's workings supporting the overlay quantum. Assessed disclosures in the financial statements in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on ECL estimation.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is

INDEPENDENT AUDITOR'S REPORT

responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

INDEPENDENT AUDITOR'S REPORT

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "1", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent as applicable.
2. The Comptroller and Auditor General of India has issued the directions and sub directions indicating the areas to be examined in terms of sub section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in Annexure "2".
3. As required by section 143(3) of the Act based on our audit, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as at March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2022 from being appointed as director in terms section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "3". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements - Refer Note 45 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person

INDEPENDENT AUDITOR'S REPORT

or entity, including foreign entity ("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 that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has declared interim dividend during the year which is in accordance with Section 123 of the Act.

For S. Ramanand Aiyar & Co.
Chartered Accountants
Firm's Registration Number: 000990N

R. Balasubramanian

Partner
Membership No. 080432
UDIN: 22080432AICETM2616

Place: Gurugram
Date: April 29, 2022

ANNEXURE “1” TO INDEPENDENT AUDITORS’ REPORT

(Referred to in Paragraph 1 under ‘Report on other Legal and Regulatory Requirement of our report to the Members of SBI Cards and Payment Services Limited of even date

i) In respect of Company’s Property, Plant and Equipment:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment

(B) The Company has maintained proper details records showing full particulars of Intangible assets

(b) The Company has a regular programme of physical verification of Property, Plant and Equipment by which all fixed assets are verified, over the period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records, Company, is not having any immovable property. Hence, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) (a) The Company is a NBFC and in the business of credit card services. Accordingly, it does not hold any physical inventories. Hence, reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate, from banks or financial institutions on the basis of security of current assets. As per the information and explanations given to us, the quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of account of the Company.

iii) The Company has made investments in, 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 any other parties during the year, in respect of which:

(a) The Company is a NBFC and in the business of credit card services, in the nature of credit to

the customers, which are treated as loans in the financial statements. Hence, reporting under clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion, the investment made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company’s interest.

(c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payments of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) As per the information and explanations provided to us, there are over dues amount (as stipulated below) for more than ninety days, and reasonable steps have been taken by the Company for the recovery of the principal and interest. [Refer Note No 61.7]

[₹ In Crores]

Number of Cases (Borrowers)	Principal Balance	Interest Balance	Other Fees	Total
122586	509.91	100.47	83.04	693.42

(e) The Company is a NBFC and in the business of credit card services, in the nature of credit to the customers, which are treated as loans in the financial statements. Hence, reporting under clause 3(iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act in respect of loans granted, investment made.

The Company has given credit card advances-of ₹ 0.06 Crores to eleven Directors and 0.27 Crores to twelve related parties in the ordinary course of business. [Refer Note no 9]

v) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits from public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act and Rules made there under.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the

ANNEXURE “1” TO INDEPENDENT AUDITORS’ REPORT

Companies Act for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees’ State Insurance, Income tax, Sales Tax, Service Tax, duty of custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (₹ Crores)	Period to which the amount relates	Forum where dispute is pending
Service Tax	1. Demand of service tax on unbilled revenue in case of associated enterprises 2. Demand of Service tax on difference between the gross amounts appearing in income tax return vs the service tax return	10.39	FY 2007-08 to FY 2011-12	Customs, Excise and Service tax Appellate Tribunal, Chandigarh
Service Tax	1. Service tax liability on reverse charge basis for payments made to service providers situated outside India. 2. On alleged wrongful availment of CENVAT credit in respect of call center services.	1.40*	FY 2003-04 to FY 2007-08	Customs, Excise and Service tax Appellate Tribunal, Chandigarh
Service Tax	Service Tax demand on Incentive Income	0.60	F.Y. 2007-08 to 2008-09	Customs, Excise and Service tax Appellate Tribunal, Chandigarh
Service Tax	Demand of Service tax in respect of Master card charges due to Service tax not deposited on grossed up basis	13.13*	FY 2012-13 to 2017-18	Customs, Excise and Service tax Appellate Tribunal, Chandigarh
Service Tax	Service Tax demand on Incentive Income	0.30	F.Y. 2009-10	Customs, Excise and Service tax Appellate Tribunal, Chandigarh
Service Tax	Demand of CENVAT Credit of Service tax availed on group medical insurance and group life insurance services of employees and family members	0.21*	FY 2008-09 to 2010-11	Customs, Excise and Service tax Appellate Tribunal, Chandigarh
Income Tax Act, 1961	Redemption of VISA Shares and Advertisement Expenses	1.98	Assessment Year 2008-09	High Court, Delhi
Employees State Insurance Act, 1948	Failure to pay ESI Contribution on payment made to various contractors	2.53 *	FY 2014-15	E.S.I. Court, Gurgaon
Employees Provident Fund Act, 1952	Differential of PF amount on account of statutory limit	4.55	FY 2014 to 2019	EPF Organisation, Gurgaon
Total		35.09		

*against the above liability amount (includes Interest and Penalty), ₹ 2 Crores has been deposited.

ANNEXURE “1” TO INDEPENDENT AUDITORS’ REPORT

- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the records of the Company examined by us and the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or Other lender;
- (c) According to the records of the Company examined by us and the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained;
- (d) According to the records of the Company examined by us and the information and explanations given to us, the funds raised on short term basis have, prima facie, not been used during the year for long -term purposes by the Company;
- e) According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the records of the Company examined by us and the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x) (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3 (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Hence, reporting under clause 3 (x)(b) of the Order is not applicable.
- xi) (a) According to information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year. However, certain instances of customer frauds on the Company have been reported during the year. As informed, these primarily relate to fraudulent usage of credit cards issued by the Company. During the financial year 2021-22, the total amount involved in such frauds was ₹ 0.97 Crores and the recovery against this amount (pertaining to current year as well as the previous years) is ₹ 1 Crore.
- During the year, two employees, since terminated, had committed fraud on the Company of ₹ 0.37 Crores. Recovery of ₹ 0.03 Crores has been made against such fraud.
- (b) No report under section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up the date of this report.
- (c) Whistle blower complaints have been considered by us during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them.
- xvi) (a) The Company is a Non-Deposit accepting Systemically Important Non-Banking Financial Company (NBFC-ND-SI) registered with Reserve Bank of India (RBI) vide Registration Number 14.01328 under section 45 IA of the RBI Act, 1934.

ANNEXURE “1” TO INDEPENDENT AUDITORS’ REPORT

- (b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) and (d) of the Order is not applicable
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the plans of the Board of Directors and Management; we are of the opinion that no material uncertainty exists as on the date of the audit report and that the 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. However, we cannot give an assurance as to the future viability of the Company. We further state that our reporting is based on the financial position up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- xx) (a) There are no unspent amounts towards Corporate Social Responsibilities (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Hence, reporting under clause 3(XX)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135 (6) of the Companies Act.
- xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of a Company. Hence, reporting under clause 3(xxii) of the Order is not applicable.

For S. Ramanand Aiyar & Co.
Chartered Accountants
Firm's Registration Number: 000990N

R. Balasubramanian
Partner
Membership No. 080432
UDIN: 22080432AICETM2616

Place: Gurugram
Date: April 29, 2022

ANNEXURE “2” TO INDEPENDENT AUDITORS’ REPORT

(Referred to in Paragraph 2 under ‘Report on other Legal and Regulatory Requirement of our Report to the Members of SBI Cards and Payment Services Limited of even date)

Report on directions and Sub- directions issued by the Comptroller and Auditor General of India under section 143(5) of Companies Act 2013 on accounts of SBI Cards and Payment Services Limited for the year ended March 31, 2022.

Directions for the year 2021-22

Particulars	Compliance of Directions
I Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. The Company has IT systems in place for recording/ accounting of transactions. Based on the verification carried out by us during the course of our audit and based on the information and explanations given to us, we have not come across any instance having significant implications on the integrity of accounts.
II Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to company’s inability to repay the loan? If yes, the financial impact may be stated. 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 are no such cases in the current financial year.
III Whether funds (grants/ subsidy etc.) received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	No amount has been received/ receivable during the year as grants/subsidy from Central/State agencies.

Sub-Directions under section 143(5) of Companies Act 2013 for the year ended March 31, 2022.

On the basis of the books of accounts of the Company, the reply to questions and /or information required is supplied as under: -

1. Investments	
Whether the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures etc. are available in physical/demat form and these, in aggregate, agree with the respective amounts shown in the Company’s books of accounts? If not, details may be stated.	The investments of the Company as on March 31, 2022 are as under: 1. 1001 shares Invested in SBI Foundation, allotted on January 2017. These shares are in physical form and the amount of investment is in agreement with amount shown in the Company’s books of account. 2. 112,996 shares invested in Online PSB Loans Limited (formerly known as Capita World Platform Pvt. Ltd) in July 2018. These shares are in demat form and the investment is in agreement with Company’s books of account. 3. During the year, the Company has invested in Government securities and T-Bill. These securities are in demat form with Bank of Baroda. As on March 31, 2022, Government Security having face value of ₹ 385.00 Crores and T-Bill having face value of ₹ 995.00 Crores have been invested and are in agreement with Company’s books of account.

ANNEXURE “2” TO INDEPENDENT AUDITORS’ REPORT

	<p>4. During the year, the Company had Investments in liquid schemes of Mutual Funds for a short duration. These transactions are supported by statements.</p>
<p>2 Loans</p>	
<p>In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realisable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard, if any, may be suitably commented upon along with financial impact.</p>	<p>The Company offers restructuring of the outstanding advances in equitable monthly instalments to customers, who have shown willingness to pay; but are unable to make the required payment on account of financial stress. All such advances are classified as unsecured and are treated as part of Non-Performing Assets which are classified as Stage 3 assets. As per the Company’s policy, adequate provision is created on such assets as per ECL computation against the total outstanding of such advances. As on March 31, 2022, total outstanding of such restructured advances stands at ₹ 3.16 Crores against which a provision of ₹ 2.04 crores has been made in the books of account.</p>
<p>3. Whether the security control for digital payment products and services are in compliance with the directions of RBI for Digital Payment Security Control Dated 18 February 2021.</p>	<p>The RBI Master Direction on Digital Payment Security Controls dated February 18, 2021, has provided necessary guidelines (69 General Controls as defined in Para 4 to Para 73 of the said Master Direction) for the Regulated Entities (REs) to set up a robust governance structure and implement common minimum standards of security controls for digital payment products and services.</p> <p>The Company is compliant in respect of directions (General Controls) contained at Paragraphs 4 to 73 except for Paragraphs 8 and 44.</p> <p>In respect of General Control specified in Paragraph 8, the Company has represented that their core digital payment applications, namely the transaction authorization system (Vision+), transaction fraud monitoring system (Falcon), multi-factor authentication system (WIBMO) are PCI-DSS compliant and certified. Furthermore, they are working towards attaining PCI-DSS compliance certification for the remaining auxiliary / supplementary systems which is expected to be completed by June 2023.</p> <p>In respect of General Control specified in Paragraph 44, the Company has represented that to comply in this respect, they are dependent on the Network Partners and that they have made a representation to RBI vide letter CEO/2020/159 dated December 19, 2020.</p> <p>In respect of General Controls specified in Paragraphs 54, 68, 69 and 71, the Company has represented that these are not applicable to them.</p>

ANNEXURE – “3” TO THE AUDITORS’ REPORT

(Referred to in Paragraph 3 under ‘Report on other Legal and Regulatory Requirement of our report to the Members of SBI Cards and Payment Services Limited of even date

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

We have audited the internal financial controls over financial reporting of SBI Cards and Payment Services Limited (“the Company”) as at March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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. Ramanand Aiyar & Co.
Chartered Accountants
Firm’s Registration Number: 000990N

R. Balasubramanian

Partner
Membership No. 080432
UDIN: 22080432AICETM2616

Place: Gurugram
Date: April 29, 2022

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

BALANCE SHEET

AS AT MARCH 31, 2022

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	5	758.16	643.20
(b) Bank balance other than cash and cash equivalents	6	348.23	76.90
(c) Derivative financial instruments	7	-	0.10
(d) Trade receivables	8	168.47	81.52
(e) Loans	9	30,187.25	23,459.14
(f) Investments	10	1,297.19	957.56
(g) Other financial assets	11	213.32	194.87
Total financial assets		32,972.62	25,413.29
2 Non-financial assets			
(a) Current tax assets (net)	12	41.24	52.47
(b) Deferred tax assets (net)	13	218.53	395.09
(c) Property plant and equipment	14	39.20	56.46
(d) Capital work in progress	14	0.49	0.49
(e) Intangible assets under development	14	13.75	9.58
(f) Intangible assets	14	116.41	89.66
(g) Right-of-use assets	14	283.85	161.98
(h) Other non-financial assets	15	962.34	833.84
Total non-financial assets		1,675.81	1,599.57
Total Assets (1+2)		34,648.43	27,012.86
LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
(a) Payables	16		
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		36.26	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,080.54	881.38
(ii) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		10.87	11.34
(b) Debt securities	17	7,106.34	5,932.93
(c) Borrowings (other than Debt Securities)	18	14,680.10	10,663.52
(d) Subordinated liabilities	19	1,196.02	1,298.33
(e) Other financial liabilities	20	1,572.69	876.10
Total financial liabilities		25,682.82	19,663.60
2 Non-financial liabilities			
(a) Provisions	21	477.39	409.65
(b) Other non-financial liabilities	22	735.52	637.58
Total non-financial liabilities		1,212.91	1,047.23
Total liabilities (1+2)		26,895.73	20,710.83
3 Equity			
(a) Equity share capital	23	943.18	940.53
(b) Other equity	24	6,809.52	5,361.50
Total equity		7,752.70	6,302.03
Total liabilities and equity (1+2+3)		34,648.43	27,012.86
See accompanying notes to the financial statements	1 to 61		

As per our report of even date attached

For S. Ramanand Aiyar & Co.

Chartered Accountants

Firm Registration No. :000990N

R. Balasubramanian
Partner

Membership No. : 080432

For and on behalf of the Board of Directors

Rama Mohan Rao Amara
Managing Director & CEO

DIN: 08951394

Shriniwas Yeshwant Joshi
Director

DIN: 05189697

Chief Financial Officer
Company Secretary

Place: Gurugram

Date : April 29, 2022

Place: Gurugram/Mumbai

Date : April 29, 2022

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2022

	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
1 Revenue from operations			
(i) Interest Income	25	4,866.03	4,946.65
(ii) Fees and commission income	26	5,226.56	3,907.67
(iii) Net gain on fair value changes	27	-	0.53
(iv) Sale of services		132.19	134.18
(v) Business development incentive income		447.61	299.18
(vi) Insurance commission income		4.88	8.25
Total revenue from operations		10,677.27	9,296.46
2 Other income	28	624.25	417.12
3 Total income (1+2)		11,301.52	9,713.58
4 Expenses			
(i) Finance costs	29	1,027.32	1,043.40
(ii) Fees and Commission expenses		1,022.63	606.73
(iii) Net loss on fair value changes	27	0.10	-
(iv) Net loss on derecognition of financial instruments under amortised cost category	51	1.71	61.45
(v) Impairment on financial instruments	30	2,255.84	2,638.55
(vi) Employee benefits expenses	31	472.71	491.58
(vii) Depreciation, amortisation and impairment	32	148.56	123.26
(viii) Operating and other expenses	33	4,200.49	3,424.88
Total expenses		9,129.36	8,389.85
5 Profit before tax (3-4)		2,172.16	1,323.73
6 Tax expense:	34		
Current tax charge / (credit)		382.88	463.48
Deferred tax charge / (credit)		173.14	(124.27)
Total tax expenses		556.02	339.21
7 Profit for the Period (5-6)		1,616.14	984.52
8 Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		6.89	7.42
- Tax impact on above		(1.73)	(1.87)
- Gain/(loss) on equity investment through OCI		6.72	9.74
- Tax impact on above		(1.69)	(2.45)
Subtotal (A)		10.19	12.84
B. Items that will be reclassified to profit or loss			
- Gain/(loss) on forward contracts in hedging relationship		-	-
- Tax impact on above		-	-
Subtotal (B)		-	-
Other comprehensive income (A+B)		10.19	12.84
9 Total comprehensive income for the period (7+8)		1,626.33	997.36
10 Earnings per equity share :	35		
(1) Basic (₹)		17.16	10.48
(2) Diluted (₹)		17.02	10.38
See accompanying notes to the financial statements	1 to 61		

As per our report of even date attached

For **S. Ramanand Aiyar & Co.**

Chartered Accountants

Firm Registration No. :000990N

For and on behalf of the Board of Directors

R. Balasubramanian

Partner

Membership No. : 080432

Rama Mohan Rao Amara

Managing Director & CEO

DIN: 08951394

Shrinivas Yeshwant Joshi

Director

DIN: 05189697

Chief Financial Officer

Company Secretary

Place: Gurugram

Date : April 29, 2022

Place: Gurugram/Mumbai

Date : April 29, 2022

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax for the year	2,172.16	1,323.73
Adjustments for :		
Depreciation and amortisation expense	148.56	123.26
Liabilities written back	(0.75)	(8.87)
Impairment losses & bad debts	2,255.96	2,638.55
Net loss on derecognition of financial instruments under amortised cost category	1.71	61.45
Other interest income	(46.05)	(22.91)
Cash inflow from interest income	47.58	16.65
Share based payments	22.79	30.18
Finance cost	1,027.32	1,043.40
Unrealised foreign exchange (Gain)/loss (net)	(1.44)	(0.11)
Loss/ (Profit) on sale of property, plant & equipment	0.63	0.18
Profit on sale on investments	(0.40)	(0.18)
Fair valuation of derivatives	0.10	(0.53)
Operating profit before working capital changes	5,628.17	5,204.80
Adjustment for changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Bank balance other than cash & cash equivalent	(271.33)	84.55
Trade receivables	(87.25)	(27.25)
Other financial assets	(18.30)	29.38
Other non-financial assets	(236.76)	62.49
Loans	(8,984.83)	(3,347.15)
Adjustments for increase / (decrease) in operating liabilities:		
Other financial liabilities	567.40	235.47
Other non-financial liabilities	97.94	44.11
Provisions	74.79	(179.56)
Trade payables	237.05	164.61
Cash from/ (used) in operations before taxes	(2,993.12)	2,271.45
Finance Cost Paid	(1,026.69)	(1,096.30)
Cash from/ (used) in operations before taxes	(4,019.81)	1,175.15
Direct taxes paid (net of refunds)	(371.65)	(482.83)
Net cash generated/ (used) in operating activities	(4,391.46)	692.32
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(99.92)	(56.95)
Proceeds from sale of property, plant and equipment and intangible assets	0.03	0.09
Purchase of investments	(3,761.55)	(1,404.57)
Proceeds from investment	3,323.32	464.65
Net cash used in investing activities (B)	(538.12)	(996.78)

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

	For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flow from financing activities		
Proceeds from issue of share capital (including security premium and share pending allotment)	37.34	27.17
Proceeds from debt securities	4,254.51	6,448.90
Repayment of debt securities	(3,106.88)	(6,262.78)
Borrowings (other than debt securities)	4,016.50	365.54
Repayment of subordinated liabilities	(100.00)	-
Interim dividend paid (Including dividend distribution tax)	-	(93.83)
Payment of lease liabilities	(56.93)	(53.25)
Net cash (used) / generated in financing activities (C)	5,044.54	431.75
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	114.96	127.29
Cash and cash equivalents as at the beginning of the year	643.20	515.91
Cash and cash equivalents as at the end of the year	758.16	643.20

Note:

- The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Ind AS 7, Statement of Cash Flows, as per Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015.

As per our report of even date attached

For **S. Ramanand Aiyar & Co.**

Chartered Accountants

Firm Registration No. :000990N

For and on behalf of the Board of Directors

R. Balasubramanian

Partner

Membership No. : 080432

Rama Mohan Rao Amara

Managing Director & CEO

DIN: 08951394

Shriniwas Yeshwant Joshi

Director

DIN: 05189697

Chief Financial Officer

Company Secretary

Place: Gurugram

Date : April 29, 2022

Place: Gurugram/Mumbai

Date : April 29, 2022

STATEMENT OF CHANGES IN EQUITY

AS AT 31ST MARCH, 2022

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

A. Equity Share Capital

	Number of shares	Amount
Balance as at April 01, 2021	940,525,456	940.53
Changes in equity share capital during the year (refer note 24)	2,647,033	2.65
Balance as at March 31, 2022	943,172,489	943.18
Balance as at April 01, 2020	938,956,794	938.96
Changes in equity share capital during the year (refer note 24)	1,568,662	1.57
Balance as at March 31, 2021	940,525,456	940.53

B. Other Equity (refer note 24)

Particulars	Reserve and Surplus						OCI			
	Capital redemption reserve	Statutory reserve	General reserve	Capital reserve created on account of amalgamation	Securities Premium	Retained earnings	Share options outstanding account	Equity Instruments through Other Comprehensive Income	Shares pending allotment	Total
Balance as at April 01, 2021	3.40	1,011.85	13.08	(71.51)	935.19	3,418.78	40.50	7.29	2.92	5,361.50
Profit after tax	-	-	-	-	-	1,616.14	-	-	-	1,616.14
Other comprehensive income, net of income taxes	-	-	-	-	-	5.16	-	5.03	-	10.19
Share bases payments to employees- for the period	-	-	-	-	-	-	22.79	-	-	22.79
Received on allotment of shares to employees pursuant to ESOP Scheme	-	-	-	-	37.61	-	-	-	-	37.61
Transferred from Retained Earning @ 20%	-	323.23	-	-	-	(323.23)	-	-	-	-
Interim equity dividend for FY 2021-22	-	-	-	-	-	(235.79)	-	-	-	(235.79)
Transfer on allotment of shares to employees pursuant to ESOP scheme	-	-	-	-	15.29	-	(15.29)	-	-	-
Transfer on cancellation of stock option	-	-	0.03	-	-	-	(0.03)	-	-	-
Share application money pending allotment	-	-	-	-	-	-	-	-	(2.92)	(2.92)
Balance as at March 31, 2022	3.40	1,335.08	13.11	(71.51)	988.09	4,481.06	47.97	12.32	-	6,809.52

SBI CARDS AND PAYMENT SERVICES LIMITED
Annual Report 2021-22

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

STATEMENT OF CHANGES IN EQUITY

AS AT 31ST MARCH, 2022

Particulars	Reserve and Surplus					OCI			Total	
	Capital redemption reserve	Statutory reserve	General reserve	Capital reserve created on account of amalgamation	Securities Premium	Retained earnings	Share options outstanding account	Instruments through Other Comprehensive Income		Shares pending allotment
Balance as at April 01, 2020	3.40	814.95	12.99	(71.51)	904.74	2,719.51	18.18	-	-	4,402.26
Profit after tax	-	-	-	-	-	984.52	-	-	-	984.52
Other comprehensive income, net of income taxes	-	-	-	-	-	5.55	-	7.29	-	12.84
Share bases payments to employees- for the period	-	-	-	-	-	-	30.18	-	-	30.18
Received on allotment of shares to employees pursuant to ESOP Scheme	-	-	-	-	22.68	-	-	-	-	22.68
Transfer on allotment of shares to employees pursuant to ESOP scheme	-	-	-	-	7.77	-	(7.77)	-	-	-
Transfer on cancellation of stock option	-	-	0.09	-	-	-	(0.09)	-	-	-
Transferred from Retained Earning @ 20%	-	196.90	-	-	-	(196.90)	-	-	-	-
Interim equity dividend	-	-	-	-	-	(93.90)	-	-	-	(93.90)
Share application money pending allotment	-	-	-	-	-	-	-	-	2.92	2.92
Balance as at March 31, 2021	3.40	1,011.85	13.08	(71.51)	935.19	3,418.78	40.50	7.29	2.92	5,361.50

As per our report of even date attached

For **S. Ramanand Aiyar & Co.**

Chartered Accountants

Firm Registration No. :000990N

R. Balasubramanian

Partner

Membership No. : 080432

For and on behalf of the Board of Directors

Rama Mohan Rao Amara

Managing Director & CEO

DIN: 08951394

Shrinivas Yeshwant Joshi

Director

DIN: 05189697

Chief Financial Officer

Company Secretary

Place: Gurugram

Date : April 29, 2022

Place: Gurugram/Mumbai

Date : April 29, 2022

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Company overview

SBI Cards and Payment Services Limited, (“the Company” or “SBI Card”) was incorporated on May 15, 1998 and is engaged in the business of issuing credit cards to consumers in India. The Company’s registered office is at Netaji Subhash Place, Wazirpur, New Delhi – 110034 and its principal place of business is at DLF Infinity Towers, Gurugram, Haryana-122002 and is domiciled in India. The Company was incorporated as a joint venture between State Bank of India and GE Capital Mauritius Overseas Investment with a shareholding of 60% and 40% respectively. On December 15, 2017, GE Capital Mauritius Overseas Investments sold its entire stake (40%) in the Company to State Bank of India (14%) and CA Rover Holdings (26%).

During the year ended March 31, 2020, the Company was converted to Public Limited from Private Limited, and Registrar of Companies has issued fresh certificate of incorporation dated August 20, 2019. Further on March 12, 2020 fresh equity shares were allotted pursuant to Initial Public Offer (IPO) and Company was listed with effect from March 16, 2020 on Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

The Company is a Non-Deposit accepting Systemically Important Non-Banking Financial Company (NBFC-ND-SI) registered with Reserve Bank of India (RBI) vide Registration Number 14.01328 under section 45-IA of the RBI Act, 1934. Accordingly, all provisions of the Reserve Bank Act, 1934 and all directions, guidelines or instructions of the RBI that have been issued from time to time and are in force and as applicable to a Non-Banking Financial Company are applicable to the company.

The Company also acts as corporate insurance agent for selling insurance policies to credit card customers. The Company has been granted license on March 01, 2012 by the Insurance Regulatory & Development Authority (IRDA) under the Insurance Regulatory & Development Authority (Insurance brokers) regulations, 2002 to act as a corporate insurance agent, valid up to March 31, 2025.

On April 29, 2022 the Board of Directors approved the financial statement of the Company and recommended for consideration and adoption by the shareholders in its Annual General Meeting.

2 Compliance with IND-AS’s

2.1 Statement of Compliance

These financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments that are

measured at fair values, the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified).

Further the Company has complied with all the directions related to implementation of Indian Accounting Standards prescribed for Non-Banking Finance Company [NBFC] in accordance with Reserve Bank of India [RBI] notification dated March 13, 2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3 Basis of preparation of financial statements

3.1 Use of estimates

The preparation of the Company’s financial statements is in conformity with the financial reporting framework applicable to the Company requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include provision for expected credit loss, estimated useful life of Tangible Assets and provisions and contingent liabilities. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any changes in estimates are recognised prospectively. Refer Note 4.16 for critical estimates and judgements applied in preparation of financial statements.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Estimation of uncertainties relating to the pandemic from COVID-19

COVID-19 pandemic has caused volatility in Indian economy throughout the year due to imposition of localized/regional lockdowns which has led to disruptions in business and individual activities. While economy is recovering from the pandemic, the extent to which any new wave of COVID-19 will impact Company’s results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

3.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Crores (up to two decimals), unless otherwise stated.

4 Significant Accounting Policies

4.1. Revenue recognition

The Company's operating revenues are comprised principally of service revenues such as Interest income on financial assets i.e. loans advanced, membership fee earned, transaction revenue earned on interchange including target incentives offered by network partners. Other fee and charges include cheque bounce charge, late fees, over limit fees etc. The Company also earns income from investments made.

Revenue is measured, as set out in Ind AS 115, at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates, value added taxes.

4.1.1. Interest income

Interest income includes

- Interest income on dues from credit card holders and on EMI based advances.
- Interest Income from Fixed Deposit is recognised on accrual basis.
- Interest Income from Investment is recognised on Effective Interest Rate basis

The Company recognises Interest income in line with Ind AS 109 and expense for all financial instruments, except those classified as held for trading or designated at fair value are recognised in 'Interest income' and 'Finance expense' in the statement of profit and loss using the effective interest rate method (EIR). The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. EIR is calculated by considering

all costs and income attributable to all acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discount estimated future cash payments / receipts through the expected life of the financial asset/ liability to the gross carrying amount of a financial asset or the amortised cost of a financial liability. In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR.

4.1.2. Income from fees and services

The Company sells credit card memberships to card holders, income earned from the provision of membership services is recognised as revenue over the membership period consisting of 12 months at fair value of the consideration net of expected reversals/cancellations.

Other service revenue consists of value-add services provided to the card holders. Other service revenues are recognised in the same period in which related transactions occur or services rendered.

Interchange fees are collected from acquirers and paid to issuers by network partners to reimburse the issuers for a portion of the costs incurred for providing services that benefit all participants in the system, including acquirers and merchants. Revenue from interchange income is recognised when related transaction occurs, or service is rendered.

4.1.3. Service Charges

The Company enters into contracts with co-brand partners and other service providers for marketing, sales and promotional activities. The income is recognised in the same period in which related performance is done as per the terms of the business arrangements.

Income from business process management services is recognised when (or as) the company satisfies performance obligation by transferring promised services to the customer.

4.1.4. Business Development Incentive

The Company enters into long-term contracts with network partners for various programs designed to build payments volume, increase product acceptance. Revenue recognition is based on estimated performance and the terms of the business arrangements. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.1.5. Insurance Commission Income

The Company acts as corporate insurance agent for selling insurance policies to credit card customers and the income arising therefrom is recognised in the same period in which related transactions occurs or services rendered at fair value of consideration net off expected reversals/cancellations.

4.1.6. Dividend Income and Income from Sale of Investments

Dividend income is recognised when the right to receive the dividend is established.

Income from Fixed Deposit are recognised on accrual basis.

Interest on Investment are recognised using the effective interest rate [EIR] method.

Excess of sale price over purchase price of mutual fund units is recognised as income at the time of sale.

4.1.7. Unidentified receipts & Stale cheques

The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in balance sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on balance sheet date. Further, the unresolved unidentified receipts aged more than three years are also written back as other income on balance sheet date.

The liability for stale cheques aged for more than three years is written back as other income.

4.1.8. Recovery from bad debts

Recovery from bad debts written off is recognised as other income based on actual realisations from customers. Any recovery over and above the actual write-off is accounted for as miscellaneous income.

4.2. Expenditure

Expenses are recognised on accrual basis. Expenses incurred on behalf of other companies, for sharing personnel, etc. are allocated to them at cost and reduced from respective expense classifications. Similarly, expense allocation received from other companies is included within respective expense classifications.

4.3. Finance cost

Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds are recognised using the EIR. Any expenditure

which is directly attributable to borrowing is capitalized and amortised over the life of borrowing loan. Borrowing cost also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

4.4. Property, Plant and Equipment

4.4.1. Recognition and Derecognition

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit & loss when the asset is derecognised. The assets are fully depreciated over the life and residual value of the assets is considered as NIL, for the purpose of depreciation computation.

Capital work- in- progress includes cost of property, plant and equipment under installation / development as at the balance sheet date.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted accordingly, if appropriate.

4.4.2. Depreciation on Property, plant and equipment

Depreciation on property, plant and equipment is provided on straight line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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Description	Useful Life
Furniture and Fixtures	10
Office equipment	5
Computers & Computer Equipment	3
Owned Vehicles	8
Computer Server	6

Improvements of leasehold property are depreciated over the period of the lease term or useful life, whichever is shorter.

Right-of-use assets - Refer note 4.8.

4.5 Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprise purchase of software & Internally developed project. Software is recognised at cost and amortised using the straight line method over a period of three years. Internally developed projects are also recognised at cost and amortised using the straight line method over period of two to five years based on management's estimate of its useful life. Useful life of Intangible assets represents the period over which the Company expects to derive the economic benefits from the use of the asset.

Intangible assets under developments are intangible assets that are not ready for the intended use as on the balance sheet date and are disclosed as Intangible assets under development.

An item of intangible assets and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit & loss when the asset is derecognised.

4.6 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an

individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Company also regularly assesses collectability of dues and creates appropriate impairment allowance based on internal provision matrix. Impairment losses are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.7 Financial Instruments

Initial Recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Subsequent Recognition

(I) Non -derivative financial instruments

Financial Assets

Financial assets are carried at amortized cost using Effective Interest rate method (EIR):

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest [SPPI] on the principal amount outstanding.

Effective Interest Rate (EIR) method:

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at fair value through profit or loss (FVTPL).

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated for

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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financial assets having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain/ loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur.

Financial assets at fair value through other comprehensive income [FVOCI]:

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding [SPPI].

Financial assets at fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in Other Comprehensive Income.

Equity Investments designated under [FVOCI]

The classification is made on initial recognition and is irrevocable. All fair value changes of equity instruments excluding dividend are recognised in OCI and are not available for reclassification to the statement of profit and loss.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has

assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

- the Company has transferred the rights to receive cash flows from the financial assets, or
- the Company has retained the contractual right to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients."

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised.

Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and/ or infrequent transaction of sale of portfolio which doesn't affect the business model during of the Company.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure;

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

For recognition of impairment loss on Loans to customers, where no significant increase in credit risk [SICR] has been observed, such assets are

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classified in “Stage 1” and a 12 months ECL is recognised. Loans that are considered to have significant increase in credit risk are considered to be in “Stage 2” and those which are in default or for which there is an objective evidence of impairment are considered to be in “Stage 3”. Lifetime ECL is recognised for stage 2 and stage 3 Loans. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Further, for corporate portfolio, the Company’s credit risk function also segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal sources supplemented by external data. Impairment allowance for these exposures are reviewed and accounted on a case by case basis. If in subsequent period, credit quality of the corporate loan improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL. For further details refer to note 38.1.2

For trade receivables and other financial assets, the Company uses a provision matrix (simplified approach) to determine impairment loss allowance on the portfolio of receivables. The provision matrix is based on its historically observed default rates and management judgement/ estimates over the expected life of receivable.

Write off policy:

Loans are written off when the Company has no reasonable expectation of recovering the financial asset (either in its entirety or a portion of it). A write off constitutes a derecognition event.

The Company estimates such write off to get triggered on accounts which are overdue for 191 days or more from payment due date. Further, for certain commercial accounts carrying specific provision and for certain categories of retail accounts in Stage 3, where the likelihood of recovery of the outstanding is remote, the Company may trigger an early charge off. Recoveries resulting from the Company’s enforcement activities will result in other Income impairment gains.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(II) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company does not use derivative financial instruments for speculative purposes. The counterparty to the Company’s foreign currency forward contracts is generally a bank. The Company has derivative financial instruments which are not designated as hedges.

Any derivative that is not designated as hedge is categorized as a financial asset or financial liability, at fair value through profit or loss account.

Hedging

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on booked exposures. The documentation includes the Company’s risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk.

Cash flow hedge

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The Company designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. The forward

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points of the currency forward contracts are therefore excluded from the hedge designation. The designated forward element is amortized in profit or loss account over a systematic basis. The change in forward element of the contract that relates to the hedge item is recognised in other comprehensive income in the cost of hedging reserve within equity. Amounts accumulated in other comprehensive income is reclassified to profit or loss in the period in which the hedged item hits profit or loss.

When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

Offsetting of financial instruments:

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

4.8. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of an identified asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company's lease asset classes primarily consist of Computer server and Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a

corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payment that depends on index or a rate, and amount to be paid under residual value guarantees. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, the Company uses incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

4.9. Income-tax expense

Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure

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Standards (ICDS) enacted in India by using tax rates prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date

Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

4.10. Foreign currency

Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the Balance sheet date.

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at

the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability.

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its existing liabilities. Derivative contracts being financial instruments not designated in a hedging relationship are recognised at fair value with changes being recognised in profit & loss account.

4.11. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related services are recognised in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with SBI Life insurance Company limited. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Company Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of

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employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income
- Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Long Service Award

The Company's long service award is defined benefit plan. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used

for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Compensated Absences

Accumulated leaves which is expected to be utilised within next 12 months is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement and is discharge by the year end. Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized based on undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated based on an actuarial valuation performed by an independent actuary using the projected unit credit method.

The Company has a policy on compensated absences which is by way of accumulating compensated absences arising during the tenure of the service is calculated by taking into consideration of availment of leave. Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized based on undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated based on an actuarial valuation performed by an independent actuary using the projected unit credit method.

National pension system (NPS)

The Company makes contributions to National Pension System (NPS), for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to NPS. The contributions payable to NPS by the Company are at rates specified in the rules of the schemes.

Employee stock Option Plan

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant in accordance with Ind AS 102.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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The expense is recognized in the statement of profit and loss with a corresponding increase to the share-based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

4.12. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity share outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares)

4.13. Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

4.14. Provision for reward points redemption

The Company has a reward point's program which allows card members to earn points based on spends through the cards that can be redeemed for cash, gift vouchers and retail merchandize. The Company makes payments to its reward partners when card members redeem their points and creates provisions, based on the actuarial valuation by an independent valuer, to cover the cost of future reward redemptions. The liability for reward points outstanding as at the year-end and expected to be redeemed in the future is estimated based on an actuarial valuation.

4.15. Cash and Cash Equivalent

Cash and cash equivalents comprise cash balances on hand, cash balances in bank, funds in transit lying in nodal account of intermediaries/payment gateway aggregators and highly liquid investments with maturity period of three months or less from date of investment that are readily convertible to known of cash and which are subject to an insignificant risk of change in value.

4.16. Critical accounting judgements and key sources of estimation uncertainty

- (I) Revenue Recognition: Application of the various accounting principles in Ind AS 115 related to the measurement and recognition of revenue requires us to make judgments and estimates. Specifically, complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting. The Company consider various factors in estimating transaction volumes and estimated marketing activities target fulfilment, expected behavioural life of card etc.
- (II) Business development incentive: Estimation of business development incentives relies on forecasts of payments volume, card issuance etc. Performance is estimated using, transactional information - historical and projected information and involves certain degree of future estimation.
- (III) Card life: Estimation of card life relies on behavioural life trend established basis past customer behaviour / observed life cycle

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- (IV) Differences between actual results and our estimates are adjusted in the period of actual performance
- (V) Management is required to assess the probability of loss and amount of such loss with respect to legal proceedings, if any, in preparing of financial statements
- (VI) Property, Plant and equipment: The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as change in technology.
- (VII) Impairment of financial assets: A number of significant judgements are also required in applying the accounting requirements for measuring ECL such as;
- Establishing groups of similar financial assets for the purposes of measuring ECL (Portfolio segmentation)
 - Defining default
 - Determining criteria for significant increase in credit risk.
 - Choosing appropriate models and assumptions for measurement of ECL.
 - Use of significant judgement in estimating future economic scenario to calculate management overlay over base ECL model.
- (VIII) Fair value measurements and valuation processes
- In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.
 - Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 38
 - All assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level
 - Input that is significant to the fair value measurement as a whole:
 - Level 1— Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
 - Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
 - Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
 - For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- (IX) Cost of reward points: The cost of reward point includes the cost of future reward redemption which is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.
- (X) Defined Benefit Plans (Gratuity): The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- (XI) Lease: The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.
- The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

4.17. Recent pronouncements

- i) Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 109- Financial Instruments-

- (i) The amendment specifies that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.
- (ii) If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.
- ii) Reserve Bank of India (RBI) issued Master Directions - Credit Card and Debit Card – issuance and Conduct Directions, 2022 vide notification no DoR.AUT. REC. No.27/24.01041/2022-23 dated April 21, 2022. These directions cover the general and conduct regulations relating to credit, debit and co-branded cards which shall be read along with prudential, payment and technology & cyber security related directions applicable to credit, debit and co-branded cards, as issued by the Reserve Bank. These directions will be applicable from July 1, 2022. The Company is assessing the impact of the above mentioned circular and will take necessary action within the prescribed timelines.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks (of the nature of cash and cash equivalents)		
Current Accounts *	17.75	14.12
Funds in transit (lying in nodal account of intermediaries/payment gateway aggregators)	636.22	522.49
Deposits with maturity less than 3 months	-	106.59
Investment in Government Securities with maturity less than three months**	104.19	-
Total	758.16	643.20

*Current account balance for the period ended March 31, 2022 includes ₹ 0.74 Crores held in Escrow account to meet IPO expenses (for year ended March 31, 2021 ₹ 2.02 crores)

** The balances held as Investment in Government Securities with maturity of less than three months as at March 31, 2022 are as follows:

Particulars	Face Value	Units	Amount
91DTB16062022	100	10,500,000.00	104.19
Total		10,500,000.00	104.19

There was Nil balance held as Investment in Government Securities with maturity of less than three months as at March 31, 2021.

6 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits (under Lien) with original maturity for more than 3 months	8.17	7.78
Earmarked balances with bank		
Unpaid dividend *	235.87	0.07
Non moving credit balance of customers	103.26	68.05
Unidentified receipts	0.78	0.81
Unpaid exgratia to customers	0.15	0.18
Total	348.23	76.90

* Unpaid dividend amounting ₹ 235.87 Crores (0.07 Crore for FY 2019-20 and ₹ 235.80 Crores for FY 2021-22 (gross of TDS amount)) (previous year ₹ 0.07 Crore for FY 2019-20).

7 Derivative financial instruments (Assets)

Particulars	As at March 31, 2022	As at March 31, 2021
Part I		
(i) Currency Derivatives		
- Spot and forwards	-	0.10
Total	-	0.10
Part II		
(i) Cash Flow hedging		
- Currency derivatives	-	0.10
Total	-	0.10

Refer note no. 38.1.1

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**8 Trade receivables**

Particulars	As at March 31, 2022	As at March 31, 2021
To be realised within twelve months after reporting date:		
Trade Receivables considered good - Unsecured	168.47	81.52
Trade Receivables which have significant increase in Credit Risk	0.04	0.34
Less:- Impairment loss allowance	(0.04)	(0.34)
Total	168.47	81.52

- No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- No trade receivables are due from firms including LLP, private companies respectively in which any director is a partner, a director or a member.
- The average credit period on sale of services is 30-60 days. No interest is charged on trade receivables from the date of the invoice.

Trade Receivables Ageing Schedule as March 31, 2022

Particulars	Outstanding for following periods from due date of payments							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables - considered good	19.61	113.90	34.95	-	-	-	-	168.47
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	0.04	-	-	-	0.04
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total- Gross	19.61	113.90	34.95	0.04	-	-	-	168.51

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Trade Receivables Ageing Schedule as March 31, 2021

Particulars	Outstanding for following periods from due date of payments							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables - considered good	22.52	57.82	1.17	-	-	-	-	81.52
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	0.34	-	-	-	0.34
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total- Gross	22.52	57.82	1.17	0.34	-	-	-	81.86

9 Loans

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortized Cost		
(A)		
Other- Loans & advances to customers		
To be realised within twelve months after reporting date	27,248.95	21,442.54
To be realised after twelve months after reporting date	4,032.42	3,671.29
Total (A)- Gross	31,281.37	25,113.83
Less:- Impairment loss allowance	(1,094.12)	(1,654.69)
Total (A)- Net	30,187.25	23,459.14
(B)		
(i) Secured by lien on fixed deposits and financial guarantees	340.30	316.25
(ii) Unsecured	30,941.07	24,797.58
Total (B)- Gross	31,281.37	25,113.83
Less:- Impairment loss allowance	(1,094.12)	(1,654.69)
Total (B)- Net	30,187.25	23,459.14
(C) Loans in India		
(i) Public sector	10.06	4.92
(ii) Others	31,271.31	25,108.91
Total (C)- Gross	31,281.37	25,113.83
Less:- Impairment loss allowance	(1,094.12)	(1,654.69)
Total (C)- Net	30,187.25	23,459.14

Refer note 38.1.2

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013) in the normal course of business**

- a) repayable on demand : Nil
b) without specifying any terms or period of repayment : Nil

The company has given the credit card advances to promoters, directors, KMPs and the related parties in the normal course of business are shown as below:

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	0.02	0.00%	0.06	0.00%
Directors	0.03	0.00%	0.01	0.00%
KMPs	0.03	0.00%	0.01	0.00%
Related Parties	0.25	0.00%	0.18	0.00%

10 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
(A)		
At Amortized Cost		
Investment to be realised within twelve months after the reporting date		
Investment in Government Securities	878.31	623.25
Investment to be realised after twelve months after the reporting date		
Investment in Government Securities	400.96	323.11
Equity instruments	-	-
At Fair Value through Other Comprehensive Income		
Investment to be realised after twelve months after the reporting date		
Equity instruments	17.92	11.20
Total	1,297.19	957.56
(B)		
(i) Investment outside India	-	-
(ii) Investment in India	1,297.19	957.56
Total	1,297.19	957.56
(C)		
Less - Allowance for Impairment Loss	-	-
Total Net (A - C)	1,297.19	957.56

The balances held as Investment as at March 31, 2022 are as follows:

Particulars	Face Value	Units	Amount
Investment in Government Securities (Current)			
182DTB04052022	100	7,500,000	74.74
182DTB19052022	100	15,500,000	154.24
364DTB23062022	100	5,000,000	49.58
182DTB28072022	100	7,000,000	69.07

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Face Value	Units	Amount
182DTB04082022	100	20,500,000	202.06
182DTB18082022	100	13,500,000	132.92
364DTB13102022	100	12,500,000	122.43
364DTB02112022	100	7,500,000	73.27
Total		89,000,000	878.31
Investment in Government Securities (Non-Current)			
7.32% GS2024	100	8,000,000	85.07
6.18% GS2024	100	12,500,000	132.16
5.22% GS2025	100	18,000,000	183.73
Total		38,500,000	400.96
Equity instruments (Amortised Cost)			
SBI Foundation*	10	1,001.00	0.00
* Face value of the equity instrument as on March 31, 2022 is ₹ 10.010			
Total		1,001.00	0.00
Equity instruments (fair value through OCI)			
Online PSB Loans Limited	10	112,996.00	17.92
Total		112,996.00	17.92

The balances held as Investment as at March 31, 2021 are as follows

Particulars	Face Value	Units	Amount
Investment in Government Securities (Current)			
364DTB26082021	100	500,000	4.93
182DTB20052021	100	11,500,000	114.50
364DTB19082021	100	28,000,000	276.43
364DTB20052021	100	16,500,000	164.28
364DTB27012022	100	6,500,000	63.11
Total		63,000,000	623.25
Investment in Government Securities (Non-Current)			
7.32% GS2024	100	8,000,000	87.16
6.18% GS2024	100	12,500,000	133.59
5.22% GS2025	100	10,000,000	102.36
Total		30,500,000	323.11
Equity instruments (Amortised Cost)			
SBI Foundation*	10	1,001.00	0.00
* Face value of the equity instrument as on March 31, 2021 is ₹10.010			
Total		1,001.00	0.00
Equity instruments (fair value through OCI)			
Online PSB Loans Limited	10	112,996.00	11.20
Total		112,996.00	11.20

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**11 Other financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
To be realised within twelve months after reporting date:		
Contract Asset *		
Receivables considered good - unsecured	69.63	79.95
Security deposits		
Unsecured, considered good	4.81	8.01
Unsecured, which have significant increase in credit risk	1.96	1.43
Other recoverable - Considered good	0.56	1.95
Other recoverable which have significant increase in credit risk	0.43	0.48
Less : - Impairment loss allowance	(2.39)	(1.91)
Sub total	75.00	89.91
To be realised after twelve months after reporting date:		
Contract Asset*		
Receivables considered good - Unsecured	118.26	85.36
Security deposits		
Unsecured, considered good	20.06	19.60
Sub total	138.32	104.96
Total	213.32	194.87

* Refer note 36

12 Current tax liabilities/assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax asset(net)		
To be settled within twelve months after reporting date:		
Advance income tax (net of provision)	41.24	52.47
Total	41.24	52.47

13 Deferred Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
To be adjusted after twelve months after reporting date:		
-Deferred tax asset	218.53	395.09
Total	218.53	395.09

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	DTA Rate Change and Previous year trueup	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Property, plant and equipment	3.18	4.77	-	(0.15)	7.80
Membership & processing fee	102.80	22.40	-	-	125.20
Provision for expenses	22.44	4.33	-	(7.95)	18.82
Staff benefits and statutory dues	17.01	(1.96)	(1.73)	(8.23)	5.09
Fair valuation of derivatives	(0.04)	0.04	-	-	0.00
Fair valuation of Investment through OCI	(2.45)	-	(1.69)	-	(4.14)
Amortisation of card acquisition cost	(167.68)	(22.27)	-	-	(189.95)
Provision for doubtful debts & ECL	420.66	(165.34)	-	0.95	256.27
Debt Issue expenses	(1.10)	0.58	-	-	(0.52)
Income on investment	0.26	1.35	-	(1.66)	(0.05)
Total	395.09	(156.10)	(3.42)	(17.04)	218.53

There are no unrecognised deductible temporary differences.

For the year ended March 31, 2021

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	DTA Rate Change and Previous year trueup	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Property, plant and equipment	0.74	2.43	-	0.02	3.18
Membership & processing fee	95.97	6.83	-	-	102.80
Provision for expenses	29.46	6.74	-	(13.76)	22.44
Staff benefits and statutory dues	6.70	8.71	(1.87)	3.47	17.01
Fair valuation of derivatives	0.01	(0.05)	-	-	(0.04)
Fair valuation of Investment through OCI	-	-	(2.45)	-	(2.45)
Amortisation of card acquisition cost	(189.32)	21.64	-	-	(167.68)
Provision for doubtful debts & ECL	332.85	87.30	-	0.51	420.66
Defined benefit obligation	0.13	(0.13)	-	-	(0.00)
Debt Issue expenses	(1.40)	0.30	-	-	(1.10)
Income on investment	-	0.26	-	-	0.26
Total	275.13	134.03	(4.32)	(9.76)	395.09

There are no unrecognised deductible temporary differences.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**14 Property, plant and equipment, Intangible assets & Right of use assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment		
A. Carrying amounts of:		
Furniture & fixture	2.69	2.74
Office equipment	3.60	5.34
Owned vehicles	-	-
Computers including server (owned)		
- Owned	16.96	26.63
- On lease	-	-
Leasehold improvements	15.95	21.75
Vehicles on Finance Lease	-	-
Total	39.20	56.46
B. Capital work in progress		
Capital work in progress	0.49	0.49
Total	0.49	0.49
Intangible Assets		
A. Carrying value of other intangible assets		
Computer software	116.41	89.66
Total	116.41	89.66
B. Intangible Assets under development		
Intangible assets under development	13.75	9.58
Total	13.75	9.58
Right-of-use Assets		
Vehicle	-	-
Computer server on lease	127.72	103.79
Building	156.13	58.19
Total	283.85	161.98
Total	453.70	318.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

14.1 Property Plant and Equipments-Cost

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Leasehold Improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance as at April 01, 2021	3.67	11.30	-	81.52	41.39	-	137.88	0.49
Additions	0.51	0.45	-	6.67	3.10	-	10.73	2.73
Deletions	(0.28)	(0.36)	-	(0.51)	(5.33)	-	(6.48)	(2.73)
Balance at March 31, 2022	3.90	11.39	-	87.68	39.16	-	142.13	0.49

Property Plant and Equipments-Accumulated Depreciation

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Leasehold Improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance as at April 01, 2021	0.93	5.96	-	54.89	19.64	-	81.42	-
Depreciation during the period	0.41	2.17	-	16.29	8.46	-	27.33	-
Eliminated on disposals of assets	(0.13)	(0.34)	-	(0.46)	(4.89)	-	(5.82)	-
Balance at March 31, 2022	1.21	7.79	-	70.72	23.21	-	102.93	-
Net Book Value as at March 31, 2022	2.69	3.60	-	16.96	15.95	-	39.20	0.49

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

Property Plant and Equipments-Cost

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Leasehold Improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2020	3.55	9.55	0.08	67.96	34.60	11.29	127.03	11.17
Additions	0.18	1.78	-	13.66	7.35	-	22.97	1.08
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-
Derogonise pursuant to adoption of Ind AS 116	-	-	-	-	-	(11.29)	(11.29)	-
Deletions	(0.06)	(0.03)	(0.08)	(0.10)	(0.56)	-	(0.83)	(11.76)
Balance at March 31, 2021	3.67	11.30	-	81.52	41.39	-	137.88	0.49

Property Plant and Equipments-Accumulated Depreciation

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Leasehold Improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2020	0.57	3.88	0.02	35.80	11.62	3.62	55.51	-
Depreciation during the period	0.37	2.09	0.01	19.19	8.43	-	30.09	-
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-
Derogonise pursuant to adoption of Ind AS 116	-	-	-	-	-	(3.62)	(3.62)	-
Eliminated on disposals of assets	(0.01)	(0.01)	(0.03)	(0.10)	(0.41)	-	(0.56)	-
Balance at March 31, 2021	0.93	5.96	-	54.89	19.64	-	81.42	-
Net Book Value as at March 31, 2021	2.74	5.34	-	26.63	21.75	-	56.46	0.49

There has been no impairment losses recognised during the year. The entire property, plant & equipments of the company (present and future) has been given as Collateral Security with a first charge right to consortium bankers.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

CWIP ageing schedule for March 31, 2022

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	-	0.49	-	-	0.49
Project temporarily suspended	-	-	-	-	-
Total	-	0.49	-	-	0.49

CWIP ageing schedule for March 31, 2021

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	0.19	0.30	-	-	0.49
Project temporarily suspended	-	-	-	-	-
Total	0.19	0.30	-	-	0.49

For capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

There are no Capital work in progress which is overdue or has exceeded its cost compared to its original plan as of March 31, 2022 (Previous year Nil)

14.2 Intangible Assets

Particulars	Computer software	Intangible assets under development
At Cost		
Balance as at April 01, 2021	177.11	9.58
Additions	83.73	20.78
Disposals	-	(16.61)
Balance at March 31, 2022	260.84	13.75
Accumulated depreciation and impairment		
Balance as at April 01, 2021	87.45	-
Depreciation charge for the year	56.98	-
Disposals/adjustments	-	-
Balance at March 31, 2022	144.43	-
Net Book Value as at March 31, 2022	116.41	13.75

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Computer software	Intangible assets under development
At Cost		
Balance at April 01, 2020	129.34	12.49
Additions	47.77	17.11
Disposals	-	(20.02)
Balance at March 31, 2021	177.11	9.58
Accumulated depreciation and impairment		
Balance at April 01, 2020	51.56	-
Depreciation charge for the period	35.89	-
Disposals/adjustments	-	-
Balance at March 31, 2021	87.45	-
Net Book Value as at March 31, 2021	89.66	9.58

(a) Intangible asset under development ageing schedule

Details of intangible asset under development as on March 31, 2022, is as below:

Intangible asset under development	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	13.62	0.13	-	-	13.75
Project temporarily suspended	-	-	-	-	-
Total	13.62	0.13	-	-	13.75

Details of intangible asset under development as on March 31, 2021, is as below:

Intangible asset under development	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	0.43	9.15	-	-	9.58
Project temporarily suspended	-	-	-	-	-
Total	0.43	9.15	-	-	9.58

(b) Intangible asset under development completion schedule

There are no Intangible assets under development which is overdue or has exceeded its cost compared to its original plan as of March 31, 2022 (Previous year Nil)

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14.3 Right-of-Use assets

Particulars	Computer server on lease	Building	Total
At Cost			
Balance as at April 01, 2021	165.52	115.94	281.46
Reclassified on account of adoption of Ind AS116	-	-	-
Additions	60.77	125.35	186.12
Disposals/adjustments	(18.72)	(20.32)	(39.04)
Balance at March 31, 2022	207.57	220.97	428.54
Accumulated depreciation and impairment			
Balance as at April 01, 2021	61.73	57.75	119.48
Reclassified/Creation on account of adoption of Ind AS116	-	-	-
Depreciation during the year	36.84	27.41	64.25
Disposals/adjustments	(18.72)	(20.32)	(39.04)
Balance at March 31, 2022	79.85	64.84	144.69
Net Book Value as at March 31, 2022	127.72	156.13	283.85

Particulars	Computer server on lease	Building	Total
At Cost			
Balance at April 01, 2020 (Refer note 4.8)	118.69	115.00	233.69
Reclassified on account of adoption of Ind AS116	-	-	-
Additions	46.83	5.95	52.78
Disposals/adjustments*	-	(5.01)	(5.01)
Balance at March 31, 2021	165.52	115.94	281.46
Accumulated depreciation and impairment			
Balance at April 01, 2020	35.72	28.69	64.41
Reclassified/Creation on account of adoption of Ind AS116	-	-	-
Depreciation during the year	26.01	31.27	57.28
Disposals/adjustments	-	(2.21)	(2.21)
Balance at March 31, 2021	61.73	57.75	119.48
Net Book Value as at March 31, 2021	103.79	58.19	161.98

* It includes adjustment amounting to ₹0.20 crore on account of change in future rental payments for lease locations

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**15 Other non financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
To be realised within twelve months after reporting date:		
Service tax / GST recoverable (Service tax recoverable includes Pre-deposits for appeal and Show cause notices)		
Unsecured, considered good	120.56	92.76
Prepaid expenses	31.50	29.96
Unamortised Card acquisition cost	135.28	83.22
Other advances		
Unsecured, considered good	52.26	39.20
Unsecured, which have significant increase in credit risk	0.01	0.04
Sub Total - Gross	339.61	245.18
Less : - Impairment loss allowance	(0.01)	(0.04)
Sub Total - Net (A)	339.60	245.14
To be realised after twelve months after reporting date:		
Service tax / GST recoverable (Service tax recoverable includes Pre-deposits for appeal and Show cause notices)		
Unsecured, which have significant increase in credit risk	5.41	113.70
Prepaid expenses	3.30	5.66
Unamortised Card acquisition cost	619.44	583.04
Sub Total - Gross	628.15	702.40
Less : - Impairment loss allowance	(5.41)	(113.70)
Sub Total - Net (B)	622.74	588.70
Total Net (A+B)	962.34	833.84

16 Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Payable within twelve months after reporting date:		
(I) Trade payables*		
(i) total outstanding dues of micro enterprises and small enterprises	36.26	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	1080.54	881.38
Total (A)	1116.80	881.38
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) total outstanding dues to employees	1.65	0.83
(b) total outstanding dues to capital creditors	9.22	10.51
Total (B)	10.87	11.34
Total (A+B)	1127.67	892.72

(*) Average credit period is 30 to 120 days from the date of services rendered and no interest is due on outstanding balances as at reporting date. The company has financial risk management policies in place to ensure that all payables are paid within the pre agreed credit terms.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16.1 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

In terms of notification dated September 4, 2015 issued by the Central Government of India, the disclosure related to trade payables as at the end of the period are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting period	36.26	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Trade Payables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payments							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	31.98	3.48	0.80	-	-	-	-	36.26
(ii) Others	945.93	116.68	17.80	0.01	-	-	0.11	1,080.54
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-	-
Total	977.91	120.16	18.60	0.01	-	-	0.11	1,116.80

Trade Payables ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payments							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-	-
(ii) Others	771.43	68.71	40.93	0.13	0.07	-	0.11	881.38
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-	-
Total	771.43	68.71	40.93	0.13	0.07	-	0.11	881.38

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**17 Debt Securities****At amortized cost**

Particulars	As at March 31, 2022	As at March 31, 2021
(A)		
(i) From Others		
Unsecured		
(i) Commercial paper		
- To be settled within twelve months after reporting date;	815.16	2,212.14
(ii) Debentures		
- To be settled within twelve months after reporting date;	1,486.18	185.79
- To be settled after twelve months after reporting date;	4,805.00	3,535.00
Total (A)	7,106.34	5,932.93
(B)		
Debt Securities in India	7,106.34	5,932.93
Total (B)	7,106.34	5,932.93

17.1 Details of non-convertible debentures (NCD)

Particulars	As at March 31, 2022	As at March 31, 2021
8.10% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in May'21)	-	110.00
9.15% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Jun'22)	450.00	450.00
8.55% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Aug'22)	175.00	175.00
7.60% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Feb'23)	410.00	410.00
7.50% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Mar'23)	300.00	300.00
6.85% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Jun'23)	400.00	400.00
5.75% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Nov'23)	500.00	500.00
5.90% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Feb'24)	550.00	550.00
5.70% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in May'24)	455.00	-
5.55% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Jun'24)	500.00	-
5.70% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Aug'24)	500.00	-
5.75% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Nov'24)	500.00	-
5.82% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Dec'24)	650.00	-
7.40% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Feb'25)	300.00	300.00
6.00% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Dec'25)	450.00	450.00
Total	6,140.00	3,645.00
Interest accrued and impact of EIR	151.18	75.79
Total	6,291.18	3,720.79

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18 Borrowings (other than debt securities) & lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) From Bank (Other than Related Party)		
Unsecured Loans (Refer note 18.1 below)		
(i) Term loan		
- To be settled after twelve months after reporting date;	499.95	-
(b) From Bank (Related Party)		
Secured Loans (Refer note 18.2 below)		
(i) Working capital loans		
- To be settled within twelve months after reporting date;	9,398.64	8,134.93
(c) From Bank (other than Related Party)		
Secured Loans (Refer note 18.2 below)		
(i) Working capital loans		
- To be settled within twelve months after reporting date;	4,781.51	2,528.59
Total (A)	14,680.10	10,663.52
(B)		
Borrowings in India	14,680.10	10,663.52
Total (B)	14,680.10	10,663.52

18.1 Repayment schedule of term loan is as below :

Particulars	As at March 31, 2022	As at March 31, 2021
4.95 % Unsecured Term Loan (Bullet repayment in Jun'25)	500.00	-
Total	500.00	-
Interest accrued and impact of EIR	0.05	-
Total	499.95	-

18.2 Secured by

Primary Security	Collateral Security	Repayment terms	Guaranteed by
First Charge on entire current assets of the company (present and future) including Hypothecation of Receivables.	First Charge on entire property, plant & equipments of the company (present and future).	Within 12 months	NA

Details of Default	Quarterly returns filled with banks are in agreement with books of accounts
Nil	Yes

Working capital loan as on March 31, 2022 includes cash credit (related party): ₹ 199.98 crores (March 31, 2021 ₹ 162.39 Crores)

Interest rate on working capital loans varies from 3.90% to 5.35% and on cash credit facility varies from 7.05% to 7.30%

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**19 Subordinated Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
(A)		
Unsecured non-convertible debentures		
- Redeemable within twelve months after reporting date; and	146.02	148.33
- Redeemable after twelve months after reporting date;	1,050.00	1,150.00
Total (A)	1,196.02	1,298.33
(B)		
Subordinated liabilities in India	1,196.02	1,298.33
Total (B)	1,196.02	1,298.33

19.1 Details of non-convertible debentures

Particulars	As at March 31, 2022	As at March 31, 2021
9.00 % Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Nov'21)	-	100.00
9.65% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Apr'22)	100.00	100.00
8.30% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in May'23)	500.00	500.00
8.10% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Oct'23)	200.00	200.00
9.55% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Jan'29)	250.00	250.00
8.99% Unsecured NCD of ₹ 1,000,000 each (Redeemable at par in Jun'29)	100.00	100.00
Total	1,150.00	1,250.00
Interest accrued and impact of EIR	46.02	48.33
Total	1,196.02	1,298.33

Net Debt reconciliation for the year ended March 31, 2022

Particulars	Opening Balance	Cashflows	Non Cash Changes			Closing balance
			Interest/ amortization	Foreign Exchange Movement	Others	
Debt Securities						
Commercial papers	2,212.14	(1,347.37)	(49.61)	-	-	815.16
Debentures	3,720.79	2,495.00	75.39	-	-	6,291.18
Borrowings (other than debt securities) & lease liabilities						
Working capital loans	10,663.52	3,516.56	0.08	-	-	14,180.15
Term Loan	-	500.00	(0.05)	-	-	499.95
Subordinated Liabilities						
Debentures	1,298.33	(100.00)	(2.31)	-	-	1,196.02
Total	17,894.78	5,064.19	23.50	-	-	22,982.46

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Net Debt reconciliation for the year ended March 31, 2021

Particulars	Opening Balance	Cashflows	Non Cash Changes			Closing balance
			Interest/amortization	Foreign Exchange Movement	Others	
Debt Securities						
Commercial papers	2,541.97	(313.88)	(15.95)	-	-	2,212.14
Debentures	3,257.31	500.00	(36.52)	-	-	3,720.79
Borrowings (other than debt securities) & lease liabilities						
Working capital loans	10,297.89	365.54	0.08	-	-	10,663.52
Foreign currency working capital loans	-	-	-	-	-	-
Subordinated Liabilities						
Debentures	1,298.85	-	(0.52)	-	-	1,298.33
Total	17,396.02	551.67	(52.91)	-	-	17,894.78

20 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Payable within twelve month after reporting period:		
Unpaid dividends	213.00	0.07
Payable to Network Partners	684.54	464.72
Excess amount from Card holders	355.12	228.54
Lease liability	62.38	57.34
Other liabilities	17.58	9.51
Payable after twelve months after reporting date		
Lease liability	240.07	115.92
Total	1572.69	876.10

21 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Employee Benefits		
(i) Liabilities to be settled within twelve months after reporting date		
- Provision for compensated absence	4.90	3.64
- Provision for gratuity	-	0.81
- Provision for long service awards	1.66	1.45
- Provision for bonus & Incentive Payable	45.65	40.97
Sub Total (A)	52.21	46.87
(ii) Liabilities to be settled after twelve months after reporting date		
- Provision for compensated absence	10.60	13.30
- Provision for long service awards	4.44	7.38
Sub Total (B)	15.04	20.68

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at	
	March 31, 2022	March 31, 2021
Others		
(i) Liabilities to be settled within twelve months after reporting date		
- Provision for reward points redemption*	265.73	232.47
Sub Total (C)	265.73	232.47
(ii) Liabilities to be settled after twelve months after reporting date		
- Provision for reward points redemption*	144.41	109.63
Sub Total (D)	144.41	109.63
Total (A+B+C+D)	477.39	409.65

22 Other non-financial liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
Liabilities to be settled within twelve months after reporting date:		
Revenue received in advance- Unamortised membership fees *	441.16	365.84
Statutory liabilities	269.35	247.21
Fees received in advance	25.01	24.53
Total	735.52	637.58

* Refer note 36

23 Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Capital				
Equity shares of ₹ 10 each	1,500,000,000	1,500.00	1,500,000,000	1,500.00
	1,500,000,000	1,500.00	1,500,000,000	1,500.00
Issued, Subscribed and Paid up				
Equity shares of ₹ 10 each	943,172,489	943.18	940,525,456	940.53
TOTAL	943,172,489	943.18	940,525,456	940.53

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Reconciliation of the number of shares				
Balance as at the beginning of the year	940,525,456	940.53	938,956,794	938.96
Movements*	2,647,033	2.65	1,568,662	1.57
Balance as at the end of the year	943,172,489	943.18	940,525,456	940.53

* During the year ended March 31, 2022, 2,647,033 Equity shares (Previous year 1,568,662) of ₹ 10 each has been allotted under ESOP scheme.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Rights, preferences and restriction attached to shares

The company has only one class of equity share having par value of ₹ 10 per share. Each holder of the equity share is entitled to one vote per share. In the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts.

(iii) Shares held by Holding Company (face value of ₹ 10/- each)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Shares held by State Bank of India	652,633,992	652.63	652,633,992	652.63

(iv) Shares held by each shareholder holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	%	Number of Shares	%	Number of Shares
Holding Company				
Shares held by State Bank of India *	69.20%	652,633,992	69.39%	652,633,992
Shares held by CA Rover Holdings#	-	-	11.61%	109,173,488

* As at March 31, 2022 one share is held by nominee individual shareholders of which State Bank is the beneficial owner.

As on March 31, 2022 shareholding of CA Rover has gone down below 5%.

(v) Shares reserved for issue under Employee Stock Option Plan

Particulars	No. of Stock options / Equity shares
a. Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2019 to employees of the company drawn in accordance with SEBI guidelines 1999	27,970,028
b. Option granted under the scheme up to March 31, 2022	13,475,650
c. Option cancelled up to March 31, 2022 and added back to pool for future grants	194,515
d. Option granted net of cancellation under the scheme up to March 31, 2022 (d= b-c)	13,281,135
e. Balance available under the scheme for future grants (e= a-d)	14,688,893

(vi) Shares held by promoters at the end of the year

Particulars	As at March 31, 2022	As at March 31, 2021
Promoter name	State Bank of India	State Bank of India
No. of Shares	652,633,992	652,633,992
% of total shares	69.20%	69.39%
% Change during the year	-0.19%	-0.12%

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**24 Other equity**

Particulars	As at March 31, 2022	As at March 31, 2021
Capital redemption reserve (refer note 24.1 below)	3.40	3.40
Statutory reserve (refer note 24.2 below)	1,335.08	1,011.85
General reserve (refer note 24.3 below)	13.11	13.08
Capital reserve (on account of amalgamation) (refer note 24.4 below)	(71.51)	(71.51)
Securities Premium reserve (refer note 24.5 below)	988.09	935.19
Retained earnings (refer note 24.6 below)	4,481.06	3,418.78
Share options outstanding account (refer note 24.7 below)	47.97	40.50
Share application money pending allotment (refer note 24.8 below)	-	2.92
Equity investment through OCI (refer note 24.9 below)	12.32	7.29
Total	6,809.52	5,361.50

24.1 Capital redemption reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	3.40	3.40
Balance as at the end of the year	3.40	3.40

Nature and purpose of reserve: Where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to the capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

24.2 Statutory reserve**(Under Section 45-IC of the Reserve Bank of India Act, 1934)**

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	1,011.85	814.95
Add: Transferred from Retained Earning @ 20%*	323.23	196.90
Balance as at the end of the year	1,335.08	1,011.85

Nature and purpose of reserve: Statutory reserves is created based on statutory requirements under Section 45-IC of the Reserve Bank of India Act, 1934 and is not available for distribution as dividend.

24.3 General reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	13.08	12.99
Add: Amount transferred from Share options outstanding account*	0.03	0.09
Balance as at the end of the year	13.11	13.08

* Refer note 24.7

Nature and purpose of reserve: General reserve are the retained earning of the Company which are kept aside out of company's profit to meet future (known or unknown) obligation.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24.4 Capital reserve (on account of amalgamation)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	(71.51)	(71.51)
Balance as at the end of the year	(71.51)	(71.51)

Nature and purpose of reserve: Capital reserve represents a reserve which is created pursuant to amalgamation of SBI Business Process Management Services Private Limited (SBI BPMSL) vide order passed by Hon'ble National Company Law Tribunal (NCLT) dated June 04, 2019 effective from April 01, 2018.

24.5 Securities premium

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	935.19	904.74
Add: During the period *	37.61	22.68
Add: Transfer from share options outstanding account	15.29	7.77
Balance as at the end of the year	988.09	935.19

Nature and purpose of reserve: Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provision of the Companies Act, 2013.

* During the period ended March 31, 2022 addition during the year represents securities premium received on account of ESOP ₹ 37.61 crores and adjustment of Company's share of IPO related expenses for NIL crores (For the year ended March 31, 2021 addition during the year represents securities premium received on account of ESOP ₹ 22.30 Crores and adjustment of Company's share of IPO related expenses for ₹ 0.38 Crores)

24.6 Retained earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	3418.78	2,719.51
Add: Profit for the period	1616.14	984.53
Less: Interim equity dividend	(235.79)	(93.90)
Add: Transfer From Other Comprehensive Income	5.16	5.55
Less: Transfer to Statutory reserve (section 45-IC of The Reserve Bank of India Act, 1934)	(323.23)	(196.90)
Balance as at the end of the year	4,481.06	3,418.78

Nature and purpose of reserve: Retained earnings represent the amount of accumulated profits/(losses) and appropriations if any.

24.7 Share options outstanding account*

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	40.50	18.18
Add: During the Period	22.79	30.18
Less: Transfer on allotment of shares to employees pursuant to ESOP scheme	(15.29)	(7.77)
Less: Transfer to general reserve	(0.03)	(0.09)
Balance as at the end of the year	47.97	40.50

Nature and purpose of reserve: Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**24.8 Shares application money pending allotment**

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	2.92	-
Add: Shares application money pending allotment pursuant to ESOP	-	2.92
Less: Shares allotment pursuant to scheme of amalgamation	(2.92)	-
Balance as at the end of the year	-	2.92

Nature and purpose of reserve: This represents shares pending allotment pursuant to ESOP scheme.

24.9 Equity investment through OCI

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	7.29	-
Add: Fair valuation through OCI	6.72	9.74
Add: Deferred tax adjustment	(1.69)	(2.45)
Balance as at the end of the year	12.32	7.29

Nature and purpose of reserve: The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

25 Interest Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on loans	4,821.20	4,927.67
Interest Income from Investment	43.52	12.33
Interest on deposits with banks	1.31	6.65
Total	4,866.03	4,946.65

26 Fees and commission income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interchange income	2,557.89	1,712.20
Fee based income	1,870.51	1,491.69
Membership fees	798.16	703.78
Total	5,226.56	3,907.67

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27 Net gain / (loss) on fair value changes

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain/loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio	-	-
(ii) On financial instruments designated at fair value through profit or loss	(0.10)	0.53
Total	(0.10)	0.53
Fair value changes:		
-Realised	(0.10)	0.43
-Unrealised	-	0.10
Total	(0.10)	0.53

28 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Bad debts recovered	503.05	397.94
Net gain on foreign currency transactions	3.01	-
Profit on sale of Investment	0.40	0.18
Reversal of Impairment loss	108.41	-
Liabilities/Provisions written back	0.75	8.87
Interest Income - Income Tax and GST Tax Refund	1.22	3.93
Miscellaneous income	7.41	6.20
Total	624.25	417.12

29 Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) At Amortised cost		
Interest on borrowings	510.09	475.20
Interest on debt securities	386.47	379.52
Interest on Sub-ordinated liabilities	106.90	108.71
Interest expense on lease liability	22.87	14.05
Total (A)	1,026.33	977.48
(B) Financial instruments designated as hedging instruments		
Cost of Hedging	0.99	65.92
Total (B)	0.99	65.92
Total (A+B)	1,027.32	1,043.40

30 Impairment losses & bad debts

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On loans	2,255.01	2,638.20
On Others		
- financial assets	0.83	0.35
Total	2,255.84	2,638.55

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Bad debt written-off	2,811.26	2,159.54
Impairment loss for other assets	0.83	0.35
Impairment loss for loans [Stage 1,2 and 3 assets]	(556.25)	478.66
Total	2,255.84	2,638.55

31 Employee benefits expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	413.06	426.85
Contribution to provident fund and other funds	27.96	27.65
Share based payments to employees	22.79	30.18
Staff welfare expenses	8.90	6.90
Total	472.71	491.58

32 Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	27.33	30.09
Amortisation on intangible assets	56.98	35.89
Depreciation on right to use assets	64.25	57.28
Total	148.56	123.26

33 Operating and other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of plastic cards & embossing	44.91	38.17
Short-term lease expense	39.27	31.99
Variable lease expenses	134.83	140.95
Travelling and conveyance	7.88	3.08
Telephone, fax and postage	54.78	51.39
Card transaction charges	476.02	356.70
Advertisement	122.58	97.30
Director's fees, allowances and expenses	1.17	1.03
Sales Promotion	1,728.22	1,382.86
Insurance expense	16.21	19.24
Professional & Consulting fees	159.79	133.49
Rates and taxes	39.25	11.71
Collection charges	271.74	357.73
Repairs and maintenance	25.27	26.27
Auditor's remuneration (refer note 39)	0.48	0.49
Power and fuel	5.26	4.43
Printing, stationery and office supplies	22.06	47.86
Royalty Expenses	32.32	19.69
Reward points redemption	622.63	405.10
Surcharge Waiver to Customer	53.31	35.42
Corporate social responsibility expenditure*	37.55	32.07

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Data processing charges	302.72	224.45
Net loss on foreign currency transactions	-	2.92
Loss on sale of property, plant & equipment	0.63	0.18
Other expenses	1.61	0.36
Total	4,200.49	3,424.88

* Corporate social responsibility expenditure

Pursuant to section 135 of the Companies Act, 2013 the Company is required to spend ₹ 37.55 Crore during the Financial Year 2021-22 calculated as per Section 198 of the Companies Act 2013.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
CSR Expenses	37.55	32.07
Total	37.55	32.07

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) amount required to be spent by the company during the year,	37.55	32.07
(b) amount of expenditure incurred, * [Refer below details]	37.55	32.07
(c) shortfall at the end of the year,	NIL	NIL
(d) total of previous years shortfall,	NIL	NIL
(e) reason for shortfall,	NA	NA
(f) nature of CSR activities,	Disaster relief, Skill development, Education, healthcare, Environment	Disaster relief, Skill development, Education, healthcare, Environment
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NIL	NIL
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	0.10	NIL

* Details of expenditure

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount disbursed and utilized	37.21	32.07
Amount spent over and above disbursed amount - deposited to unspent account	0.10	NIL
Amount disbursed but unutilized - deposited to unspent account	0.05	NIL
Amount neither disbursed nor utilized - deposited to unspent account	0.20	NIL
Total	37.55	32.07

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**34 Tax expense**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
In respect of the current period	399.92	474.25
In respect of prior year	(17.04)	(10.77)
	382.88	463.48
Deferred tax		
In respect of the current period	156.10	(134.03)
In respect of prior year	17.04	9.76
Total income tax expense recognised in the current period	173.14	(124.27)

The income tax expense for the period can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax from continuing operations	2,172.16	1,323.73
Income tax expense calculated at 25.168%	546.69	333.16
Corporate social responsibility / Others	9.33	7.06
Total	556.02	340.22
Adjustments recognised in the current year in relation to the current tax / deferred tax of prior years	-	(1.01)
Income tax expense recognised in profit or loss	556.02	339.21

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	-	-
Total current tax recognised in other comprehensive income	-	-
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	-	-
Total	-	-
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(1.73)	(1.87)
Gain/(loss) on Investment in Equity	(1.69)	(2.45)
Remeasurement of fair value of derivative	-	-
Total deferred tax recognised in other comprehensive income	(3.42)	(4.32)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(3.42)	(4.32)
Items that may be reclassified to profit or loss	-	-
Total	(3.42)	(4.32)

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35 Earning / (loss) per equity share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a Net Profit After Tax	1,616.14	984.52
b Weighted average of number of equity shares used in computing basic per share (in Crores)	94.19	93.97
c Effect of dilution: Employee stock options (in crores)	0.74	0.88
d Weighted average of number of equity shares used in computing diluted earnings per share (in Crores) (b+c)	94.93	94.86
e Basic earning per share (a/b)	17.16	10.48
f Diluted earning per share (a/d)	17.02	10.38

36 Revenue from Contracts with Customers in line with Ind AS 115.

The Company derives revenue from a variety of services contracts with customers which are governed by Ind AS 115 such as interchange income, membership fee, business development incentive income and other fees such as ATM fees, late payment etc. Below table shows the revenue from contracts with customers.

Revenue from Services	For the year ended March 31, 2022	For the year ended March 31, 2021
Fees and commission income	5,226.56	3,907.67
Sale of services	132.19	134.18
Business development incentive income	447.61	299.18
Insurance commission income	4.88	8.25
Total Revenue	5,811.24	4,349.28

The Company's accounting policies for its revenue streams are disclosed in detail under Note 4 above and is generated in India. For Critical accounting estimates, refer note 4.16 to the financial statements.

Disaggregation of Revenue

Disaggregation of revenue is not required as the Company's primary business is to provide credit card facility and interest on loans which is governed by Ind AS 109.

Transaction price allocated to the remaining performance obligations

The Company applies practical expedient in Ind AS 115 and does not disclose information about remaining performance obligations wherein the Company has a right to consideration from customer in an amount that directly corresponds with the value to the customer of entity's performance till date.

The Company's remaining performance periods for its incentive arrangements with network partners contracts with customers for its payment network services are typically long-term in nature (typically ranging from 3-5 years). Consideration is variable based upon the number of transactions processed and volume activity on the cards. At March 31, 2022, the estimated aggregate consideration allocated to unsatisfied performance obligations for these other value-added services is ₹118.26 Crores which is expected to be recognised through financial year 2023 and later, (previous period was ₹ 85.36 Crores.)

Receivables from contracts with customers and contract balances

The following table provides information about receivables, contract assets, contract cost and contract liabilities from contract with customers

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Contract assets are presented net of impairment in note 11 of the Balance sheet.

The below table discloses balances in receivables and Contract assets.

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivable *	168.47	81.52
Contract asset **	187.89	165.31
Total-Gross	356.36	246.83
To be realised within 12 months from reporting date	238.10	161.47
To be realised after 12 months from reporting date	118.26	85.36

(*) Refer Note 8 to the financial statement

(**) Refer Note 11 to the financial statement

The Company might satisfy a performance obligation before it receives the consideration in which case the Company recognises a contract asset or receivable, depending on whether something other than the passage of time is required before the consideration is due.

Contract Assets

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the right become unconditional. Below table shows the movement.

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	165.31	162.42
Movement during the year	22.58	2.89
Closing balance	187.89	165.31
To be realised within 12 months from reporting date	69.63	79.95
To be realised after 12 months from reporting date	118.26	85.36

Contract costs

The contract cost primarily relates to:

- Cost of acquiring a customer is the incremental cost of obtaining contract with customer, which is recognised in the profit and loss statement over the behavioural life of the customer.
- Sales promotion expenses which are directly related to selling card membership to new customers. This cost is deferred over the membership period consisting of 12 months.

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	666.26	752.21
Capitalised during the year	1,139.69	321.12
Amortised during the year	(1,051.23)	(407.07)
Closing balance *	754.72	666.26
To be realised within 12 months from reporting date	135.28	83.22
To be realised after 12 months from reporting date	619.44	583.04

* The unamortised contract costs are disclosed in note 15 to financial statements.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Contract liabilities - Revenue received in advance

The Company sells credit card memberships to card holders, income earned from the provision of membership services is recognised as revenue over the membership period consisting of 12 months at fair value of the consideration net of expected reversals/ cancellations.

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	365.84	332.43
Received during the year	886.58	749.65
Recognised during the year	(811.27)	(716.24)
Closing balance *	441.16	365.84
To be realised within 12 months from reporting date	441.16	365.84
To be realised after 12 months from reporting date	-	-

* Contract liabilities are disclosed in note 22 to financial statements

37 Capital Management

Capital risk is the risk that the Company has insufficient capital resources to meet the minimum regulatory requirements to support its credit rating and to support its growth and strategic options. The Company's capital plans are deployed with the objective of maintaining capital that is adequate in quantity and quality to support the Company's risk profile, regulatory and business needs. Management/Asset Liability Management Committee [ALCO] is responsible for ensuring the effective management of capital risk. Capital risk is measured and monitored using limits set out in in relation to the capital and leverage, all of which are calculated in accordance with relevant regulatory requirements.

(A) Regulated capital:

Tier 1 capital consists of Equity share capital, Reserve & Surplus (netted off Intangibles).

Tier 2 capital consists of Provision for Standard Assets & Subordinated debts as per RBI Prudential norms for NBFCs.

Details of Tier 1 capital are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Tier I Capital	6,633.56	5130.36

Details of Tier 2 capital are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Tier II Capital	884.38	957.45

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15 % of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off- balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Board of Director's regularly monitors the maintenance of prescribed levels of Capital Risk Adjusted Ratio (CRAR).

(B) Key capital Ratios

Capital Risk Adjusted Ratio (CRAR) maintained and monitored by Company is as under:

Particulars	As at March 31, 2022	As at March 31, 2021
CRAR -Tier I Capital	21.03%	20.86%
CRAR - Tier II Capital	2.80%	3.89%
Total CRAR	23.83%	24.75%

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company makes all efforts to comply with the above requirements. Further, the Company has complied with all externally imposed capital requirements and internal and external stress testing requirements.

The Board of Directors approved the Dividend distribution policy which is in line with the regulatory requirement and guidelines as prescribed by RBI from time to time. The policy focuses on the internal and external factors (which includes long term growth plan, cash flow position, auditors' qualification, supervisory findings of RBI on divergence in classification and provisioning in Stage 3 assets, prevalent economic conditions and market practices etc) which the Board shall consider before declaring the dividend.

(C) Interim dividend on equity shares declared: During the year ended March 31, 2022, the Board of Directors have declared interim dividend of 25% (₹ 2.50 per equity share of the face value of ₹ 10.00) for the financial year 2021-22 in accordance with Section 123(3) of the Companies Act, 2013, as amended. (March 31, 2021 - NIL)

38 Financial Instruments**Financial instruments by category and fair value measurements**

The carrying value and fair value of financial instruments by categories as of March 31, 2022, were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Financial assets/ liabilities Designated as hedging Instruments	Total carrying value	Total fair value
		Designated upon initial recognition	Equity instruments designated upon initial recognition			
Assets:						
Cash and cash equivalents (Refer Note 5)	758.16	-	-	-	758.16	758.16
Bank Balance other than (a) above (Refer Note 6)	348.23	-	-	-	348.23	348.23
Derivative Asset (Refer Note 7)	-	-	-	-	-	-
Trade Receivable (Refer Note 8)	168.47	-	-	-	168.47	168.47
Loans (Refer Note 9)	30,187.25	-	-	-	30,187.25	29,893.00
Investments (Refer Note 10)	1,279.27	-	17.92	-	1,297.19	1,291.45
Other Financial assets (Refer Note 11)						
Contract Asset	187.89	-	-	-	187.89	172.54
Security Deposits	24.87	-	-	-	24.87	20.32
Others	0.56	-	-	-	0.56	0.56
Total	32,954.70	-	17.92	-	32,972.62	32,652.73
Liabilities:						
Trade payables (Refer Note 16)	1,116.80	-	-	-	1,116.80	1,116.80
Other payables (Refer Note 16)	10.87	-	-	-	10.87	10.87
Debt Securities (Refer Note 17)	7,106.34	-	-	-	7,106.34	7,120.95
Borrowings (Other than Debt Securities (Refer Note 18)	14,680.10	-	-	-	14,680.10	14,662.47
Subordinated Liabilities (Refer Note 19)	1,196.02	-	-	-	1,196.02	1,251.26

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Financial assets/ liabilities Designated as hedging Instruments	Total carrying value	Total fair value
		Designated upon initial recognition	Equity instruments designated upon initial recognition			
Other financial liabilities (Refer Note 20)						
Payable to Network Partners	684.54	-	-	-	684.54	684.54
Excess amount from Card holders	355.12	-	-	-	355.12	355.12
Unpaid dividends	213.00	-	-	-	213.00	213.00
Lease liabilities	302.45	-	-	-	302.45	302.45
Others	17.58	-	-	-	17.58	17.58
Total	25,682.82	-	-	-	25,682.82	25,735.04

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Financial assets/ liabilities Designated as hedging Instruments	Total carrying value	Total fair value
		Designated upon initial recognition	Equity instruments designated upon initial recognition			
Assets:						
Cash and cash equivalents (Refer Note 5)	643.20	-	-	-	643.20	643.20
Bank Balance other than (a) above (Refer Note 6)	76.90	-	-	-	76.90	76.90
Derivative Asset (Refer Note 7)	-	0.10	-	-	0.10	0.10
Trade Receivable (Refer Note 8)	81.52	-	-	-	81.52	81.52
Loans (Refer Note 9)	23,459.14	-	-	-	23,459.14	23,156.01
Investments (Refer Note 10)	946.36	-	11.20	-	957.56	952.44
Other Financial assets (Refer Note 11)						
Contract Asset	165.31	-	-	-	165.31	154.23
Security Deposits	27.61	-	-	-	27.61	24.50
Others	1.95	-	-	-	1.95	1.95
Total	25,401.99	0.10	11.20	-	25,413.29	25,090.84
Liabilities:						
Trade payables (Refer Note 16)	881.38	-	-	-	881.38	881.38
Other payables (Refer Note 16)	11.34	-	-	-	11.34	11.34

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Financial assets/ liabilities Designated as hedging Instruments	Total carrying value	Total fair value
		Designated upon initial recognition	Equity instruments designated upon initial recognition			
Debt Securities (Refer Note 17)	5,932.93	-	-	-	5,932.93	5,983.44
Borrowings (Other than Debt Securities (Refer Note 18))	10,663.52	-	-	-	10,663.52	10,663.52
Subordinated Liabilities (Refer Note 19)	1,298.33	-	-	-	1,298.33	1,375.42
Other financial liabilities (Refer Note 20)						
Payable to Network Partners	464.72	-	-	-	464.72	464.72
Excess amount from Card holders	228.54	-	-	-	228.54	228.54
Unpaid dividends	0.07	-	-	-	0.07	0.07
Lease liabilities	173.26	-	-	-	173.26	173.26
Others	9.51	-	-	-	9.51	9.51
Total	19,663.60	-	-	-	19,663.60	19,791.20

Hierarchy of Fair value measurements

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

A. The Company's financial assets and liabilities that are measured at fair value on a recurring basis

Financial Asset/ (Financial Liabilities)	Fair value as at		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2022	As at March 31, 2021		
Foreign currency forward contracts not designated in hedge accounting relationships (Refer foreign currency risk management related disclosures given below)	-	0.10	Level 2	Future cash flows are estimated based on forward exchange rates from observable forward exchange rate at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial Asset/ (Financial Liabilities)	Fair value as at		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2022	As at March 31, 2021		
Investments in equity instruments at FVTOCI*	17.92	11.20	Level 3	Equity valuation is updated as per latest valuation report. The Company has evaluated and has not observed any material variation in business performance till date.
	3.2% equity investment in Online PSB Loans Ltd (formerly known as Capitaworld platform Private Limited). Company is a fintech startup engaged in the business of providing Smart & Digital lending platform and market place	3.5% equity investment in Online PSB Loans Ltd (formerly known as Capitaworld platform Private Limited). Company is a fintech startup engaged in the business of providing Smart & Digital lending platform and market place		

*These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI, instead of reflecting changes in fair value immediately in profit or loss.

B. The Company's financial assets and liabilities that are not measured at fair value:

The Company's financial assets and liabilities that are not measured at fair value as on March 31, 2022 are:

Particulars	Carrying value	Fair value	Fair value measurement at end of the reporting period/year using		
			Level 1	Level 2	Level 3
Assets:					
Loans	30,187.25	29,893.00	-	-	29,893.00
Investments	1,279.27	1,273.53	1,273.53	-	-
Other Financial assets					
Contract Asset	187.89	172.54	-	-	172.54
Security Deposits	24.87	20.32		-	20.32
Total	31,679.28	31,359.39	1,273.53	-	30,085.86
Liabilities:					
Debt Securities	7,106.34	7,120.95	4,819.61	-	2,301.34
Borrowings (Other than Debt Securities)	14,680.10	14,662.47	-	-	14,662.47
Subordinated Liabilities	1,196.02	1,251.26	387.83	-	863.44
Total	22,982.46	23,034.68	5,207.43	-	17,827.25

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Fair value of the Company's financial assets and liabilities that are not measured at fair value as on March 31, 2021 are:

Particulars	Carrying value	Fair value	Fair value measurement at end of the reporting period/year using		
			Level 1	Level 2	Level 3
Assets:					
Loans	23,459.14	23,156.01	-	-	23,156.01
Investments	946.36	941.24	941.24	-	-
Other Financial assets					
Contract Asset	165.31	154.23	-	-	154.23
Security Deposit	27.61	24.50	-	-	24.50
Total	24,598.42	24,275.97	941.24	-	23,334.74
Liabilities:					
Debt Securities	5,932.93	5,983.44	3,585.51	-	2,397.93
Subordinated Liabilities	1,298.33	1,375.42	399.67	-	975.76
Total	7,231.26	7,358.86	3,985.17	-	3,373.69

Except as detailed in the table above, the management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

C. Reconciliation of Level 3 fair value measurements

Particulars	Unlisted shares irrevocably as at FVTOCI as at March 31, 2022	Unlisted shares irrevocably as at FVTOCI as at March 31, 2021
Opening balance	11.20	1.46
Total gains or losses: in profit or loss	-	-
in other comprehensive income	6.72	9.74
Purchases/Issues/Acquisition	-	-
Disposals/ settlements	-	-
Transfers out of level 3	-	-
Closing balance	17.92	11.20

38.1 Financial risk management**Financial risk factors**

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

- Market risks;
- Credit risk; and
- Liquidity risk;

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Risk Management Committee manages the risk management framework and appetite. The Board of Directors has established the Enterprise Risk Management Committee (ERMC) which is responsible for approving and monitoring Company's risk management framework. The risk management policies, processes and tools are reviewed regularly to reflect changes in market conditions and the Company's activities.

38.1.1 Market risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in variables such as changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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The Company uses a wide range of qualitative and quantitative tools to manage and monitor various types of market risks it is exposed to. Quantitative analysis such as net income sensitivities, stress tests etc. are used to monitor and manage company's market risk appetite.

A. Interest risk

Interest rate risk is the risk of loss from fluctuations in the future cash flows or fair value of financial instruments because of changes in market interest rates.

The Company has fixed as well as floating rate loans. The Company is exposed to interest rate risk on Loans as well as repricing risk at the time of re-borrowing. The below table shows the interest rate sensitivity for a period up to one year.

Description	As at March 31, 2022	As at March 31, 2021
Assets	9,048.25	6,406.66
Liabilities	17,127.50	13,267.12
Variation	(8,079.25)	(6,860.46)

Interest rate sensitivity analysis

50-basis point [bps] increase or decrease is management's assessment of the reasonably possible change in interest rates. The below table presents the impact on Profit / (Loss) before tax for 50 basis point increase or decrease in interest rate on Company's short-term interest rates liabilities and assets which are open to repricing risk (assuming all other variables are held constant):

Particulars	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
50 bps Impact on Profit	(40.40)	40.40	(34.30)	34.30

The above sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates. The Company's sensitivity to interest rate has increased on a year to year basis primarily due to business growth and correspondingly increase in borrowings.

B. Foreign currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency resulting in exposures to foreign exchange rate fluctuations.

The carrying amount of company's foreign currency asset and liability are as follows:

Particulars	Liabilities		Assets	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Others	82.57	62.73	75.52	73.11
Total	82.57	62.73	75.52	73.11

Foreign currency sensitivity analysis:

The below table presents the impact on profit or loss [+ Gain / (-) Loss] before tax for 5% change in foreign currency exchange rate against INR:

Foreign currency sensitivity analysis Impact (Net basis)	As at March 31, 2022	As at March 31, 2021
Currency depreciating by 5%	(0.35)	0.52
Currency Appreciating by 5%	0.35	(0.52)

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation for a 5% change in foreign currency rates. Sensitivity analysis given above is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting periods does not reflect the exposure during the years.

Foreign currency risk monitoring and management

The Company's currency risk management policy lays down the appropriate systems and controls to identify, measure and monitors, the currency risk for reporting to the management. Parameters like hedging ratio, unhedged exposure, mark-to market position, exposure limit with banks etc. are continuously monitored as a part of currency risk management. Exchange rate exposures are managed within approved parameters using forward foreign exchange contracts. Foreign currency exposure under borrowings is fully hedged at the time of taking the loan itself.

Derivative financial instruments

The Company enters into derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is a bank. As on reporting date March 31, 2022 and March 31, 2021 company do not have any foreign currency borrowing outstanding.

Contracts included in hedge relationship

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

As on March 31, 2022 the company does not have any outstanding contract which was designated under Hedge relationship (March 31, 2021 - NIL)

Cash flow hedging	Action	Currency	Amount	Exchange rate	As at March 31, 2022	As at March 31, 2021
Financial Asset (6 months-12 months)	Sell	USD	\$0.35	73.50	-	25.73

Unhedged Position of the Company is as follows:

Particulars	\$0.00		As at March 31, 2022	
	Currency	Amount	Currency	Amount
Financial Liability	\$1.09	82.57	\$0.85	62.73
Financial Asset	\$1.00	75.52	\$0.64	47.38

38.1.2. Credit Risk

Credit risk is the risk of financial loss arising out of customer's failing to meet their contractual obligations to the Company. The Company has a board approved Credit Risk policy. The Chief Risk Officer (CRO) owns the policy.

Credit risk arises mainly from loans and advances to retail and corporate customers arising on account of facilitating credit card loans to customers. The Company also has exposure to credit risk arising from other financial assets such as cash and cash equivalents, other financial assets including fixed deposits with banks, other receivables from contracts with customers and contract assets etc.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

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A. Credit risk management approach

Managing credit risk is the most important part of total risk management exercise. The CRO of the Company is responsible for the key policies and processes for managing credit risk, which include formulating credit policies and risk rating frameworks, guiding the Company's appetite for credit risk exposures, undertaking independent reviews and objective assessment of credit risk, and monitoring performance and management of portfolios. The principal objectives being maintaining a strong culture of responsible lending across the Company, and robust risk policies and control frameworks, implementing and continually re-evaluating our risk appetite and ensuring there is adequate monitoring of credit risks, their costs and their mitigation.

The basic credit risk management would cover two key areas, viz., (a) customer selection & (b) customer management. These are governed by Board Approved Credit Policy and Collections Policy which is reviewed on a regular basis.

(a) Customer Selection

Key criterion for customer selection is in accordance with Board Approved Credit Policy, which defines, inter alia, type of customers, category, market segment, income criterion, KYC requirement, documentation etc. The Policy also spells out details of credit appraisal process, delegation structure. The customer selection process aims to ensure quality portfolio and lower delinquency.

(I) Retail Customer Selection process

All the fulfilled approved applications undergo a number of checks which include

- internal deduplication checks,
- fraud deduplication check
- scrutiny of KYC and income documents
- Sophisticated Machine Learning (ML) application models
- Bureau checks etc

For Credit limit is assigned basis ML models to estimate the debt and income of a customer

(II) Unsecured Corporate customer selection process

- For all unsecured corporate card exposures, SBI Cards conducts a detailed subjective assessment based on information taken from the corporate, bureau reports, third party credit assessment agencies like rating agencies and any publicly available information.
- To accurately assess the credit profile of a corporate, SBI Cards assesses the detailed financials, stock price performance (if listed) trends over the recent past. The critical parameters are collated as a credit proposal and approval is done by the credit committee.
- In general, we evaluate the business risks associated with the corporate and its industry, its financial profile, liquidity situation and financial flexibility. A peer comparison is also made between the corporate and other reputed companies from the same industry.

(III) Secured Corporate customer selection process

SBI Cards allows exposure to corporates against liquid securities (e.g. Fixed Deposit & Bank Guarantee). For all secured corporate card exposures, SBI Cards checks the bureau reports and a slightly shorter proposal is put before the approving authority (as per the delegation authority approved by the Board of Directors). The security is validated before any cards are issued.

(b) Customer Management

Customer management relates to credit controls once a card is issued, broadly consisting of:

i. Portfolio Monitoring

We perform continuous monitoring of the portfolio leveraging various capabilities including ML based behavior scores, bureau refresh, bureau alerts, payment behavior, transaction trends, and periodic update on income estimation

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**ii. Portfolio management**

Portfolio management activities enable us to grow lower risk exposures while restricting high risk. We have robust capabilities around dynamic limit management, cross-sell of term loans, balance transfers. Account management capabilities including a robust blocking strategy, reinstatements, dispute management, and overlimit strategies

iii. Fraud control

Continuous monitoring of transactions and a risk-based approach is leveraged to identify instances of fraud like account takeover, unauthorized access. ML models are leveraged to identify potential frauds and proactively protect against the same

iv. Collection strategy

Customers who fail to pay their dues by the stipulated payment due dates, at various stages of delinquency come under the purview of collection and recovery strategies. The company has developed ML models to prioritize collection efforts and also guide the intensity of efforts across delinquency buckets. Hardship tools are leveraged to help resolve cases including settlements and restructuring. Post write-off, ML based segmentation is leveraged to prioritize efforts. For secured cards, liens on FDs / BGs are invoked

B. Credit risk analysis

This section analyses Company's credit risk split as follows;

- Exposure to credit risk - Analysis of overall exposure to credit risk before and after credit risk mitigation.
- Credit quality analysis - Analysis of overall loan portfolio by credit quality.
- Impairment - Analysis of non-performing / impaired loans.
- Credit risk mitigation - Analysis of collaterals held by client segment and collateral type.

(a) Exposure to credit risk

Maximum exposure to credit risk is given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and bank balances	1,106.39	720.10
Derivative Financial Instruments	-	0.10
Trade Receivables	168.47	81.52
Loans	30,187.25	23,459.14
Investment	1,297.19	957.56
Other Financial Assets	213.32	194.87
Total	32,972.62	25,413.29

Loans to customer includes loans secured by lien on Fixed deposits and Bank Guarantee held with third party banks. Secured loans account for 1.13% as at March 31, 2022, (1.35% as at March 31, 2021) of total loans.

Notes:

- Loans to customers which accounts for 91.6% of total exposure to credit risk, as at March 31, 2022, is segregated based on risk characteristics of the population to manage credit quality and measure impairment.
- Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.
- Investments in Government Securities are measured at amortized cost and Investments in unquoted instruments are valued at Fair value as on balance sheet date and effect has been routed through Other Comprehensive Income to be in line with Ind AS guideline.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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- Derivative instruments taken by the Company are from the same party (Parent company) from whom the Company has taken the underlying loan. Hence, default risk from counterparty is also being a financial institution with high credit rating is limited.
- Company follows simplified approach for recognition of impairment loss allowance on trade receivables/ other financial assets wherein Company uses a provision matrix to determine the impairment loss allowance on the portfolio of receivables.

Credit concentration risk

Credit concentration risk may arise from a single large exposure to a counterparty Credit concentration risk may arise from a single large exposure to a counterparty or a group of connected counterparties, or from multiple exposures across the portfolio that are closely correlated.

Large exposure concentration risk is managed through concentration limits set by a counterparty or a group of connected counterparties based on control and economic dependence criteria

For concentrations that are material at a Company level, breaches and potential breaches are monitored by the respective governance committees and reported to the Risk Committee and CRO.

The Company follows the prescribed Regulatory Prudential Norms:

- Single Borrower Exposure limit - 15% of net owned funds of SBI Cards & Payments Services Ltd.
- Group Borrower Exposure limit - 25% of net owned funds of SBI Cards & Payments Services Ltd

In addition, there is also an internal capping on the single borrower exposure at ₹ 200 Cr.

Single Borrower and Group Borrower exposure as on:

Particulars	Single Borrower exposure	Group Borrower exposure
March 31, 2022	1.36%	2.22%
March 31, 2021	1.66%	2.70%

The following tables gives credit risk / exposure concentration by client segment

Concentration by client portfolio segment

The following table sets out an analysis of risk concentration of loans to customers split by client segment

Portfolio segment	As at March 31, 2022	As at March 31, 2021
Corporate - Secured	40.60	25.26
Corporate - Unsecured	59.26	40.92
Retail - Secured	299.70	290.99
Retail - Unsecured	30,881.81	24,756.66
Total	31,281.37	25,113.83

(b) Credit quality analysis

Credit grading

The Company classifies credit exposure basis risk characteristics into high/medium/low risk. The Company has in place a credit risk grading model (Internal rating model) which is supplemented by external data such as credit bureau scoring information, financials statements and payment history that reflects its estimates of probabilities of defaults of individual counterparties and it applies blocks(soft/hard) on accounts based on activity pattern of the borrower.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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A breakdown of loans by credit quality is given below.

By Portfolio Segment

Credit risk classification/ Staging	As at	As at
	March 31, 2022	March 31, 2021
Strong (Stage 1)	27,931.49	20,720.59
Satisfactory (Stage 2)	2,656.46	3,138.96
High Risk (Stage 3)	693.42	1,254.28
Total	31,281.37	25,113.83

Impact of year on year increase is on account of portfolio growth.

Approach followed:

Stage 1	Includes borrowers that have not had a significant increase in credit risk (SICR) since initial recognition or have low credit risk at the reporting date. 12-month expected credit losses ('ECL') are recognized.
Stage 2	Includes borrowers that had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment. Lifetime ECL is calculated for such borrowers. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the card.
Stage 3	Includes borrowers that have objective evidence of impairment at the reporting that. Lifetime ECL is calculated for such borrowers.

Credit quality by client segment

An overall breakdown of loan portfolio by client segment is provided below differentiating between performing and non-performing loan book,

The Company segregates its credit risk exposure from loans & advances to customers as Stage 1 (Good), Stage 2 (Increased credit risk), Stage 3 (Impaired loans). The staging is done based on criteria specified in Ind AS 109 and other qualitative factors.

(c) Impairment**Collective measurement model (Retail and Corporate)**

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with the change in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to likelihood of defaults occurring, of the associated loss ratios, collaterals and coverage ratio etc.

The Company measures credit risk using Probability of Default (PD), Exposure of Default (EAD), Loss Given Default (LGD). Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition.

- A financial instrument that is not credit impaired on initial recognition is classified in 'Stage1'
- If a significant increase in credit risk (SICR) is identified the financial instrument moves to 'Stage 2',
- If the financial instrument is credit-impaired, the financial instrument moves to 'Stage3' category.

The Company defines default or significant increase in credit risk (SICR) based on the following quantitative and qualitative criteria.

Definition of Default**Quantitative criteria**

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates that the borrower is in significant difficulty

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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wherein a 'hard block' is applied on accounts and is blocked for further activity on meeting the following criteria;

- Arrangement to Pay
- Settlement
- Cardholder is deceased
- Restructured

Further, for any borrower to be upgraded from Stage 3, the entire overdue balance on all accounts, must be cleared.

Definition of Significant increase in credit risk (SICR)

Quantitative criteria

The borrower is 30-90 past due on its contractual payments.

Qualitative criteria

When borrowers are classified as "high risk" or when the account is tagged as "over-limit" i.e. when borrowers are expected to/approach their credit limit it is considered as indicator of increased credit risk.

The default definition has been applied consistently to model the PD, LGD and EAD for measurement of ECL.

Measuring ECL- Explanation of inputs, assumptions and estimation techniques

ECL is measured on either a 12 month or lifetime basis depending on whether there is an increase in SICR since initial recognition. ECL is the discounted product of PD, LGD and EAD.

Estimation for retail accounts

PD

Month on month (MOM) default rates were calculated for all vintages.

Post calculating Mom default rates, cumulative yearly PDs being calculated till lifetime.

- For Stage 1 accounts 1- year marginal PD were calculated.
- For Stage 2 accounts - Lifetime PDs were calculated
- For Stage 3 accounts a 100% PD was taken

LGD

All discounted recoveries net of collection costs is calculated segment wise against exposures to arrive at loss estimates. Discount rate being considered is the average yield rate across segments. LGD is floored at 0% and capped at 100%

EAD

Segment wise EAD is calculated using the below formula.

$EAD = \text{Balance Outstanding} + CCF^*(\text{Credit Limit} - \text{Balance Outstanding})$, where CCF is proportion of unutilized credit limit which is expected to be utilized till the time of default. CCF is applicable only for stage 1 accounts, as stage 2 and stage 3 accounts cannot utilize the unused credit limit. $CCF \% = \text{Utilisation (t+12)} - \text{Utilisation (t)}$ i.e. change of utilization rates over next 1 year, its being floored at 0%

Segment wise PD and LGD as at March 31, 2022 rates arrived at for all stages is given below

Portfolio Segment	PD			LGD		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate - Unsecured	1.53%	2.96%	100%	55.85%	55.85%	55.85%
Retail - Secured	3.29%	5.93%	100%	27.62%	27.62%	27.62%
Retail - Unsecured	2.29%	6.78%	100%	64.82%	64.82%	64.82%

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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The Company revisits the inputs, assumptions used in measurement of ECL whenever there is a significant change, at least every quarter.

- **Individual Measurement (Corporate)**

The Company's credit risk function segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal sources supplemented by external data.

Specific reserve may be created in following scenarios: -

- Rating of the corporate is downgraded significantly.
- Public news of default or fraud by the corporate or any group company with any lender.
- Adverse reporting in bureau with respect to the corporate or promoters (overdues with other lenders)
- Adverse public information on corporate or associated group.
- Significant Overdues of the corporate or group companies with SBI Card or SBI.
- If corporate exposure is backed by security, and there is a deterioration in the value of the underlying security.

Impairment allowance for these exposures are reviewed and accounted on a case by case basis. Below table states different scenarios and effect of the same on point in time provision.

Classification	Trigger's Point	Provision
Stage 2	Rating of the corporate downgraded by 2 notches but still investment grade or, Early warning triggers or, Overdue amount reported in bureau > INR 50K (but not NPA or 90+)	<ol style="list-style-type: none"> 1. PD determination basis external rating 2. LGD will be as applicable for the quarter 3. EAD will be point in time outstanding of the corporate
Stage 3	Rating of the corporate downgraded by 3 notches or current rating falls below investment grade or, NPA with SBI Card, any other group Company > INR 1 lakh	<ol style="list-style-type: none"> 1. PD will be 100% 2. LGD will be as applicable for the quarter 3. EAD will be point in time outstanding of the corporate
Stage 3	Rating of corporate downgraded to C/D category or, Public news of default or fraud by the corporate	<ol style="list-style-type: none"> 1. Provisioning will be 100% of point in time outstanding of the corporate

The normal ECL model for provisioning will not apply to corporates, where specific reserves are being held.

In the event where above stated conditions show improvement and corporate no longer falls under any of triggers for consistently 3 months, provision is restated basis Collective measurement model.

Management overlay on ECL model due to COVID-19

The current ECL model does not cater to future economic deterioration expected due to COVID-19 fall out. Accordingly, in anticipation of the expected economic fallout, the Company has identified specific segments prone to stress in the current situation. These have been identified on the basis of behaviour in the last 12 months as well as the efforts required to collect on these segments. The stress segments identified are customers who opted for RBI resolution package as per RBI circular dated August 6, 2020 and are in stage 2 or stage 3 on the reporting date. The Company has created additional management overlay on these segments. The Company is closely monitoring its asset quality and taking suitable actions to manage its exposures. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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The incremental provision created as management overlay is as follows:

Stage	Management Overlay
Stage 1	-
Stage 2	46.82
Stage 3	3.74
Total	50.56

Below table shows stage wise portfolio gross exposure and loss allowance on Loans

Portfolio Segment	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	40.55	0.05	-	22.04	3.22	-
Corporate - Unsecured	59.11	0.15	-	40.82	0.10	-
Retail - Secured	291.37	6.47	1.86	278.34	6.77	5.88
Retail - Unsecured	27,540.46	2,649.79	691.56	20,379.39	3,128.87	1,248.40
Gross Exposure	27,931.49	2,656.46	693.42	20,720.59	3,138.96	1,254.28
Less : Impairment loss	455.91	185.69	452.52	331.71	346.35	976.63
Carrying Amount	27,475.58	2,470.77	240.90	20,388.88	2,792.61	277.66

Below table shows the breakup of Impairment loss provision

Portfolio Segment	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	-	-	-	-	-	-
Corporate - Unsecured	0.50	-	-	0.22	-	-
Retail - Secured	2.65	0.11	0.51	0.90	0.05	0.54
Retail - Unsecured *	452.76	185.58	452.01	330.59	346.30	976.09
Total Impairment loss	455.91	185.69	452.52	331.71	346.35	976.63

* Impairment loss provision of Stage 1 is calculated as PD * LGD * EAD, where EAD comprises of Balance outstanding + CCF amount. Calculation of ECL for Retail Unsecured is as below

Category	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Balance Outstanding	CCF Amt	Total EAD	ECL Amount	Balance Outstanding	CCF Amt	Total EAD	ECL Amount
Retail Unsecured	27,540.46	2,901.31	30,441.77	452.76	20,379.39	1,607.27	21,986.66	330.59

CCF amount for other portfolio is NIL for both the years.

As of March 31, 2022, there is NIL specific loss provision for Corporate unsecured customers (NIL as of March 31, 2021)

ECL % as per collective measurement model

ECL percentage	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	0.00 %	0.00 %	0.00 %	0.00%	0.00%	0.00%
Corporate - Unsecured	0.85%	1.65%	55.85%	0.53%	1.67%	57.92%
Retail - Secured	0.91%	1.64%	27.62%	0.32%	0.75%	9.19%
Retail - Unsecured	1.49%	4.39%	64.82%	1.50%	4.05%	65.90%

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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ECL % including individual measurement and management overlay

ECL percentage Segment wise exposure	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate - Unsecured	0.85%	1.65%	55.85%	0.54%	1.67%	57.92%
Retail - Secured	0.91%	1.70%	27.42%	0.32%	0.74%	9.18%
Retail - Unsecured	1.64%	7.00%	65.36%	1.62%	11.07%	78.19%

Movement of Impairment loss allowance:

Particulars	Stage 1	Stage 2	Stage 3
Impairment loss allowance as at March 31, 2021	331.71	346.35	976.63
<u>Movements during the year</u>			
Addition / Reduction during the year	14.65	(188.70)	1224.60
Provision movement on account of asset sale	-	-	(4.31)
Write-offs during the period	-	-	(1,864.92)
New Addition during the year	109.54	28.04	120.52
Impairment loss allowance as at March 31, 2022	455.91	185.69	452.52

Particulars	Stage 1	Stage 2	Stage 3
Impairment loss allowance as at March 31, 2020	653.06	350.37	325.53
<u>Movements during the year</u>			
Addition / Reduction during the year	(392.28)	(238.04)	2009.41
Provision movement on account of asset sale	-	-	(152.93)
Write-offs during the period	-	-	(1,411.23)
New Addition during the year	70.93	234.02	205.85
Impairment loss allowance as at March 31, 2021	331.71	346.35	976.63

Movement of Impairment Loss on assets other than Loans

For the year ended March 31, 2022

Particulars	Trade receivable	Other Financial assets	Other non Financial assets
Opening balance	0.34	1.91	113.74
Addition during the year	-	0.83	0.09
Reduction during the year	(0.30)	(0.34)	(108.41)
Closing Balance	0.04	2.39	5.42

For the year ended March 31, 2021

Particulars	Trade receivable	Other Financial assets	Other non Financial assets
Opening balance	0.16	3.69	114.20
Addition during the year	0.34	0.35	-
Reduction during the year	(0.16)	(2.13)	(0.46)
Closing Balance	0.34	1.91	113.74

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

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(d) Credit risk mitigation

The below table shows the cover ratio of total NPA for the portfolio segment

As at March 31, 2022

Non Performing Loans	Retail Secured	Retail Unsecured
Loans	1.86	691.56
Loss Reserve(ECL)	0.51	452.01
Coverage	27.42%	65.36%

As at March 31, 2021

Non Performing Loans	Retail Secured	Retail Unsecured
Loans	5.88	1,248.40
Loss Reserve(ECL)	0.54	976.09
Coverage	9.18%	78.19%

38.1.3. Liquidity risk

Liquidity risk is the risk that the Company doesn't have sufficient financial resources to meet its obligations as and when they fall due or will have to do so at an excessive cost. This risk arises from the mismatches in the timing of the cash flows which is inherent in all financing operations and can be affected by a range of company specific and market wide events. Therefore, Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company has put in place an effective Asset Liability Management System, constituted an Asset Liability Management Committee ("ALCO") headed by Managing Director & CEO of the Company.

The Company manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations. ALCO is responsible for managing the Company's liquidity risk via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

Company's borrowing program is rated by CRISIL & ICRA. Short term rating is A1+ and long-term rating is AAA/Stable by both the agencies. There has been no change in ratings from last 10 years.

The maturity pattern of items of non-derivative financial assets and liabilities at undiscounted principal and interest cash flows are as under:

Maturity Analysis of Non Derivative financial assets & liabilities : As at March 31, 2022

Description	Upto 31 days	1-2 month	2-3 months	3-6 months	6-12 months	1 year to 3 years	3 year to 5 years	Over 5 years	Total
Financial Liabilities									
Payable	185.45	140.59	87.70	190.33	523.60	-	-	-	1,127.67
Debt securities	-	22.90	503.98	201.64	1,572.82	4,355.00	450.00	-	7,106.34
Borrowings other than debt securities	5,153.07	4,271.64	2,905.00	1,450.00	400.44	-	499.95	-	14,680.10
Subordinated liabilities	100.00	-	6.52	28.86	10.64	700.00	-	350.00	1,196.02
Other Financial Liabilities	947.34	51.27	49.79	148.90	31.43	102.97	71.50	169.49	1,572.69
Financial Liabilities Total	6,385.86	4,486.40	3,552.99	2,019.73	2,538.93	5,157.97	1,021.45	519.49	25,682.82

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Description	Upto 31 days	1-2 month	2-3 months	3-6 months	6-12 months	1 year to 3 years	3 year to 5 years	Over 5 years	Total
Financial Assets									
Cash and cash equivalents	653.23	-	104.93	-	-	-	-	-	758.16
Bank Balances other than cash and cash equivalents	241.29	0.01	0.04	0.14	0.55	1.47	0.02	104.71	348.23
Trade receivable	34.92	18.92	104.73	9.87	0.03	-	-	-	168.47
Loans	10,371.40	4,627.62	3,004.20	4,719.35	3,276.31	3,947.47	-	240.90	30,187.25
Investments	-	230.31	53.06	402.30	195.68	217.68	180.24	17.92	1,297.19
Other Financial Assets	0.02	30.48	2.17	40.86	3.30	135.36	-	1.13	213.32
Financial Assets Total	11,300.86	4,907.34	3,269.13	5,172.52	3,475.87	4,301.98	180.26	364.66	32,972.62

Maturity Analysis of Non Derivative financial assets & liabilities : As at March 31, 2021

Description	Upto 31 days	1-2 month	2-3 months	3-6 months	6-12 months	1 year to 3 years	3 year to 5 years	Over 5 years	Total
Financial Liabilities									
Payable	89.85	64.41	53.43	185.18	499.85	-	-	-	892.72
Debt securities	-	613.66	416.43	449.84	918.00	2,785.00	750.00	-	5,932.93
Borrowings other than debt securities	5,001.42	2,910.71	1,701.36	800.36	249.67	-	-	-	10,663.52
Subordinated liabilities	-	-	6.46	28.56	113.31	800.00	-	350.00	1,298.33
Other Financial Liabilities	497.57	31.39	31.89	100.31	28.81	92.75	23.25	70.13	876.10
Financial Liabilities Total	5,588.84	3,620.16	2,209.57	1,564.25	1,809.64	3,677.75	773.25	420.14	19,663.61
Financial Assets									
Cash and cash equivalents	641.18	2.02	-	-	-	-	-	-	643.20
Bank Balances other than cash and cash equivalents	5.25	0.01	-	0.14	0.50	0.33	1.05	69.62	76.90
Trade receivable	31.31	2.23	7.46	0.66	39.86	-	-	-	81.52
Loans	7,288.08	3,440.15	2,263.43	3,823.37	2,800.28	3,566.18	-	277.65	23,459.14
Investments	-	281.53	1.69	281.68	63.11	86.84	231.51	11.20	957.56
Other Financial Assets	3.82	21.82	3.18	23.72	122.05	18.79	0.26	1.23	194.87
Financial Assets Total	7,969.64	3,747.76	2,275.75	4,129.56	3,025.80	3,672.14	232.82	359.70	25,413.19

Maturity Analysis of Derivative financial assets & liabilities :

Description	Upto 31 days	1-2 month	2-3 months	3-6 months	6-12 months	1 year to 3 years	3 year to 5 years	Over 5 years	Total
As at March 31, 2022									
Foreign exchange forward contract liabilities (Assets)	-	-	-	-	-	-	-	-	-
As at March 31, 2021									
Foreign exchange forward contract liabilities (Assets)	-	-	-	-	(0.10)	-	-	-	(0.10)

The table above, details the Company's expected maturities for its non-derivative and derivative financial instruments drawn up based on the undiscounted contractual maturities including interest. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Following is the position of company's undrawn limits as on respective year end dates:

Particulars	Total Facility	Drawn	Undrawn
March 31, 2022			
Less than 1 year	20,000.00	14,995.31	5,004.69
March 31, 2021			
Less than 1 year	19,000.00	12,875.66	6,124.34

Other price risks

The Company is exposed to equity price risks arising from equity investments. The Company's equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis

If equity prices had been 10% higher/lower other comprehensive income for the year ended March 31, 2022 would increase/decrease by ₹ 1.79 crores, (for the year ended March 31, 2021 increase/decrease by ₹ 1.12 crores) as a result of the changes in fair value of equity investments measured at FVTOCI

Portfolio Segment	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
10% value	1.79	(1.79)	1.12	(1.12)

39 Auditors' remuneration (excluding GST/Service tax)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fee	0.30	0.30
Quarterly Limited Review fee	0.06	0.06
Tax audit fee	0.03	0.03
Fee for other services	0.07	0.07
Reimbursement of expenses	0.02	0.02
Total	0.48	0.49

40 Reward Points Movement

Movement of provision for reward points redemption and legal cases in accordance with Ind AS 37; Provisions, contingent liabilities and contingent assets is as under:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Provision at the beginning of the year	342.10	367.69
b. Net addition during the year	601.90	333.21
c. Value of points redeemed during the year	(533.86)	(358.79)
d. Provision at the end of the year* (a+b-c)	410.14	342.10

*Provision for reward points as at March 31, 2022 provided as per actuarial valuation, Refer note 21.

Legal Claims:

The below table provide the movement of the provision for cases filed against the Company in the ordinary course of business.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Provision at the beginning of the year	0.16	0.18
b. Additions / (Reduction) made during the year	(0.03)	-
c. Amount Paid during the year	0.03	0.02
d. Provision at the end of the year (a+b-c)	0.10	0.16

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**41 Related party disclosures**

List of parties who have controlling interest or with whom transactions have taken place during the year.

List of Related Parties**i. Holding Entity**

State Bank of India

ii. Entity having significant influence

CA Rover Holdings

iii. Fellow subsidiaries

SBI Capital Markets Ltd.

SBICAP Securities Ltd.

SBICAP Trustee Company Ltd.

SBICAP Ventures Ltd.

SBICAP (Singapore) Ltd.

SBICAP (UK) Ltd.

SBI DFHI Ltd.

SBI Global Factors Ltd.

SBI Infra Management Solutions Private Limited

SBI Mutual Fund Trustee Company Pvt Ltd.

SBI Payment Services Pvt. Ltd.

SBI Pension Funds Pvt Ltd.

SBI General Insurance Company Ltd.

SBI Life Insurance Company Ltd.

SBI-SG Global Securities Services Pvt. Ltd.

SBI Funds Management Pvt. Ltd.

SBI Funds Management (International) Private Ltd.

Commercial Indo Bank Llc , Moscow

Bank SBI Botswana Limited

SBI Canada Bank

State Bank of India (California)

State Bank of India (UK) Limited

State Bank of India Servicos Limitada (Brazil)

SBI (Mauritius) Ltd.

PT Bank SBI Indonesia

Nepal SBI Bank Ltd.

Nepal SBI Merchant Banking Ltd.

SBI Foundation (not for Profit Company)

SBI Card employee's gratuity fund

iv. Key managerial personnel

Mr. Dinesh Kumar Khara, Director

Mr. Rama Mohan Rao Amara, MD and CEO (from 30th January 2021)

Mr. Ashwini Kumar Tewari, MD and CEO (from 01st August 2020 to 27th January 2021)

Mr. Ashwini Kumar Tewari, Director (from 05th April 2021)

Mr. Hardayal Prasad, MD and CEO (till 31st July' 2020)

Mr. Nalin Negi, CFO

Ms. Payal Mittal Chhabra, Company Secretary

Mr. Sunil Kaul, Director (till 18th June 2021)

Mr. Mihir Narayan Prasad Mishra, Director (from 18th June 2021)

Dr. Tejendra Mohan Bhasin, Director

Mr. Rajendra Kumar Saraf, Director

Mr. Dinesh Kumar Mehrotra, Director

Ms. Anuradha Shripad Nadkarni, Director

Mr. Shree Prakash Singh, Director (till 31 July 2020)

Mr. Devendra Kumar, Director (from 21 August 2020 till 8th June 2021)

Mr. Shriniwas Yeshwant Joshi, Director (from 04 December 2020)

Mr. Rajnish Kumar, Director (till 6th October 2020)

Mr. Nilesh Shivaji Vikamsey, Director (till 5th November 2020)

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
41.1 Transactions/balances outstanding with related parties for the Year ended/as at March 31, 2022

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
	For the year ended March 31, 2022			
a. Transactions during the period				
Advertisement, sales promotion & Collection	18.21	-	-	-
Cost allocations received*	3.12	-	-	-
Fees and Commission, bank charges	158.85	-	-	-
Commission Received	-	-	0.17	-
Personnel Cost (Managerial remuneration Salaries & other Allowances)	-	-	-	4.36
Personnel Cost (Managerial remuneration- Post Employment Benifits)	-	-	-	0.05
Personnel Cost (Managerial remuneration- Share based payments)	-	-	-	0.66
Gratuity fund contribution	-	-	3.18	-
Interest Income on fixed deposit	0.15	-	-	-
Income on Investment	-	-	0.01	-
Finance charges	427.09	-	24.89	-
Borrowings taken	51,993.60	-	-	-
Borrowings repaid	49,798.90	-	-	-
Fixed Deposit made	0.82	-	-	-
Fixed deposit matured	0.68	-	-	-
Investment Made	-	-	125.00	-
Investment Matured	-	-	125.00	-
Royalty expenses	32.32	-	-	-
Loans and Advances given and other adjustments	0.50	-	2.99	0.80
Loans and Advances Repaid	0.53	-	2.92	0.76
Insurance Expenses	-	-	0.61	-
Conrtibution to Other Fund	0.95	-	-	-
Dividend Paid	163.16	7.29	0.92	0.01

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
	For the year ended March 31, 2022			
b. Balances Outstanding at Period End				
Trade Payables and Other liabilities	42.01	-	0.00	-
Trade receivables	-	-	0.06	-
Borrowings (other than debt securities)	9,398.64	-	-	-
Debt Securities including interest payable	2,774.36	-	319.89	-
Cash and Bank Balances**	358.59	-	-	-
Loans and Advances***	14.30	-	1.77	0.06
Fixed deposit including Interest Accrued	2.75	-	-	-
Investments	-	-	0.001	-
Contribution to other fund	0.08	-	-	-
Dividend Payable	163.16	7.29	0.92	0.01

All transactions with the related parties are at Arm's length.

*The amounts are included/ adjusted in the respective expense line items of operating and other expenses.

** These amounts represent cash & bank balance, book overdraft, funds in transit & earmarked balances as at March 31, 2022.

*** These amounts represent year-end balances outstanding as at March 31, 2022 on credit cards issued.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**41.2 Transactions/balances outstanding with related parties for the Year ended/as at March 31, 2021**

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
a. Transactions during the period				
Advertisement, sales promotion & Collection	13.36	-	-	-
Cost allocations received*	2.84	-	-	-
Fees and Commission, bank charges	124.24	-	-	-
Commission Received	-	-	0.60	-
Personnel Cost (Managerial remuneration Salaries & other Allowances)	-	-	-	4.30
Personnel Cost (Managerial remuneration- Post Employment Benifits)	-	-	-	0.03
Personnel Cost (Managerial remuneration- Share based payments)	-	-	-	0.90
Gratuity fund contribution	-	-	3.64	-
Interest Income on fixed deposit	0.36	-	-	-
Finance charges	563.89	-	25.06	-
Borrowings taken	51,461.48	-	-	-
Borrowings repaid	51,365.75	-	-	-
Fixed Deposit made	1.94	-	-	-
Fixed deposit matured	4.61	-	-	-
Royalty expenses	19.69	-	-	-
Loans and Advances given and other adjustments	0.51	-	2.31	0.24
Loans and Advances Repaid	0.51	-	2.24	0.24
Insurance Expenses	-	-	0.60	-
Conrtibution to Other Fund	0.89	-	-	-
CSR Contribution	-	-	8.87	-
Dividend Paid	65.26	14.92	0.02	-

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
b. Balances Outstanding at Period End				
Trade Payables and Other liabilities	45.73	-	0.81	-
Trade receivables	-	-	0.16	-
Borrowings Including Interest Payable	8,162.56	-	319.89	-
Debt Securities including interest payable	1,788.50	-	-	-
Cash and Bank Balances**	91.63	-	-	-
Loans and Advances***	8.92	-	0.18	0.02
Fixed deposit including Interest Accrued	2.54	-	-	-
Investments	-	-	0.001	-
Contribution to other fund	0.08	-	-	-

All transactions with the related parties are at Arm's length.

*The amounts are included/ adjusted in the respective expense line items of operating and other expenses.

** These amounts represent cash & bank balance, book overdraft, funds in transit & earmarked balances as at March 31, 2021.

*** These amounts represent year-end balances outstanding as at March 31, 2021 on credit cards issued.

42 Share based payments

a. SBI Card Employee Stock Option Plan 2019 (the Plan):

On February 22, 2019, pursuant to approval by the shareholders in the Extraordinary General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company under the Plan. The maximum number of shares under the plan shall not exceed 3% of the paid-up share capital of the Company when the Scheme becomes effective. The Plan shall be administered by the Nomination and Remuneration Committee of the Board working under the powers delegated by the Board. Options granted under the plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator.

Under the plan, two types of employee stock options are granted, performance-based options & goodwill options. During the year ended March 31, 2021, Performance based options (Performance Option-2) were granted on June 17, 2020. During the year ended 31st March 2020, Performance based options ((Performance Option-1) were granted as on September 17, 2019 and Goodwill options were granted as on September 18, 2019.

Performance based options shall vest with the participants in 4 tranches: – 10%, 20%, 30%, 40% at the end of year 1, 2, 3 and 4 of continued service respectively. However, No options shall vest before 3 months from IPO and the vesting of options shall be contingent upon the Participant being employed with the company and few other defined annual performance parameters. The Goodwill Options shall vest upon completion of 12 months from the Grant Date or 180 days after the date of listing of the Shares of the Company, whichever is later.

i) Summary of options granted under plan:

	Goodwill Options	As at March 31, 2022								Total		
		Performance Options-1 (given on September 17, 2019)				Performance Options-2 (given on June 17, 2020)						
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4			
Opening balance												
Number of Options	-	2,389,100	3,583,650	4,778,200	13,195	26,390	39,585	52,780	10,882,900			
Avg. Exercise price per share option(in ₹)	-	152.10	152.10	152.10	152	152	152	152	-			
Vesting Period	-	2 year	3 year	4 year	1 year	2 year	3 year	4 year	-			
Number of Options Vested but not exercised	176,000	468,803	-	-	-	-	-	-	644,803			
Options Granted during the year												
Number of Options	-	-	-	-	-	-	-	-	-			
Avg. Exercise price per share option(in ₹)	-	-	-	-	-	-	-	-	-			
Vesting Period	-	-	-	-	-	-	-	-	-			
Options Exercised during the year												
Number of Options	94,600	454,933	1,892,535	-	13,195	-	-	-	2,455,263			

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(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

Option movement	As at March 31, 2022									
	Goodwill Options	Performance Options-1 (given on September 17, 2019)				Performance Options-2 (given on June 17, 2020)				Total
		Type of arrangement								
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4		
Avg. Exercise price per share option(in ₹)	152.10	152.10	-	-	152	-	-	-	152.10	
Options Forfeited during the year										
Number of Options	-	-	-	-	-	-	-	-	-	
Options Expired during the year -	-	-	-	-	-	-	-	-	-	
Number of Options	7,000	-	-	-	-	-	-	-	7,000	
Options Vested but not exercised during the year										
Number of Options	74,400	13,870	496,565	-	-	-	-	-	584,835	
Options Outstanding at the year end										
Number of Options	-	-	3,583,650	4,778,200	-	26,390	39,585	52,780	8,480,605	
Avg. Exercise price per share option(in ₹)	-	-	152.10	152.10	-	152.10	152.10	152.10	152.10	

The weighted average market price of equity shares for options exercised during the year is ₹ 1025.83

Option movement	As at March 31, 2021									
	Goodwill Options	Performance Options-1 (given on September 17, 2019)				Performance Options-2 (given on June 17, 2020)				Total
		Type of arrangement								
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4		
Opening balance										
Number of Options	1,334,500	1,200,920	2,401,840	3,602,760	4,803,680	-	-	-	13,343,700	
Avg. Exercise price per share option(in ₹)	152.10	152.10	152.10	152.10	152.10	-	-	-	-	
Vesting Period	1 Year	1 Year	2 Year	3 Year	4 Year	-	-	-	-	
Options Granted during the year										
Number of Options	-	-	-	-	-	13,195	26,390	39,585	131,950	
Avg. Exercise price per share option(in ₹)	-	-	-	-	-	152.10	152.10	152.10	152.10	
Vesting Period	-	-	-	-	-	1 Year	2 Year	3 Year	4 Year	

Option movement	As at March 31, 2021								
	Type of arrangement								
	Goodwill Options	Performance Options-1 (given on September 17, 2019)				Performance Options-2 (given on June 17, 2020)			
Tranche 1		Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4	
Options Exercised during the year									
Number of Options	1,031,500	728,932	-	-	-	-	-	-	1,760,432
Avg. Exercise price per share option (in ₹)	152.10	152.10	-	-	-	-	-	-	152.10
Options Forfeited during the year									
Number of Options	-	-	-	-	-	-	-	-	-
Options Expired during the year -	-	-	-	-	-	-	-	-	-
Number of Options	127,000	3,185	12,740	19,110	25,480	-	-	-	187,515
Options Vested but not exercised during the year									
Number of Options	176,000	468,803	-	-	-	-	-	-	644,803
Options Outstanding at the year end									
Number of Options	-	2,389,100	3,583,650	4,778,200	13,195	26,390	39,585	52,780	10,882,900
Avg. Exercise price per share option (in ₹)	-	-	152.10	152.10	152.10	152.10	152.10	152.10	152.10

The weighted average market price of equity shares for options exercised during the year is ₹ 865.53

ii) **Share options outstanding at the end of period have following expiry date and exercise prices.**

Option	Grant date	Expiry date	Exercise price (in ₹)	Share options March 31, 2022
Performance Option-1	Tranche 3 - September 17, 2019	16-Sep-22	152.10	3,583,650
	Tranche 4 - September 17, 2019	16-Sep-23	152.10	4,778,200
Performance Option-2	Tranche 2 - June 17, 2020	16-Jun-22	152.10	26,390
	Tranche 3 - June 17, 2020	16-Jun-23	152.10	39,585
	Tranche 4 - June 17, 2020	16-Jun-24	152.10	52,780
Total				8,480,605
	Weighted average remaining contractual life of options outstanding (in years)			1.08

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**iii) Options granted during the year ended March 31, 2022 - NIL**

Fair value at the grant date of options granted during the year ended March 31, 2021

Type of Option	Tranche	Fair value (in ₹)
Performance Option-2	Tranche 1	604.9
	Tranche 2	613.1
	Tranche 3	620.9
	Tranche 4	628.3

The fair value of the options is determined on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Particulars	Performance Options-2			
	Tranche 1 options	Tranche 2 options	Tranche 3 options	Tranche 4 options
Expected Dividend Yield	0%	0%	0%	0%
Year to expiration	3.5	4.5	5.5	6.5
Risk free rates	5.9%	6.1%	6.2%	6.3%
Expected Volatility	34.4%	33.4%	33.1%	32.8%

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the instant case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange.

b. Expense arising from share-based payment transactions

Particulars	March 31, 2022	March 31, 2021
Employee option plan	22.79	30.18
Total expense	22.79	30.18

43 Leases**I. Short Term lease payments**

For the operating lease agreements entered into by the Company which are considered as short term leases (lease term of less than 12 months period) under IND AS 116, right of use asset and lease liability has not been recognized during the year. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise IT-equipment and small items of office furniture.

II. Variable lease payments

Under certain contracts, payments are variable in nature as it depends on number of man hours worked by non-full-time employee in a particular month. Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Maturity Analysis of lease liabilities:

Particulars	March 31, 2022	March 31, 2021
Not later than one year	62.38	57.34
Later than one year and not later than five years	174.46	115.36
Later than five years	65.61	0.56
Total minimum lease payments	302.45	173.26

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44 Employee benefits

Defined contribution plans

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident Fund	19.00	18.02
Employee State Insurance Corporation (ESIC)	0.31	0.36
Contribution to National Pension System	0.78	0.89
Labour Welfare Fund	0.14	0.14
Total	20.22	19.41

Defined benefit plans

The Company has a defined benefit gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme of gratuity is unfunded.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.45%	6.30%
Future Salary Increase/Salary escalation	9.00%	9.00%
Expected return on plan assets	0.00%	0.00%
Retirement Age (years)	60 years	60 Years
Mortality Tables*	2012-14	2012-14
Employee turnover		
From 21 to 30 years	33.00%	22.00%
From 31 to 40 years	26.00%	12.00%
From 41 to 50 years	15.00%	11.00%
From 51 to 59 years	5.00%	0.00%

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

* Based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Statement of profit and loss**

Net employee benefits expense recognized in the employee cost:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	7.97	8.16
Past service cost	-	-
Interest on net defined benefit liability / (asset)	(0.11)	0.08
Components of defined benefit costs recognised in profit or loss *	7.86	8.24
Remeasurement on the net defined benefit liability:		
Changes in financial assumptions	(0.53)	(1.75)
Changes in demographic assumptions	(5.35)	(1.56)
Experience adjustments	(1.49)	(4.24)
Return on plan assets (excluding amounts included in net interest expense)	0.49	0.13
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	(6.89)	(7.42)

*For the year ended March 31, 2022, contribution of ₹ 0.13 Crores has been made by trust maintained with SBI Life insurance Company limited.

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows ;

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of funded defined benefit obligation	56.46	56.28
Fair value of plan assets	(57.98)	(55.47)
Net obligation status	(1.52)	0.81
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	(1.52)	0.81

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	56.28	53.85
Current service cost	7.97	8.16
Past service cost	-	-
Interest cost	3.38	3.59
Remeasurement (gains)/losses due to:		
Actuarial gains and losses arising from changes in financial assumptions	(0.53)	(1.75)
Actuarial gains and losses arising from changes in demographic assumptions	(5.35)	(1.56)
Actuarial gains and losses arising from experience adjustments	(1.49)	(4.24)
Benefits paid	(3.79)	(1.77)
Closing defined benefit obligation	56.46	56.28

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	55.47	50.22
Employer contributions	3.30	3.64
Interest on plan assets	3.49	3.51
Administration expenses	-	-
Remeasurement due to:		
Actual return on plan assets less interest on plan assets	(0.49)	(0.13)
Benefits Paid	(3.79)	(1.77)
Assets acquired/(settled)*	-	-
Assets distributed on settlements	-	-
Closing defined benefit obligation	57.98	55.47

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate		
Impact of increase 50 bps on Defined benefit obligation	-3.04%	-4.52%
Impact of Decrease 50 bps on Defined benefit obligation	3.22%	4.88%
Salary Escalation rate		
Impact of increase 50 bps on Defined benefit obligation	3.12%	4.73%
Impact of Decrease 50 bps on Defined benefit obligation	-2.98%	-4.43%

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

Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity Profile	For the year ended March 31, 2022	For the year ended March 31, 2021
Expected Benefits for 1 year	9.79	5.19
Expected Benefits for 2 year	8.24	5.07
Expected Benefits for 3 year	7.25	4.87
Expected Benefits for 4 year	6.06	4.79
Expected Benefits for 5 year	5.72	4.38
Expected Benefits for 6 year	4.39	4.73
Expected Benefits for 7 year	4.38	3.70
Expected Benefits for 8 year	3.90	4.15
Expected Benefits for 9 year	3.42	4.00
Expected Benefits for 10 year and Above	38.54	74.36
Weighted average duration to the payment of these cash flows (in Years)	6.25	9.39

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Compensated absences**

An actuarial valuation of compensated absences has been carried out by an independent actuary based on the following assumption:

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.45%	6.30%
Future Salary Increase/Salary escalation	9.00%	9.00%
Retirement Age (years)	60 Years	60 Years
Mortality Tables*	2012-14	2012-14
Employee turnover		
From 21 to 30 years	33.00%	22.00%
From 31 to 40 years	26.00%	12.00%
From 41 to 50 years	15.00%	11.00%
From 51 to 59 years	5.00%	0.00%

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

* Based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Defined Benefit Obligation of compensated absence in respect of the employees of the Company are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Defined benefit obligation	15.50	16.94
Closing defined benefit obligation	15.50	16.94

Long service award

An actuarial valuation for Long Service Awards to employee has been carried out by an independent actuary based on the following assumption:

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.45%	6.30%
Increase in Cost of Award	0.00%	0%
Retirement Age (years)	60 Years	60 Years
Mortality Tables*	2012-14	2012-14
Employee turnover		
From 21 to 30 years	33.00%	22.00%
From 31 to 40 years	26.00%	12.00%
From 41 to 50 years	15.00%	11.00%
From 51 to 59 years	5.00%	0.00%

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

* Based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Defined Benefit Obligation of long service award in respect of the employees of the Company are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Defined benefit obligation	6.10	8.83
Closing defined benefit obligation	6.10	8.83

45 Contingent liabilities and Commitments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Claims against the Company not acknowledged as debt		
(a) Demand notices from Service tax department	26.03	53.74
(b) Claims against the company in the ordinary course of business	24.94	19.36
(c) Guarantees	8.17	110.13
(d) Demand notice from Income tax department	1.98	5.45
(e) Contribution notice from ESIC & EPFO	7.08	7.08
Total	68.20	195.76
Pre-deposit against claims	2.49	2.47

- i. Certain show cause notices relating to indirect taxes matters amounting to ₹ 0.42 Crores (previous period ₹ 0.42 Crores) and interest as applicable, have neither been acknowledged as claims nor acknowledged as contingent liabilities. Based on internal assessment and discussion with tax advisors, the Company is of the view that the possibility of any of these tax demands materializing is remote.
- ii. In absence of any specific entry in the Indian Stamp Act, 1899 for amalgamation, which is open to interpretation of the stamp collector, the Company has filed an application dated June 30, 2019 for adjudication of the stamp duty. During the pendency of the adjudication application, it is difficult to provide an estimate of the actual stamp duty that would be leviable on the Company and therefore no provision has been made in the financial statements for the year ended March 31, 2022.
- iii. Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounted to ₹ 10.22 crores as at March 31, 2022 (₹ 22.07 crores as at March 31, 2021)

46 As per the best available information on records, Company does not have any transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the financial year 2021-22.

47 Segment Information

There is only reportable segment ("Credit cards") as envisaged by Ind AS 108 Segment reporting, specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. Further, the economic environment in which the Company operates is significantly similar and not subject to materially different risk and rewards.

Accordingly, as the Company operates in a single business and geographical segment, the reporting requirement for primary and secondary disclosures prescribed by Ind AS 108 are not required to be given.

48 In respect of accounts receivables, the Company is regularly generating and dispatching customer statements on periodic interval wherever transactions or outstanding are there. In case of disputes with regard to billing, there is a process of resolution and adjustments are carried out on regular basis. Moreover, in respect of accounts payable, the Company has a process of receiving regular balance confirmation from its vendors.

For the year end balances of account receivables and account payables, the management is of the opinion that adjustments, if any required through the above-mentioned process, will not have any material impact on the financials of the Company.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

49 The Company deposited Goods and Service Tax [GST] on Interchange received by it in respect of VISA International transactions. However, in February 2019, Company has received a declaration from VISA that Settlement of International Interchange is being done in INR as per approval of RBI obtained by VISA in 1995. On the basis of said declaration, the Company has obtained opinion from legal firm confirming that the same can be treated as receipt of consideration in convertible foreign exchange and consequently as export of service and therefore not chargeable to GST. The Company has accordingly decided to stop paying GST on International Interchange henceforth and decided to file a refund application for ₹ 11.06 Crores for the GST paid from July 2017 to February 2019 with GST authorities.

The said refund is subject to interpretation of law for which there is no precedence in the form of judgements/ departmental clarifications. In view of the above, the Company has provided for 100% provision against the refund claim to mitigate the uncertainty risk.

Further, on 16th July 2019, the Company has withdrawn refund application for ₹ 6.54 Crores for the period April 2018 - February 2019 and have adjusted this amount from tax payable of the subsequent period basis opinion from legal firm and accordingly provision to the extent of ₹ 6.54 Crores have been reduced/ reversed.

50 The Company deposited GST on Interchange Income for the period April, 2018 to December, 2018 considering them as intra-state supplies for the year ended March 31 2020. However, post receiving bank wise details of such Interchange Income from network partners, such supplies are held as Inter-state transaction for which IGST is applicable. Consequently, company had filed a refund claim under Section 77 of the CGST Act of ₹ 108.41 Crores which has been rejected by the adjudicating authority as well as the first Appellate Commissioner. As GST Tribunals have not been set up as of now, Company has filed a Writ Petition before Hon'ble Punjab & Haryana High Court against such rejection order. The Company has created 100% provision against the refund claim as at March 31, 2022 to mitigate the uncertainty risk considering that the said refund is subject to interpretation of law in view of the above.

The refund claim under Section 77 of the CGST Act of ₹ 108.41 crore was allowed during the year ended March 31, 2022, and subsequently refund amount was received on January 04, 2022. In view of the above, impairment loss against the refund claim has been reversed and effect thereof has been recognised in the Statement of Profit and Loss, under Other Income, during the year ended March 31, 2022.

51 During the year ended March 31, 2022, the Company has sold a portion of Stage 3 assets to an Asset Restructuring Company. Details of such transaction is as below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Number of accounts	825	31671
Aggregate value (net of provisions) of accounts sold to ARC	₹ 2.23 crores	₹ 79.88 crores
Aggregate consideration	₹ 0.52 crores	₹ 18.43 crores
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
Aggregate gain / (loss) over net book value	(₹ 1.71 crores)	(₹ 61.45 crores)

The consideration on sales of asset [Stage 3] has been settled in cash as of March 31, 2022.

52 The Company has made following changes in estimates during the year ended March 31, 2022

- During the year ended March 31, 2022, the Company has triggered an early write off of loan balances of ₹ 304.73 Crores [40983 accounts] on account of change in estimation of recovery expectation of certain category of retail accounts in Stage 3. There is no impact of this change in the statement of Profit and Loss account as the same was fully provided under Expected Credit Loss [ECL] model including management overlay.
- The Company has classified all the linked accounts of written off accounts (having balances > 0) as Stage 3 instead of their independent staging. This has resulted in higher Stage 3 balance by ₹ 26.19 crore with a corresponding increase in ECL by ₹ 15.11 crore during the quarter and year ended March 31, 2022, in the statement of profit and loss account.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

53 Analytical Ratios

Ratio	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	Total capital employed	Total Risk weighted asset	23.83%	24.75%	-0.92%	NA
Tier I CRAR	Total equity reduced by Deffered Tax, Intangible assets and Unamortised card acquisition cost	Total Risk weighted asset	21.03%	20.86%	0.17%	NA
Tier II CRAR	Provision on standard asset to the extent of 1.25% of total risk weighted asset and Sub-ordinated debts with original maturity above 5 years	Total Risk weighted asset	2.80%	3.89%	-1.09%	NA
Liquidity Coverage Ratio	Stock of High Quality Liquid Asset	Total net cash outflows over the next 30 calender days	79.06%	61.55%	17.51%	NA

54 During the financial year ended March 31, 2022 the Company has reclassified following comparative figures which do not have material impact on the Balance Sheet.

Note No.	Note Description	Previously reported Amount	Current revised numbers	Change
Asset				
Note No. 6	Bank balance other than Cash and cash equivalents	74.90	76.90	2.00
Note No. 8	Trade receivable	56.82	81.52	24.70
Note No. 11	Other financial assets	221.57	194.87	(26.70)
Note No. 12	Current tax liabilities/assets (net)	21.69	52.47	30.78
Note No. 15	Other non-financial assets	864.62	833.84	(30.78)
Total				
Liabilities				
Note No. 16	Payables	760.15	892.72	132.57
Note No. 18	Borrowings (other than Debt Securities)	10,836.78	10,663.52	(173.26)
Note No. 20	Other financial liabilities	702.84	876.10	173.26
Note No. 21	Provisions	542.22	409.65	(132.57)
Total				
-				

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**55 SEBI circular no SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021**

Sr. No.	Particulars	DETAILS
1	Name of the company	SBI Cards and Payment Services Limited
2	CIN	L65999DL1998PLC093849
3	Outstanding borrowing of company as on March 31, 2022 (in ₹ cr)	₹ 22982.46 Crores
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	AAA/Stable by CRISIL & ICRA
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

56 SEBI circular no SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

Sr. No.	Particulars	DETAILS
1	2-year block period (specify financial years)	FY 2022 and FY 2023
2	Incremental borrowing done in FY 2022 (a)	₹ 3,105.00 Cr
3	Mandatory borrowing to be done through issuance of debt securities in FY 2022 (b) = (25% of a)	₹ 776.25 Cr
4	Actual borrowings done through debt securities in FY 2022 (c)	₹ 2,605.00 Cr
5	Shortfall in the mandatory borrowing through debt securities, if any, for FY 2021 carried forward to FY 2022. (d)	Nil
6	Quantum of (d), which has been met from (c) (e)	Nil

57 Disclosure in terms of RBI Circular (RBI/2019-20/88) No: DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019.**57.1.1. Public disclosure on liquidity risk:****i) Funding Concentration based on significant counterparty (both deposits and borrowings)**

Sr. No.	Quarter ended	Number of Significant Counterparties	Amount (₹ crore)	% of Total deposits	% of Total Liabilities
1	Jun'21	11 (Eleven)	14,923.74	NA	74.64%
2	Sep'21	10 (Ten)	16,472.68	NA	74.27%
3	Dec'21	11 (Eleven)	18,868.57	NA	76.37%
4	Mar'22	9 (Nine)	20,744.46	NA	77.13%

ii) Top 20 large deposits (amount in ₹ crore and % of total deposits)

Company is registered as Non-Deposit taking Systemmically Important NBFC, hence this clause is not applicable

iii) Top 10 borrowings (amount in ₹ crore and % of total borrowings)

Sr. No.	Quarter ended	Amount (₹ crore)	% of Total borrowings
1	Jun'21	14,842.33	87.14%
2	Sep'21	16,362.66	87.02%
3	Dec'21	18,571.63	89.06%
4	Mar'22	20,789.65	91.10%

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

iv) Funding Concentration based on significant instrument/product

Sr. No.	Quarter ended	Bank Lines		Debentures		Term Loan		Commercial papers	
		Total Amount (₹ Crore)	% of Total Liabilities	Total Amount (₹ Crore)	% of Total Liabilities	Total Amount (₹ Crore)	% of Total Liabilities	Total Amount (₹ Crore)	% of Total Liabilities
1	Jun'21	9,942.83	49.73%	5913.35	29.58%	-	0%	1,334.01	6.67%
2	Sep'21	11,363.16	51.23%	6463.80	29.14%	-	0%	1,196.21	5.39%
3	Dec'21	12,661.90	51.25%	7506.54	30.38%	-	0%	881.02	3.57%
4	Mar'22	14,180.15	52.72%	7487.20	27.84%	499.95	1.86%	815.16	3.03%

v) Stock Ratios :

Sr. No.	Quarter ended	Name of the instrument/ product	% of Total Public Funds	% of Total Liabilities	% of Total Assets
a	Jun'21	Commercial Papers	NA	6.67%	5.01%
		Non-convertible debentures (original maturity <1 year)	NA	0%	0%
		Other short-term liabilities	NA	63.41%	47.64%
b	Sep'21	Commercial Papers	NA	5.39%	4.10%
		Non-convertible debentures (original maturity <1 year)	NA	0%	0%
		Other short-term liabilities	NA	65.27%	49.63%
c	Dec'21	Commercial Papers	NA	3.57%	2.74%
		Non-convertible debentures (original maturity <1 year)	NA	0%	0%
		Other short-term liabilities	NA	65.48%	50.39%
d	Mar'22	Commercial Papers	NA	3.03%	2.35%
		Non-convertible debentures (original maturity <1 year)	NA	0%	0%
		Other short-term liabilities	NA	66.52%	51.64%

vi) Institutional set-up for liquidity risk management

Refer note no 38.1.3 for details

57.1.2. Disclosure on Liquidity Coverage Ratio

Reserve Bank of India, through the Liquidity Risk Management Framework for Non-Banking Financial Companies, introduced Liquidity Coverage Ratio (LCR) with the objective that NBFC shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. HQLA means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Liquidity management in the Company is driven by the Board approved Asset Liability Management (ALM) Policy. The Asset Liability Committee (ALCO) is a decision-making unit responsible for implementing the liquidity risk management strategy of the Company, formulating the Company's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Company and ensures adherence to the risk tolerance/limits set by the Board.

The LCR requirement were effective December 1, 2020, with the minimum HQLAs to be held being 50% of the LCR, progressively increase it by 10% annually, to reach up to the required level of 100% by December 1, 2024. From December 1, 2021, the minimum HQLAs to be held are at 60% of the LCR.

The LCR is calculated by dividing Stock of HQLA by total net cash outflows over the next 30 calendar days. Total net cash outflows over the next 30 days are equal to stressed outflows minus Minimum of (stressed inflows or 75% of stressed outflows), wherein stressed outflows are 115% of outflows and stressed inflows are 75% of inflows.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The following table sets out the average of unweighted and weighted value of the LCR components of the Company calculated in accordance with RBI circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019. The average weighted and unweighted amounts are calculated taking simple averages of daily observations over the respective quarter.

Sr. No.	Particulars	Quarter ended March 31, 2022		Quarter ended 31 December 2021		Quarter ended September 30, 2021		Quarter ended 30 June 2020	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Asset									
1	Total High Quality Liquid Assets (HQLA)	-	1311.17	-	1188.68	-	1011.13	-	1038.66
Cash Outflows									
2	Deposits (For Deposit taking Companies)	-	-	-	-	-	-	-	-
3	Unsecured Wholesale Funding	-	-	-	-	-	-	-	-
4	Secured Wholesale Funding	4,279.67	4,921.62	4,218.80	4,851.62	3,433.13	3,948.10	3,555.52	4,088.84
5	Additional Requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	440.96	507.10	421.15	484.33	393.02	451.98	173.41	199.43
6	Other contractual funding obligations	1,047.72	1,204.88	1,036.93	1,192.46	948.52	1,090.80	866.58	996.56
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total Cash Outflows	5,768.34	6,633.59	5,676.88	6,528.41	4,774.68	5,490.88	4,595.51	5,284.83
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	9,610.82	7,208.11	9,077.13	6,807.85	7,381.52	5,536.14	6,895.86	5,171.89
11	Other Cash Inflows	142.52	106.89	130.10	97.57	133.05	99.79	234.29	175.72
12	Total Cash Inflows	9753.34	7315.00	9207.23	6905.42	7514.58	5635.93	7130.15	5347.62
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		1311.17		1188.68		1011.13		1038.66
14	Total Net Cash Outflows		1,658.40		1632.10		1372.72		1321.21
15	Liquidity Coverage Ratio (%)		79.06%		72.83%		73.66%		78.61%

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The main drivers of the LCR calculation in outflow over 30 days period is contractual borrowing obligations of the company in the form of commercial papers, bank lines, debentures. Other contractual funding obligations consist of liabilities towards network partners, vendor payments, other liabilities. Further company has used the behavioural study to take the impact of unused credit and liquidity facilities that Company has provided to its cardholders. Main driver of inflows is the repayments from the cardholders which are taken basis the past behavioural pattern observed. Other cash inflows consist of incomes accruals which company expects to receive in next 30 days.

The average LCR of the Company for the three months ended March 31, 2022 was 79.06% as against 72.83% for the quarter ended December 31, 2021. The LCR remains above the regulatory minimum requirement of 60%. The average HQLA for the quarter ended March 31, 2022 was ₹ 1311.17 crores as against ₹ 1188.68 crores for the quarter ended December 31, 2021. The net cash outflow position has gone up by ₹ 26.30 crores and HQLA level has gone up by ₹ 122.49 crores as cash outflows in next 30 days has reduced. HQLA comprises of balances in demand deposits with Scheduled Commercial Banks (6.26%), Investments in Treasury Bills (63.33%) and investment in Government Securities (30.41%). The company takes forward cover to hedge the foreign exchange liabilities and do not foresee any material impact of derivative exposure/potential collateral calls/ currency mismatch in the LCR.

Management is of the view that the Company has sufficient liquidity cover to meet its likely future short-term requirements.

58 Schedule to Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 13 of Non- Banking Financial Companies (non-deposit accepting or holding) Prudential Norms (Reserve Bank) Directions, 2016:

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
Liabilities side:	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1. Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	-	-	-	-
: Unsecured	7,487.20	-	5,019.12	-
(Other than falling within the meaning of public deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	499.95	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	815.16	-	2,212.14	-
(f) Other Loans				
- External commercial borrowings	-	-	-	-
- Cash/Credit Loans*	14,180.15	-	10,663.52	-
- Finance lease obligation	-	-	-	-
- lease obligation	302.45	-	173.26	-

*It includes working capital demand loan.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Assets side:	Amount outstanding	Amount outstanding
	As at March 31, 2022	As at March 31, 2021
2 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured*	340.30	316.25
(b) Unsecured	30,941.07	24,797.58
3 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	-	-
i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	Nil	Nil
(b) Operating lease	Nil	Nil
ii) Stock on hire including hire charges under sundry debtors:	Nil	Nil
(a) Assets on hire	Nil	Nil
(b) Repossessed Assets	Nil	Nil
iii) Other loans counting towards AFC activities	Nil	Nil
(a) Loans where assets have been repossessed	Nil	Nil
(b) Loans other than (a) above	Nil	Nil

*It Includes advances to credit card customers to the extent of lien on fixed deposits and financial guarantees.

Assets side:	Amount outstanding	Amount outstanding
	As at March 31, 2022	As at March 31, 2021
4 Break-up of Investments:		
Current Investments:		
1. Quoted:		
(i) Shares: (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	878.31	623.25
(v) Others	Nil	Nil
2. Unquoted:		
(i) Shares: (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil
Long Term investments:		
1. Quoted:		
(i) Shares: (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	400.96	323.11
(v) Others	Nil	Nil

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
Assets side:

	Amount outstanding	Amount outstanding
	As at March 31, 2022	As at March 31, 2021
2. Unquoted:		
(i) Shares: (a) Equity	17.92	11.20
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil

5 Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provisions					
	As at March 31, 2022			As at March 31, 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	0.27	0.27	-	0.24	0.24
(c) Other related parties	-	0.06	0.06	-	0.02	0.02
2. Other than related parties	340.30	30,940.74	31,281.04	314.76	23,144.13	23,458.89
Total	340.30	30,941.07	31,281.37	314.76	23,144.39	23,459.14

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

	As at March 31, 2022		As at March 31, 2021	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group *	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	1297.19	1297.19	957.56	957.56
Total	1297.19	1297.19	957.56	957.56

* Refer Note 10

7 Other Information

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	693.42	1,254.28
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	240.90	277.65
(iii) Assets acquired in satisfaction of debt	-	-

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**59 Disclosure of Restructured Accounts**

S. No.	Type of Restructuring	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others																			
		A	B	C	D	Total	A	B	C	D	Total	A	B	C	D	Total															
		#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#														
1	Restructured accounts as on 1 April 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1635	-	-	-	-	-	-	-	1635			
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14.42		
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.50		
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63		
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.71		
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.46		
3	Upgradations to restructured standard category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	275		
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	812	
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.50	
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.21	
6	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.09	
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	
7	Adjustments as on 31st Mar'22 for payment/provision*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Amount received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.38	
	Provision adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.05	
8	Restructured Accounts as on 31st March 2022 (S No 1+2-3-4-5-6-7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	603
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.16
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.64

* The Original format does not contain these particulars details

A: Standard assets B: Sub-standard assets C: Doubtful assets D: Loss assets

Note : Restructured assets are now classified as stage 3 assets and accordingly provision on the same is created as per ECL method prescribed under IND AS 109

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

60 Additional Disclosures

60.1 Capital

Particulars	As at March 31, 2022	As at March 31, 2021
i) CRAR (%)	23.83%	24.75%
ii) CRAR - Tier I Capital (%)	21.03%	20.86%
iii) CRAR - Tier II Capital (%)	2.80%	3.89%
iv) Amount of subordinated debt raised as Tier-II capital*	1,150	1,250
v) Amount raised by issue of Perpetual Debt Instruments	-	-

*Qualifying amount as Tier II Capital (after discounting) as at March 31, 2022 is ₹ 490 crore (March 31, 2021 ₹ 650 crore). Fresh subordinated debt raised as Tier II during Financial Year 2020-21 is NIL (March 31, 2021 ₹ NIL crore).

60.2 Investment

Particulars	As at March 31, 2022	As at March 31, 2021
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,297.19	957.56
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,297.19	957.56
(b) Outside India	-	-
2 Movement of Provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

60.3 Derivatives

Forward Rate Agreement / Interest Rate Swap

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	Nil	Nil

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**60.4 Exchange Traded Interest Rate (IR) Derivatives**

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil

60.5 Disclosures on Risk Exposure in Derivatives**Qualitative Disclosure**

S. No.	Particulars	As at March 31, 2022		As at March 31, 2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	Hedged Assets	Nil	Nil	25.73	Nil
	Hedged Liabilities- Loan	Nil	Nil	\$0.35	Nil
	Hedged Liabilities- Interests	Nil	Nil	Nil	Nil
(ii)	Marked to Market Positions				
	a) Asset (+)	Nil	Nil	0.10	Nil
	b) Liability (-)	Nil	Nil	Nil	Nil
(iii)	Credit Exposure	Nil	Nil	Nil	Nil
(iv)	Unhedged Exposures	158.09	Nil	110.11	Nil

Refer note 38.1.1 to the financial statements for details

60.6 Disclosures relating to Securitisation

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	No of SPVs sponsored by the NBFC for securitisation transactions	Nil	Nil
2	Total amount of securitised assets as per books of the SPVs sponsored	Nil	Nil
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	Nil	Nil
	a) Off-balance sheet exposures	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
	b) On-balance sheet exposures	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
4	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	Nil	Nil
	Others	Nil	Nil
	ii) Exposure to third party securitisations		

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	First loss	Nil	Nil
	Others	Nil	Nil
b)	On-balance sheet exposures		
i)	Exposure to own securitisations	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
ii)	Exposure to third party securitisations		
	First loss	Nil	Nil
	Others	Nil	Nil

60.7 Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	No. of accounts	825	31671
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	₹ 2.23 Crores	₹ 79.88 Crores
(iii)	Aggregate consideration	₹ 0.52 Crores	₹ 18.43 Crores
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	₹ (1.71 Crores)	(₹ 61.45 Crores)

60.8 Details of Assignment transactions undertaken by NBFCs

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

60.9 Details of non-performing financial assets purchased/sold from/to other NBFC

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	(a) No. of accounts purchased during the year	Nil	Nil
	(b) Aggregate outstanding	Nil	Nil
2	(a) Of these, number of accounts restructured during the year	Nil	Nil
	(b) Aggregate outstanding	Nil	Nil

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**60.10 Asset Liability Management****Maturity pattern of certain items of assets and liabilities as at March 31, 2022**

Description	Upto 7 days	Upto 8 to 14 days	Upto 15 to 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	3778.62	2768.07	3824.71	4627.62	3004.20	4719.35	3276.31	3947.47	-	240.90	30,187.25
Investments	-	-	-	230.31	53.06	402.30	195.68	217.68	180.24	17.92	1,297.19
Borrowings	1602.00	1050.00	2601.07	4294.54	3415.50	1680.50	1983.90	5055.00	949.95	350.00	22,982.46
Foreign Currency assets	-	-	-	-	4.11	-	71.41	-	-	-	75.52
Foreign Currency liabilities	-	-	17.81	64.76	-	-	-	-	-	-	82.57

Maturity pattern of certain items of assets and liabilities as at March 31, 2021

Description	Upto 7 days	Upto 8 to 14 days	Upto 15 to 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	2766.14	1771.10	2750.84	3440.15	2263.43	3823.37	2800.28	3566.18	-	277.65	23,459.14
Investments	-	-	-	281.53	1.69	281.68	63.11	86.84	231.51	11.20	957.56
Borrowings	1314.36	1630.35	2056.71	3524.37	2124.25	1278.76	1280.98	3585.00	750.00	350.00	17,894.78
Foreign Currency assets	-	-	-	-	3.98	-	69.13	-	-	-	73.11
Foreign Currency liabilities	-	-	13.53	49.20	-	-	-	-	-	-	62.73

60.11 Exposure to Real Estate Sector

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Direct Exposure		
	(i) Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	Nil	Nil
	(ii) Commercial Real Estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits.	Nil	Nil
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures :-		
	a. Residential	Nil	Nil
	b. Commercial real Estate	Nil	Nil

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

60.12 Exposure to Capital Market

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market		Nil	Nil

60.13 Details of financing of parent company products

The Company has not financed any of the products of its parent company during the financial year 2021-22.

60.14 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits during the year ended March 31, 2022.

60.15 Miscellaneous

60.15.1 Registration obtained from other financial sector regulators

The Company has also obtained registration from the following Regulators.

Registration Authority	Registration No.
Certificate of Incorporation under Companies Act 2013	L65999DL1998PLC093849
Insurance Regulatory and Development Authority of India	CA0075
NBFC Registration	14.01328

60.15.2 Disclosure of Penalties imposed by RBI and other regulators

No penalties have been imposed by any regulators during financial year 2021-22.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

60.15.3 Related Party Transactions

For related party transaction refer note no.41.

60.15.4 Ratings assigned by credit rating agencies and migration of ratings during the year

The short-term debt rating of the Company is A1+ by CRISIL and ICRA. Long-term debt rating is AAA / Stable by CRISIL and ICRA. There is no change in the rating during financial year 2021-22.

60.15.5. Revenue Recognition

There is no circumstance in which revenue recognition has been postponed pending the resolution of significant uncertainties.

60.15.6 Remuneration to Directors

During the year the Company has paid ₹1.17 Crores towards Directors fees, allowances and expenses.

Refer note 33

60.15.7 Net Profit or loss for the period, prior period items and change in accounting policies

There has been no change in the Significant Accounting policies followed during the financial year 2021-22 in comparison to the financial Year 2020-21. Further, there are no adjustment of prior period items during the financial year 2021-22.

61 Additional Disclosure

61.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2022	As at March 31, 2021
Provision towards stage 3 assets*	452.52	976.63
Provision for stage 1 and stage 2 assets *	641.60	678.06
Provision for Long Service Awards	6.10	8.83
Provision for reward points redemption	410.14	342.10
Provision for Gratuity	-	0.81
Provision for Compensated absences	15.50	16.94
Provision on Trade Receivable	0.04	0.34
Provision on Financial assets	2.39	1.91
Provision on Non Financial assets	5.42	113.74
Provision for Bonus & Incentive Payable	45.65	40.97

* Includes management overlay

61.2 Draw Down from reserves

There is no draw down from the reserves during the financial year ended March 31, 2022.

61.3 Concentration of Deposits,Advances,Expsoures and NPAs

Concentration of Advances

Particulars	As at March 31, 2022	As at March 31, 2021
Total Advances to twenty largest borrowers*	50.55	49.95
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.16%	0.20%

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

61.4 Concentration of Exposures

Concentration of Advances

Particulars	As at March 31, 2022	As at March 31, 2021
Total Advances to twenty largest borrowers**	264.63	217.08
Percentage of Exposures to twenty largest borrowers/customers to Total Exposures of the NBFC on borrowers/customers	0.21%	0.16%

**In case of Corporate Cards, the exposure includes all the credit cards exposure to that Corporate in total. The exposure here denotes the total credit card limit against the top twenty borrowers

61.5 Concentration of NPAs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts*	0.70	0.75

*All four NPA accounts has been blocked for transactions.

refers to Stage 3 asset

61.6 Sector-wise NPAs

S. No.	Sector	% of NPAs to Total Advances in that sector	As at March 31, 2022	As at March 31, 2021
1	Agriculture & allied activities	0.00%	-	-
2	MSME	0.00%	-	-
3	Corporate borrowers - Credit Cards*	0.00%	-	-
4	Services	0.00%	-	-
5	Unsecured personal loans	0.00%	-	-
6	Auto loans	0.00%	-	-
7	Other personal loans - Credit Cards	2.22%	693.42	1,254.28

*in case of Corporate Cards, the NPA includes all credit cards exposure to that corporate in total. % of NPA is for FY 2021-22.

61.7

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Net NPAs to Net Advances (%)	0.78%	1.15%
	Movement of NPAs (Gross)		
(a)	Opening balance	1254.28	484.39
(b)	Additions during the year *	2256.43	3162.24
(c)	Reductions during the year	(2,811.26)	(2,159.54)
(d)	Derecognised during the year	(6.03)	(232.81)
(e)	Closing balance	693.42	1254.28
(ii)	Movement of NPAs (Net)		
(a)	Opening balance	277.65	158.86
(b)	Additions during the year	911.30	946.98
(c)	Reductions during the year	(948.05)	(828.19)
(d)	Closing balance	240.90	277.65
(iii)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	976.63	325.53
(b)	Provision made during the year	1345.12	2215.26
(b)	Write-off/write-back of excess	(1,864.92)	(1,411.23)
(d)	Derecognised during the year	(4.31)	(152.93)
(e)	Closing balance	452.52	976.63

*Additions during the year is net of repayment

refers to Stage 3 asset

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**61.8 Disclosure in terms of RBI Circular (RBI/2019-20/170) No: DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.**

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions as required under Ind AS 109)	Net Carrying Amount	Provisions required as per IRACP norms *			Difference between Ind AS 109 provisions and IRACP norms
					(6.1)	(6.2)**	(6) = (6.1)+(6.2)	
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6.1)	(6.2)**	(6) = (6.1)+(6.2)	(7)=(4)-(6)
Performing Assets								
Standard	Stage 1	27,931.49	455.92	27,475.57				
	Stage 2	2,656.47	185.69	2,470.78	122.35	84.93	207.28	434.32
Subtotal of Performing Assets		30,587.95	641.60	29,946.35	122.35	84.93	207.28	434.32
Non-Performing Assets (NPA)								
Substandard	Stage 3	693.38	452.48	240.90	52.73	-	52.73	399.75
Doubtful- up to 1 year	Stage 3	-	-	-	-	-	-	-
1-3 years	Stage 3	-	-	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-	-	-
Subtotal of doubtful								
Loss	Stage 3	0.04	0.04	-	0.04	-	0.04	-
Subtotal of NPA		693.42	452.52	240.90	52.77	-	52.77	399.75
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-
Total	Stage 1	27,931.49	455.92	27,475.58	122.35	84.93	207.28	434.32
	Stage 2	2,656.47	185.69	2,470.77				
	Stage 3	693.42	452.52	240.90	52.77	-	52.77	399.75
	Total	31,281.37	1,094.12	30,187.25	175.12	84.93	260.05	834.07

* Substandard assets provision as per IRACP norms is based on principal balance. Income which would have been derecognized in IRACP on substandard assets is ₹ 165.70 Crores.

**Represents additional provision created in line RBI Circular, RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2020-21 dated April 17, 2020.

61.9 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There is no overseas asset as at March 31, 2022.

61.10 Off-balance Sheet SPVs sponsored

There is no off-balance sheet SPVs sponsored by the Company during the year ended March 31, 2022.

(FIGURE IN RUPEES CRORES, UNLESS OTHERWISE STATED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

61.11 Disclosures pursuant to RBI Notification – RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020, and RBI/2021-22/31/DOR.STR.REC. 11/21.04.048/2021-22 dated May 05, 2021.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) #	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans *	843.72	182.71	258.52	386.24	282.19
Corporate persons	-	-	-	-	-
Of which,MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	843.72	182.71	258.52	386.24	282.19

* Represent Credit Card advances for RBI RE 1.0 and RBI RE 2.0

Status as of September 30, 2021

61.12 Disclosure of Customer Complaints

S. No	Particulars	Gross Inflows		Previously reported numbers
		As at March 31, 2022	As at March 31, 2021*	As at March 31, 2021
(a)	No. of cases pending at the beginning of the year	12,150	5,959	399
(b)	No. of cases received during the year	733,546	622,099	14,977
(c)	No. of cases redressed during the year	736,713	615,908	15,296
(d)	No. of cases pending at the end of the year	8,983	12,150	80

* The number of complaints reported by the Company in the Annual Report for FY2020-2021 comprised of Net Internal Complaints and Gross Banking Ombudsman Complaints. The organization has moved towards reporting of Gross Inflow and Net complaints, from above mentioned internal and external channels, derived as per defined processes. Numbers reported in the annual report for FY 2020-21 are not comparable with FY2021-22 numbers. Further numbers for FY2020-21 have been revised as per the revised methodology.

For **S. Ramanand Aiyar & Co.**
Chartered Accountants
Firm Registration No. :000990N

For and on behalf of the Board of Directors

R. Balasubramanian
Partner
Membership No. : 080432

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

Shrinivas Yeshwant Joshi
Director
DIN: 05189697

Chief Financial Officer

Company Secretary

Place: Gurugram
Date : April 29, 2022

Place: Gurugram/Mumbai
Date : April 29, 2022

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI CARDS AND PAYMENT SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of SBI Cards and Payment Services 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 the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 April, 2022.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SBI Cards and Payment Services 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 auditors' report under section 143(6)(b) of the Act.

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

(S. Ahladini Panda)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place: New Delhi
Date: 30.6.2022

NOTES



SBI Cards and Payment Services Limited

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