SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Balance Sheet as at March 31, 2021
(Figure in Rupees Crores, unless otherwise stated)

	Particulars	Notes No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
1	**Financial assets**			
	(a) Cash and cash equivalents	5	643.20	515.91
	(b) Bank balance other than (a) above	6	74.90	161.45
	(c) Derivative financial instruments	7	0.10	-
	(d) Trade receivables	8	56.82	54.45
	(e) Loans	9	23,459.14	22,811.64
	(f) Investment	10	957.56	1.46
	(g) Other financial assets	11	221.57	223.09
	Total financial assets		**25,413.29**	**23,768.00**
2	**Non- financial assets**			
	(a) Current tax assets (net)	21	21.69	9.55
	(b) Deferred tax assets (net)	12	395.09	275.13
	(c) Property plant and equipment	13	56.46	63.85
	(d) Capital work in progress	13	0.49	11.17
	(e) Intangible assets	13	89.66	77.78
	(f) Intangible assets under development	13	9.58	12.49
	(g) Right-of-use assets	13	161.98	169.28
	(h) Other non financial assets	14	864.62	919.46
	Total non-financial assets		**1,599.57**	**1,538.71**
	Total Assets (1+2)		**27,012.86**	**25,306.71**
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial liabilities**			
	(a) Derivative financial instruments	15	-	0.43
	(b) Payables	16		
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		748.81	721.03
	(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		11.34	7.81
	(c) Debt securities	17	5,932.93	5,799.28
	(d) Borrowings (other than Debt Securities) & lease liabilities	18	10,836.78	10,474.62
	(e) Subordinated liabilities	19	1,298.33	1,298.85
	(f) Other financial liabilities	20	702.84	467.37
	Total financial liabilities		**19,531.03**	**18,769.39**
2	**Non- financial liabilities**			
	(a) Provisions	22	542.22	602.63
	(b) Other non financial liabilities	23	637.58	593.47
	Total non financial liabilities		**1,179.80**	**1,196.10**
	Total liabilities (1+2)		**20,710.83**	**19,965.49**
3	**Equity**			
	(a) Equity share capital	24	940.53	938.96
	(b) Other equity	25	5,361.50	4,402.26
	Total equity		**6,302.03**	**5,341.22**
	Total liabilities and equity (1+2+3)		**27,012.86**	**25,306.71**

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

Puneet Jain
Digitally signed by Puneet Jain
Date: 2021.04.26 17:47:54 +05'30'

Puneet Jain
Partner
Membership No. : 520928

Place: New Delhi
Date : April 26, 2021

For and on behalf of the Board of Directors of
SBI Cards and Payment Services Limited

RAMA MOHAN RAO AMARA
Digitally signed by RAMA MOHAN RAO AMARA
Date: 2021.04.26 17:04:39 +05'30'

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

JOSHI SHRINIWAS YESHWANT
Digitally signed by JOSHI SHRINIWAS YESHWANT
Date: 2021.04.26 18:09:18 +05'30'

Shriniwas Yeshwant Joshi
Director
DIN: 05189697

NALIN NEGI
Digitally signed by NALIN NEGI
Date: 2021.04.26 17:13:01 +05'30'

Chief Financial Officer

PAYAL MITTAL CHHABRA
Digitally signed by PAYAL MITTAL CHHABRA
Date: 2021.04.26 17:17:21 +05'30'

Company Secretary

Place: Gurugram/ Mumbai
Date : April 26, 2021

SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Statement of Profit and Loss for the year ended March 31, 2021
(Figure in Rupees Crores, unless otherwise stated)

	Particulars	Notes No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Revenue from operations**			
(i)	Interest Income		4,927.67	4,841.30
(ii)	Income from fees and services		3,907.67	3,978.66
(iii)	Service Charges		134.18	117.82
(iv)	Business development incentive income		299.18	327.28
(v)	Insurance commission income		8.25	11.34
(vi)	Net gain on fair value changes	26	0.53	-
	Total revenue from operations		**9,277.48**	**9,276.40**
2	**Other income**	27	436.10	475.89
3	**Total income (1+2)**		**9,713.58**	**9,752.29**
4	**Expenses**			
(i)	Finance costs	28	1,043.40	1,300.93
(ii)	Net loss on derecognition of financial instruments under amortised cost category	52	61.45	-
(iii)	Impairment losses & bad debts	29	2,638.55	1,940.25
(iv)	Employee benefits expenses	30	491.58	468.38
(v)	Depreciation, amortisation and impairment	31	123.26	103.80
(vi)	Operating and other expenses	32	3,999.54	4,188.83
(vii)	CSR expenses	33	32.07	19.92
(viii)	Net loss on fair value changes	26	-	0.54
	Total expenses		**8,389.85**	**8,022.65**
5	**Profit before tax (3-4)**		**1,323.73**	**1,729.64**
6	**Tax expense:**	34		
	Current tax charge / (credit)		474.25	591.79
	Current tax charge / (credit) - previous year		(10.77)	3.81
	Deferred tax charge / (credit)		(134.03)	(153.18)
	Deferred tax charge / (credit) - previous year		9.76	42.40
	Total tax expenses		**339.21**	**484.82**
7	**Profit after tax for the year (5-6)**		**984.52**	**1,244.82**
8	**Other comprehensive income**			
	A. Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit liabilities / (asset)		7.42	(4.01)
	- Tax impact on above		(1.87)	1.01
	- Gain/(loss) on Investment in Equity		9.74	-
	- Tax impact on above		(2.45)	-
	Subtotal (A)		**12.84**	**(3.00)**
	B. Items that will be reclassified to profit or loss			
	- Gain/(loss) on forward contracts in hedging relationship		-	(0.22)
	- Tax impact on above		-	0.08
	Subtotal (B)		**-**	**(0.14)**
	Other comprehensive income (A+B)		**12.84**	**(3.14)**
9	**Total comprehensive income for the year (7+8)**		**997.36**	**1,241.68**
10	**Earnings per equity share (for continuing operation):**	35		
	(1) Basic		10.48	13.35
	(2) Diluted		10.38	13.21

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

Puneet Jain Digitally signed by Puneet Jain Date: 2021.04.26 17:48:33 +05'30'

Puneet Jain
Partner
Membership No. : 520928

Place: New Delhi
Date : April 26, 2021

For and on behalf of the Board of Directors of
SBI Cards and Payment Services Limited

RAMA MOHAN RAO AMARA Digitally signed by RAMA MOHAN RAO AMARA Date: 2021.04.26 17:05:35 +05'30'

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

JOSHI SHRINIWAS YESHWANT Digitally signed by JOSHI SHRINIWAS YESHWANT Date: 2021.04.26 18:11:04 +05'30'

Shriniwas Yeshwant Joshi
Director
DIN: 05189697

NALIN NEGI Digitally signed by NALIN NEGI Date: 2021.04.26 17:14:16 +05'30'

Chief Financial Officer

PAYAL MITTAL CHHABRA Digitally signed by PAYAL MITTAL CHHABRA Date: 2021.04.26 17:18:13 +05'30'

Company Secretary

Place: Gurugram / Mumbai
Date : April 26, 2021

SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Statement of Changes in Equity
(Figure in Rupees Crores, unless otherwise stated)

A. Equity Share Capital

	Number of shares	Amount
Balance as at April 01, 2020	938,956,794	938.96
Changes in equity share capital during the year	1,568,662	1.57
Balance as at March 31, 2021	940,525,456	940.53
Balance as at April 01, 2019	837,222,224	837.22
Changes in equity share capital during the year	101,734,570	101.73
Balance as at March 31, 2020	938,956,794	938.96

B. Other Equity

	Reserve and Surplus							OCI			
Particulars	Capital redemption reserve	Statutory reserve	General reserve	Capital reserve created on account of amalgamation	Securities Premium reserve	Retained earnings	Share options outstanding account	Equity Investment	Effective Portion of Cash flow hedges	Shares pending allotment	Total
Balance as at April 01, 2020	3.40	814.95	12.99	(71.51)	904.74	2,719.51	18.18	-	-	-	4,402.26
Addition	-	-	-	-	22.68	984.52	30.18	-	-	-	1,037.38
Other comprehensive income, net of income taxes	-	-	-	-	-	5.55	-	7.29	-	-	12.84
Transferred from Retained Earning @ 20%	-	196.90	-	-	-	(196.90)	-		-	-	-
Interim equity dividend for FY 2019-20	-	-	-	-	-	(93.90)	-	-	-	-	(93.90)
Transferred to general reserve	-	-	0.09	-	-	-	(0.09)	-	-	-	-
Transferred to securities premium reserve	-	-	-	-	7.77	-	(7.77)	-	-	-	-
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**
Balance as at April 01, 2019	3.40	565.99	12.99	(71.51)	417.78	1,726.65	-	-	0.14	95.11	2,750.55
Addition	-	-	-	-	486.96	1,244.82	18.18	-	-	-	1,749.96
Other comprehensive income, net of income taxes	-	-	-	-	-	(3.00)	-	-	-	-	(3.00)
Transferred from Retained Earning @ 20%	-	248.96	-	-	-	(248.96)	-	-	-	-	-
Interim equity dividend	-	-	-	-	-	-	-	-	-	-	-
Transferred to Profit and Loss	-	-	-	-	-	-	-	-	(0.14)	-	(0.14)
Shares allotment pursuant to scheme of amalgamation	-	-	-	-	-	-	-	-	-	(95.11)	(95.11)
Balance as at March 31, 2020	**3.40**	**814.95**	**12.99**	**(71.51)**	**904.74**	**2,719.51**	**18.18**	**-**	**-**	**-**	**4,402.26**

As per our report of even date attached
For S. Ramanand Aiyar & Co.
Chartered Accountants
Firm Registration No. :000990N

Puneet Jain Digitally signed by Puneet Jain Date: 2021.04.26 17:49:09 +05'30'

Puneet Jain
Partner
Membership No. : 520928

For and on behalf of the Board of Directors of
SBI Cards and Payment Services Limited

RAMA MOHAN RAO AMARA Digitally signed by RAMA MOHAN RAO AMARA Date: 2021.04.26 17:06:21 +05'30'

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

JOSHI SHRINIWAS YESHWANT Digitally signed by JOSHI SHRINIWAS YESHWANT Date: 2021.04.26 18:11:52 +05'30'

Shriniwas Yeshwant Joshi
Director
DIN: 05189697

NALIN NEGI Digitally signed by NALIN NEGI Date: 2021.04.26 17:14:53 +05'30'

Chief Financial Officer

PAYAL MITTAL CHHABRA Digitally signed by PAYAL MITTAL CHHABRA Date: 2021.04.26 17:19:14 +05'30'

Company Secretary

Place: New Delhi
Date : April 26, 2021

Place: Gurugram / Mumbai
Date : April 26, 2021

SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Cash flow statement for the year ended March 31, 2021
(Figure in Rupees Crores, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Profit before tax for the year	1,323.73	1,729.64
Adjustments for :		
Depreciation and amortisation expense	123.26	103.80
Liabilities written back	(8.87)	(163.67)
Impairment losses & bad debts	2,638.55	1,940.25
Net loss on derecognition of financial instruments under amortised cost category	61.45	-
Net impact of assets derecognize pursuant to adoption of Ind AS 116	-	0.52
Other interest income	(22.91)	(3.87)
Cash inflow from interest income	16.65	4.67
Employee stock options	30.18	18.18
Finance cost	1,043.40	1,300.93
Cash outflow towards finance cost	(1,096.30)	(1,207.68)
Unrealised foreign exchange (Gain)/loss (net)	(0.11)	1.16
Loss/ (Profit) on sale of property, plant & equipment	0.18	0.24
Profit on sale on investments	(0.18)	(0.66)
Fair valuation of derivatives	(0.53)	0.54
Operating profit before working capital changes	**4,108.50**	**3,724.05**
Adjustment for changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Bank balance other than cash & cash equivalent	86.55	(118.18)
Trade receivables	(2.55)	94.37
Other financial assets	2.68	116.77
Other non financial assets	62.49	(165.34)
Loans	(3,347.15)	(6,840.30)
Adjustments for increase / (decrease) in operating liabilities:		
Other financial liabilities	235.47	(347.55)
Other non financial liabilities	44.11	21.38
Provisions	(46.99)	71.14
Trade payables	32.04	62.14
Cash from/ (used) in operations before taxes	**1,175.15**	**(3,381.52)**
Direct taxes paid (net of refunds)	(482.83)	(681.41)
Net cash generated/ (used) in operating activities	**692.32**	**(4,062.93)**
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(56.95)	(77.92)
Proceeds from sale of property, plant and equipment	0.09	0.09
Investment purchased	(1,404.57)	(1,600.00)
Investment sold	464.65	1,600.66
Net cash used in investing activities (B)	**(996.78)**	**(77.17)**
C. Cash flow from financing activities		
Proceeds from issue of share capital (including security premium)	27.17	493.58
Proceeds from debt securities	6,448.90	20,840.74
Repayment of debt securities	(6,262.78)	(19,293.17)
Borrowings (other than debt securities)	312.29	1,932.30
Proceeds from subordinated liabilities	-	100.00
Repayment of subordinated liabilities	-	(50.00)
Interim dividend paid (Including dividend distribution tax)	(93.83)	(100.94)
Net cash (used) / generated in financing activities (C)	**431.75**	**3,922.51**
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	**127.29**	**(217.59)**
Cash and cash equivalents as at the beginning of the year	**515.91**	**733.50**
Cash and cash equivalents as at the end of the year	**643.20**	**515.91**
	127.29	**(217.59)**

Note:
1. 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.

2. Cash and cash equivalents include: *	**Amount (In Rs.)**	**Amount (In Rs.)**
Cash in hand	-	-
Balance with scheduled banks on		
- Current accounts	14.12	183.51
- Funds in transit (Lying in nodal account of intermediatory/payment gateway aggregator	522.49	332.40
-Deposit with maturity less than 3 months	106.59	-
Cash and cash equivalents at the end of the year	**643.20**	**515.91**

* Refer note 5

As per our report of even date attached
For S. Ramanand Aiyar & Co.
Chartered Accountants
Firm Registration No. :000990N

Puneet Jain Digitally signed by Puneet Jain Date: 2021.04.26 17:49:47 +05'30'

Puneet Jain
Partner
Membership No. : 520928

For and on behalf of the Board of Directors of
SBI Cards and Payment Services Limited

RAMA MOHAN RAO AMARA Digitally signed by RAMA MOHAN RAO AMARA Date: 2021.04.26 17:07:08 +05'30'

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

JOSHI SHRINIWAS YESHWANT Digitally signed by JOSHI SHRINIWAS YESHWANT Date: 2021.04.26 18:12:32 +05'30'

Shriniwas Yeshwant Joshi
Director
DIN: 05189697

NALIN NEGI Digitally signed by NALIN NEGI Date: 2021.04.26 17:15:33 +05'30'

Chief Financial Officer

PAYAL MITTAL CHHABRA Digitally signed by PAYAL MITTAL CHHABRA Date: 2021.04.26 17:20:18 +05'30'

Company Secretary

Place: New Delhi
Date : April 26, 2021

Place: Gurugram / Mumbai
Date : April 26, 2021

1. Company overview

SBI Cards and Payment Services Limited, formerly known as SBI Cards and Payment Services Private 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. 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%).

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, 2022.

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 audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On April 26, 2021, Board of Directors of the Company approved and recommended the audited financial statements 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 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). The Ind AS are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. at the end of each reporting period, as explained in the accounting policies below. 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 financial statements 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 and estimated useful life of Tangible Assets. 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

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in Indian financial markets and decrease in local economic activities. The slowdown during the year has led to a decrease in the use of credit cards by customers and the efficiency in collection efforts. This may lead to a rise in the number of customer defaults and consequently an increase in provisions thereagainst. The extent to which the COVID-19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, will continue to impact the 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 of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Company based on current estimates have created additional management overlay on Expected Credit Loss (ECL) on loan balances. Refer credit risk section under note 37.2.2 for further details. 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.

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 to the nearest Crores (up to two decimals), except as stated otherwise.

3.3. Business Combinations

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against capital reserve, general reserve and balance with retained earnings in given sequence.
- The identity of the reserves is preserved, and the reserves of the transferor become the reserves of the transferee.

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 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 and expense for all financial instruments, excluding 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. 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.

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. Other Income

Income from Investments and Fixed Deposits

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.

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 income on balance sheet date.

The liability for stale cheques aged for more than three years is written back as income.

Recovery from bad debts

Recovery from bad debts written off is recognised as 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. Borrowing cost

Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. 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

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 methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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:

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.

Assets acquired under lease are depreciated over the lease term or useful life, whichever is shorter.

4.5. Intangible assets

Separately acquired intangible assets: Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets comprise purchase of software, recognised at cost and amortised at the rate of 20%-50%, which represents the period over which the Company expects to derive the economic benefits from the use of the asset.

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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. Company also regularly assesses collectability of dues and creates appropriate impairment allowance based on internal provision matrix. Impairment losses including impairment on inventories 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 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 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:

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.

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.

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 has been observed, such assets are 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, 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 37.2.2

For other financial assets, the Company uses a provision matrix 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.

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, where the likelihood of recovery of the outstanding is remote, Company may trigger an early charge off on a case to case basis management judgement. Recoveries resulting from the Company’s enforcement activities will result in impairment gains.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method (EIR)

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 medication 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 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.

Fair Value Measurement:

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 37

For assets and liabilities that are fair valued 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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

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 contact 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 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 re-assessed 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.

Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the

specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

4.10. Foreign currency

Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). the Company’s financial statements are presented in Indian rupee which is also the Company’s functional and presentation 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 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 scheme (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.

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 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

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

(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 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

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

1. Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.

2. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

3. Specified format for disclosure of shareholding of promoters.

4. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

5. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

6. Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

7. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

   The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

5. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks (of the nature of cash and cash equivalents)		
Current Accounts *	14.12	183.51
Funds in transit (lying in nodal account of intermediaries/payment gateway aggregators)	522.49	332.40
Deposits (under Lien) with maturity less than 3 months	106.59	-
Total	**643.20**	**515.91**

*Current Account balance for the year ended March 31, 2021 includes Rs 2.02 Crores held in Escrow account to meet IPO expenses (for year ended March 31, 2020 Rs 138.58 Crores).

6. Bank balance other than (5) above

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits (under Lien) with original maturity for more than 3 months but less than 12 months	5.78	102.60
Earmarked balances with bank*	69.12	58.85
TOTAL	**74.90**	**161.45**

(*) Earmarked balances represents non moving balances of customers for more than six months, unidentified receipts, unpaid dividend and unpaid exgratia credited to inactive customers kept in a separate bank account.

7. Derivative Financial Instruments (Assets)

Particulars	As at March 31, 2021	As at March 31, 2020
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. 37

8. Trade receivable

Particulars	As at March 31, 2021	As at March 31, 2020
To be realised within twelve months after reporting date:		
Receivables considered good - Unsecured	56.82	54.45
Receivables which have significant increase in Credit Risk	0.34	0.16
Less:- Impairment loss allowance	(0.34)	(0.16)
Total	**56.82**	**54.45**

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.

9. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortized Cost		
(A)		
Other- Loans & advances to customers		
To be realised within twelve months after reporting date	21,442.54	21,618.01
To be realised after twelve months after reporting date	3,671.29	2,522.59
Total (A)- Gross	**25,113.83**	**24,140.60**
Less:- Impairment loss allowance	(1,654.69)	(1,328.96)
Total (A)- Net	**23,459.14**	**22,811.64**
(B)		
(i) Secured by lien on fixed deposits and financial guarantees	316.25	306.38
(ii) Unsecured	24,797.58	23,834.22
Total (B)- Gross	**25,113.83**	**24,140.60**
Less:- Impairment loss allowance	(1,654.69)	(1,328.96)
Total (B)- Net	**23,459.14**	**22,811.64**
(C) Loans in India		
(i) Public sector	4.92	1.54
(ii) Others	25,108.91	24,139.06
Total (C)- Gross	**25,113.83**	**24,140.60**
Less:- Impairment loss allowance	(1,654.69)	(1,328.96)
Total (C)- Net	**23,459.14**	**22,811.64**

Refer note 37

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SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Notes forming part of the financial statements
(Figure in Rupees Crores, unless otherwise stated)
10. Investments

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
At Amortized Cost		
Investment to be realised within twelve months after the reporting date		
Investment in Government Securities	623.25	-
Investment to be realised after twelve months after the reporting date		
Investment in Government Securities	323.11	-
Equity instruments	-	-
At Fair Value through Other Comprehensive Income		
Investment to be realised after twelve months after the reporting date		
Equity instruments	11.20	1.46
Total	**957.56**	**1.46**
(B) Investment in India	**957.56**	**1.46**
Total	**957.56**	**1.46**

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	500,000.00	4.93
182DTB20052021	100	11,500,000.00	114.50
364DTB19082021	100	28,000,000.00	276.43
364DTB20052021	100	16,500,000.00	164.28
364DTB27012022	100	6,500,000.00	63.11
		63,000,000.00	**623.25**
Investment in Government Securities (Non-Current)			
7.32% GS2024	100	8,000,000.00	87.16
6.18% GS2024	100	12,500,000.00	133.59
5.22% GS2025	100	10,000,000.00	102.36
Total		**30,500,000.00**	**323.11**
Equity instruments (Amortised Cost)			
SBI Foundation	10	1,001.00	-
Total		**1,001.00**	**-**
Equity instruments (fair value through OCI)			
Online PSB Loans Limited	10	112,996.00	11.20
Total		**112,996.00**	**11.20**

The balances held as Investment as at March 31, 2020 are as follows:

Particulars	Face Value	Units	Amount
Equity instruments (Amortised Cost)			
SBI Foundation	10	1,001.00	-
Total		**1,001.00**	**-**
Equity instruments (fair value through OCI)			
Online PSB Loans Limited	10	112,996.00	1.46
Total		**112,996.00**	**1.46**

During the year ended March 31, 2020, the company has purchased and sold the units of Mutual Funds, the details of which are as follows :

Fund Name	Units	Purchase Amount	Sale Amount
Aditya Birla Liquid Fund	4,547,067	150.00	150.06
AXIS Liquid Fund	438,803	100.00	100.06
ICICI Liquid Fund	3,290,269	100.00	100.06
Total	**8,276,141**	**350.00**	**350.18**

During the year ended March 31, 2020, the company has purchased and sold the units of Mutual Funds, the details of which are as follows :

Fund Name	Units	Purchase Amount	Sale Amount
Aditya Birla Liquid Fund	18,207,654	565.00	565.27
Axis Liquid Fund	1,737,612	375.00	375.20
HDFC Liquid Fund	513,047	195.00	195.06
ICICI Liquid Fund	4,767,524	135.00	135.05
Nippon India Liquid Fund	563,846	270.00	270.06
SBI Liquid Fund	197,024	60.00	60.02
Total	**25,986,707**	**1,600.00**	**1,600.66**

(Figure in Rupees Crores, unless otherwise stated)

11. Other financial assets

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
To be realised within twelve months after reporting date:		
Notice pay receivables from employees- which have significant increase in Credit Risk	0.48	1.17
Contract Asset*		
Receivables considered good - Unsecured	97.79	83.73
Security deposits		
Unsecured, considered good	8.01	17.02
Others which have significant increase in Credit Risk	1.43	1.66
Bank deposits		
Deposits (under lien for guarantees)	0.11	7.58
Other recoverable - Considered good	8.81	4.34
Other recoverable which have significant increase in Credit Risk	-	0.86
Less : - Impairment loss allowance	(1.91)	(3.69)
Sub total	**114.72**	**112.67**
To be realised after twelve months after reporting date:		
Contract Asset*		
Receivables considered good - Unsecured	85.36	95.23
Security deposits		
Unsecured, considered good	19.60	11.61
Bank deposits		
Deposits (under lien for guarantees)	1.89	3.58
Sub total	**106.85**	**110.42**
Total	**221.57**	**223.09**

*** Refer note 36**

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SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Notes forming part of the financial statements
(Figure in Rupees Crores, unless otherwise stated)

12. Deferred Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
To be adjusted after twelve months after reporting date:		
-Deferred tax asset	395.09	275.13
Total	**395.09**	**275.13**

For the period 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 stautory 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 is no unrecognised deductable temporary differences.

For the year ended March 31, 2020

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	(1.39)	1.74	-	0.40	0.74
Membership & Processing fee	104.05	21.04	-	(29.11)	95.97
Provision for expenses	26.99	8.28	-	(5.82)	29.46
Staff benefits and stautory dues	7.96	(1.78)	1.01	(0.49)	6.70
Fair valuation of derivatives	(0.08)	0.01	0.08	-	0.01
Amortisation of card acquisition cost	(202.89)	(43.18)	-	56.76	(189.32)
Provision for doubtful debts & ECL	229.88	167.46	-	(64.49)	332.85
Defined benefit obligation	0.23	(0.04)	-	(0.07)	0.13
Debt Issue expenses	(1.49)	(0.33)	-	0.42	(1.40)
Total	**163.26**	**153.18**	**1.09**	**(42.40)**	**275.13**

There is no unrecognised deductable temporary differences.

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(Figure in Rupees Crores, unless otherwise stated)

13. Property, plant and equipment, Intangible assets & Right of use assets

Particulars	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment		
A. Carrying amounts of:		
Furniture & Fixture	2.74	2.98
Office equipment	5.34	5.67
Owned Vehicles	-	0.06
Computers including server (owned)	26.63	32.16
Leasehold improvements	21.75	22.98
Total	**56.46**	**63.85**
B. Capital work in progress		
Capital work in progress	0.49	11.17
Total	**0.49**	**11.17**
Intangible Assets		
A. Carrying value of other intangible assets		
Computer software	89.66	77.78
Total	**89.66**	**77.78**
B. Intangible Assets under development		
Intangible assets under development	9.58	12.49
Total	**9.58**	**12.49**
Right-of-use Assets		
Computer server on lease	103.79	82.97
Building	58.19	86.31
Total	**161.98**	**169.28**
Total	**318.17**	**334.57**

13.1 Property Plant and Equipments-Cost

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Computers including server (leased)	Leasehold Improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2019	2.74	7.26	0.08	48.55	81.63	24.92	11.29	176.47	4.34
Additions	1.26	2.41	-	19.64	-	9.68	-	32.99	19.60
Reclassified on account of adoption of Ind AS116	-	-	-	-	(81.63)	-	-	(81.63)	-
Derocgnise persuant to adoption of Ind AS 116							(11.29)	(11.29)	-
Deletions	(0.45)	(0.12)	-	(0.23)	-	-	-	(0.80)	(12.77)
Balance at March 31, 2020	**3.55**	**9.55**	**0.08**	**67.96**	**-**	**34.60**	**-**	**115.74**	**11.17**

Property Plant and Equipments-Accumulated Depreciation

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Computers including server (leased)	Leasehold Improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2019	0.38	2.24	-	17.61	15.22	5.78	3.62	44.85	-
Depreciation during the period	0.35	1.73	0.02	18.42	-	5.84	-	26.36	-
Reclassified on account of adoption of Ind AS116	-	-	-	-	(15.22)	-		(15.22)	-
Derocgnise persuant to adoption of Ind AS 116							(3.62)	(3.62)	-
Eliminated on disposals of assets	(0.16)	(0.09)	-	(0.23)	-	-	-	(0.48)	-
Balance at March 31, 2020	**0.57**	**3.88**	**0.02**	**35.80**	**-**	**11.62**	**-**	**51.89**	**-**
Net book value as on March 31, 2020	**2.98**	**5.67**	**0.06**	**32.16**	**-**	**22.98**	**-**	**63.85**	**11.17**

SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
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)	Computers including server (leased)	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	-	115.74	11.17
Additions	0.18	1.78	-	13.66	-	7.35	-	22.97	1.08
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)	Computers including server (leased)	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	-	51.89	-
Depreciation during the period	0.37	2.09	0.01	19.19	-	8.43	-	30.09	-
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 on 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 Colleteral Security with a first charge right to consortium bankers.

13.2 Intangible Assets

Particulars	Computer software	Intangible assets under development
At Cost		
Balance at April 1, 2019	87.93	15.83
Additions	41.41	11.92
Deletions	-	(15.26)
Balance at March 31, 2020	**129.34**	**12.49**
Accumulated amortisation and impairment		
Balance at April 1, 2019	23.33	-
Amortisation charge for the year	28.23	-
Deletions/adjustments	-	-
Balance at March 31, 2020	**51.56**	**-**
Net book value as on March 31, 2020	**77.78**	**12.49**

Particulars	Computer software	Intangible assets under development
At Cost		
Balance at April 1, 2020	129.34	12.49
Additions	47.77	17.11
Deletions	-	(20.02)
Balance at March 31, 2021	**177.11**	**9.58**
Accumulated amortisation and impairment		
Balance at April 1, 2020	51.56	-
Amortisation charge for the year	35.89	-
Deletions/adjustments	-	-
Balance at March 31, 2021	**87.45**	**-**
Net book value as on March 31, 2021	**89.66**	**9.58**

13.3 Right-of-Use assets

Particulars	Computer server on lease	Building	Total
At Cost			
Balance at April 1, 2019(Refer note 4.8)	-	100.21	100.21
Reclassified on account of adoption of Ind AS116	81.63	-	81.63
Additions	37.06	15.14	52.20
Disposals/adjustments *	-	(0.35)	(0.35)
Balance at March 31, 2020	**118.69**	**115.00**	**233.69**
Accumulated depreciation and impairment			
Balance at April 1, 2019	-	-	-
Reclassified/Creation on account of adoption of Ind AS116	15.22	-	15.22
Depreciation during the year	20.50	28.71	49.21
Disposals/adjustments	-	(0.02)	(0.02)
Balance at March 31, 2020	**35.72**	**28.69**	**64.41**
Net book value as on March 31, 2020	**82.97**	**86.31**	**169.28**

* It includes adjustment amounting to Rs 0.20 Crore on account of change in future rental payments for lease locations

Particulars	Computer server on lease	Building	Total
At Cost			
Balance at April 1, 2020	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 1, 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 on March 31, 2021	**103.79**	**58.19**	**161.98**

(Figure in Rupees Crores, unless otherwise stated)

14. Other non financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
To be realised within twelve months after reporting date:		
Service tax / GST recoverable		
Unsecured, considered good	92.76	74.04
Unsecured, considered doubtful	-	113.70
Prepaid expenses	29.96	40.07
Unamortised Card acquisition cost	83.22	102.57
Other advances		
Unsecured, considered good	39.20	23.95
Unsecured, considered doubtful	0.04	0.50
Sub Total - Gross	**245.18**	**354.83**
Less : - Impairment loss allowance	(0.04)	(114.20)
Sub Total - Net (A)	**245.14**	**240.63**
To be realised after twelve months after reporting date:		
Service tax / GST recoverable		
Unsecured, considered doubtful	113.70	-
Prepaid expenses	5.66	5.59
Unamortised Card acquisition cost	583.04	649.65
Advance income tax (net of provision)	30.78	23.59
Sub Total - Gross	**733.18**	**678.83**
Less : - Impairment loss allowance*	(113.70)	-
Sub Total - Net (B)	**619.48**	**678.83**
Total Net (A+B)	**864.62**	**919.46**

* Refer note 49 & 50

15. Derivative financial instruments (liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
Part I		
(i) Currency Derivatives		
Spot and forwards	-	0.43
Total	**-**	**0.43**
Part I (a)		
(i) Cash Flow hedging		
Currency derivatives	-	0.43
Total	**-**	**0.43**

Refer note no. 37

16. Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Payable within twelve months after reporting date:		
(I) Trade payables*		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	748.81	721.03
Total (A)	**748.81**	**721.03**
(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	0.83	0.76
(b) total outstanding dues to capital creditors	10.51	7.05
Total (B)	**11.34**	**7.81**
Total (A+B)	**760.15**	**728.84**

(*) 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

16.1 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

In terms of notification dated Deptember 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, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting period	-	-
(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.

(Figure in Rupees Crores, unless otherwise stated)

17. Debt Securities

At amortized cost

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
(A)		
(i) From Others		
Unsecured		
(i) Commercial paper		
- To be settled within twelve months after reporting date;	2,212.14	2,541.97
(ii) Debentures		
- To be settled within twelve months after reporting date;	185.79	1,476.94
- To be settled after twelve months after reporting date;	3,535.00	1,780.37
Total (A)	**5,932.93**	**5,799.28**
(B)		
Debt Securities in India	5,932.93	5,799.28
Total (B)	**5,932.93**	**5,799.28**

17.1 Details of non-convertible debentures (NCD)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
6.00% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Dec'25)	450.00	-
7.40% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Feb'25)	300.00	300.00
5.90% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Feb'24)	550.00	-
5.75% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Nov'23)	500.00	-
6.85% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Jun'23)	400.00	-
7.50% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Mar'23)	300.00	300.00
7.60% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Feb'23)	410.00	410.00
8.55% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Aug'22)	175.00	175.00
9.15% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Jun'22)	450.00	450.00
8.10% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in May'21)	110.00	110.00
9.5% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Oct'20)	-	500.00
7.55% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Aug'20)	-	500.00
8.90% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in May'20)	-	400.00
Total	**3,645.00**	**3,145.00**
Interest accrued and impact of EIR	**75.79**	**112.31**
Total	**3,720.79**	**3,257.31**

18. Borrowings (other than debt securities) & lease liabilities

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
A		
At amortized cost		
(a) From Bank (Related Party)		
Secured Loans (Refer note 18.1 below)		
(i) Working capital loans		
- To be settled within twelve months after reporting date;	8,134.93	8,398.03
(b) From Bank (other than Related Party)		
Secured Loans (Refer note 18.1 below)		
(i) Working capital loans		
- To be settled within twelve months after reporting date;	2,528.59	1,899.86
(c) Lease liabilities		
Unsecured		
- To be settled within twelve months after reporting date;	57.34	49.26
- To be settled after twelve months after reporting date;	115.92	127.47
Total (A)	**10,836.78**	**10,474.62**
(B)		
Borrowings in India	10,836.78	10,474.62
Total (B)	**10,836.78**	**10,474.62**

Note 18.1 Secured by

Primary Security	**Colleteral 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
Nil

As on date of Balance sheet, Company has not defaulted on any interest and repayment of borrowings

(Figure in Rupees Crores, unless otherwise stated)

19. Subordinated Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
Unsecured non-convertible debentures		
- Redeemable within twelve months after reporting date; and	148.33	-
- Redeemable after twelve months after reporting date;	1,150.00	1,298.85
Total (A)	**1,298.33**	**1,298.85**
(B)		
Subordinated liabilities In India	1,298.33	1,298.85
Total (B)	**1,298.33**	**1,298.85**

18.1 Details of non-convertible debentures

Particulars	As at March 31, 2021	As at March 31, 2020
8.99% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Jun'29)	100.00	100.00
9.55% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Jan'29)	250.00	250.00
8.10% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Oct'23)	200.00	200.00
8.30% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in May'23)	500.00	500.00
9.65% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Apr'22)	100.00	100.00
9.00% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Nov'21)	100.00	100.00
Total	**1,250.00**	**1,250.00**
Interest accrued and impact of EIR	**48.33**	**48.85**
Total	**1,298.33**	**1,298.85**

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(Figure in Rupees Crores, unless otherwise stated)

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	-	-	-	-	-	-
Lease liabilities	176.73	(53.25)	-	-	49.78	173.26
Subordinated Liabilities						
Debentures	1,298.85	-	(0.52)	-	-	1,298.33
Total	**17,572.75**	**498.42**	**(52.91)**	**-**	**49.78**	**18,068.04**

Net Debt reconciliation for the year ended March 31, 2020

Particulars	Opening Balance	Cashflows	Non Cash Changes			Closing balance
			Interest /amortization	Foreign Exchange Movement	Others	
Debt Securities						
Commercial Papers	2,119.84	362.57	59.55	-	-	2,541.97
Debentures	1,959.47	1,185.00	112.83	-	-	3,257.31
Borrowings (other than debt securities) & lease liabilities						
Working capital loans	6,880.65	3,376.23	41.01	-	-	10,297.89
Foreign currency working capital loans	1,316.87	(1,400.00)	-	83.13	-	-
Lease liabilities	75.74	(43.94)	-	-	144.93	176.73
Subordinated Liabilities						
Debentures	1,196.80	50.00	52.05	-	-	1,298.85
Total	**13,549.38**	**3,529.87**	**265.44**	**83.13**	**144.93**	**17,572.75**

(Figure in Rupees Crores, unless otherwise stated)

20. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Payable within twelve month after reporting period:		
Unpaid dividends	0.07	-
Payable to Network Partners	464.72	240.15
Excess amount from Card holders	228.54	204.64
Other liabilities	9.51	22.58
Total	**702.84**	**467.37**

21. Current tax liabilities/assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax asset(net)		
To be settled within twelve months after reporting date:		
Advance income tax (net of provision)	21.69	9.55
Total	**21.69**	**9.55**

22. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
(i) Liabilities to be settled within twelve months after reporting date		
- Provision for compensated absence	3.64	3.33
- Provision for gratuity	0.81	3.63
- Provision for long service awards	1.45	1.30
- Provision for bonus & Incentive Payable	40.97	48.83
Sub Total (A)	**46.87**	**57.09**
(ii) Liabilities to be settled after twelve months after reporting date		
- Provision for compensated absence	13.30	11.79
- Provision for long service awards	7.38	6.54
Sub Total (B)	**20.68**	**18.33**
Others		
(i) Liabilities to be settled within twelve months after reporting date		
- Provision for reward points redemption *	277.35	286.18
- Provision for expenses	50.44	116.57
- Provision for expenses- Related party	37.25	4.77
Sub Total (C)	**365.04**	**407.52**
(ii) Liabilities to be settled after twelve months after reporting date		
- Provision for reward points redemption *	109.63	119.69
Sub Total (D)	**109.63**	**119.69**
Total (A+B+C+D)	**542.22**	**602.63**

* Refer note 39

23. Other non financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Liabilities to be settled within twelve months after reporting date:		
Revenue received in advance- Unamortised membership fees	365.84	332.43
Statutory liabilities	247.21	248.04
Fees received in advance	24.53	13.00
Total	**637.58**	**593.47**

24. Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Capital				
Equity shares of Rs.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 Rs.10 each	940,525,456	940.53	938,956,794	938.96
TOTAL	**940,525,456**	**940.53**	**938,956,794**	**938.96**

(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, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Reconciliation of the number of shares				
Balance as at the beginning of the year	938,956,794	938.96	837,222,224	837.22
Movements*	1,568,662	1.57	101,734,570	101.73
Balance as at the end of the year	**940,525,456**	**940.53**	**938,956,794**	**938.96**

* During the year ended March 31, 2021, 1,568,662 Equity shared of Rs. 10 each has been allotted under ESOP scheme.

* During the year ended March 31, 2020 the Company ,
- has issued additional 95,112,054 shares pursuant to amalgamtion of SBIBPMSL vide Hon'able NCLT order dated June 4, 2019 aggregating to Rs. 95.11Crores; and
- has issued fresh equity shares of 6,622,516 shares through Initial Public Offer at Rs 10 each aggregating to Rs. 6.62 Crores

(ii) Rights, preferences and restriction attached to shares

The company has only one class of equity share having par value of Rs.10 per share. Each holder of the equity share is entilted to one vote per share. In the liquidation of the company, the holders of the equity shares will be entilted to receive the remaining assets of the company, after distribution of all prefrential amounts.

(iii) Shares held by each shareholder holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	%	Number of Shares	%	Number of Shares
Holding Company				
Shares held by State Bank of India *	69.39%	652,633,992	69.51%	652,633,992
Shares held by CA Rover Holdings	11.61%	109,173,488	15.89%	149,173,488

* As at March 31, 2021 and March 31, 2020 one share is held by nominee individual shareholders of which State Bank is the beneficial owner

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25. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Capital redemption reserve (refer note 25.1 below)	3.40	3.40
Statutory reserve (refer note 25.2 below)	1,011.85	814.95
General reserve (refer note 25.3 below)	13.08	12.99
Capital reserve (on account of amalgamation) (refer note 25.4 below)	(71.51)	(71.51)
Securities Premiunm reserve (refer note 25.5 below)	935.19	904.74
Retained earnings (refer note 25.6 below)	3,418.78	2,719.51
Share options outstanding account (refer note 25.7 below)	40.50	18.18
Cash flow hedging reserve (refer note 25.8 below)	-	-
Share application money pending allotment (refer note 25.9 below)	2.92	-
Equity investment through OCI (refer note 25.10 below)	7.29	-
TOTAL	**5,361.50**	**4,402.26**

25.1 Capital redemption reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	3.40	3.40
Balance as at the end of the year	**3.40**	**3.40**

25.2 Statutory reserve
(Under Section 45-IC of the Reserve Bank of India Act, 1934)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	814.95	565.99
Add: Transferred from Retained Earning @ 20%	196.90	248.96
Balance as at the end of the year	**1,011.85**	**814.95**

25.3 General reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	12.99	12.99
Add: Amount transferred from Share options outstanding account*	0.09	-
Balance as at the end of the year	**13.08**	**12.99**

* Refer note 25.7

25.4 Capital reserve (on account of amalgamation)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	(71.51)	(71.51)
Balance as at the end of the year	**(71.51)**	**(71.51)**

25.5 Securities premium reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	904.74	417.78
Add: During the period *	22.68	486.96
Add: Transfer from share options outstanding account	7.77	-
Balance as at the end of the year	**935.19**	**904.74**

* During the year ended March 31, 2021, addition during the year represents securities premium received on account of ESOP Rs. 22.30 Crores and adjustment of Company's share of IPO related expenses for Rs 0.38 Crores (Period ended March 31, 2020 addition represents premium received from IPO (net of employee discount) Rs 492.70 Crores reduced by the Company's share of IPO related expenses of Rs 5.74 Crores.

25.6 Retained earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	2,719.51	1,726.65
Add: Profit for the period	984.52	1,244.82
Less: Interim equity dividend	(93.90)	-
Add: Transfer From Other Comprehensive Income	5.55	(3.00)
Less: Transfer to Statutory reserve (section 45-IC of the Reserve Bank of India Act, 1934)	(196.90)	(248.96)
Balance as at the end of the year	**3,418.78**	**2,719.51**

25.7 Share options outstanding account

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	18.18	-
Add: During the Period	30.18	18.18
Less:Transfer on allotment of shares to employees pursuant to ESOP scheme	(7.77)	-
Less: Transfer to general reserve	(0.09)	-
Balance as at the end of the year	**40.50**	**18.18**

25.8 Cash flow hedge reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	-	0.14
Add: During the period	-	(0.22)
Add: Deferred tax adjustment	-	0.08
Balance as at the end of the year	**-**	**-**

25.9 Shares application money pending allotment

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	-	95.11
Add: Shares application money pending allotment pursuant to ESOP	2.92	-
Less:Shares allotment pursuant to scheme of amalgamation	-	(95.11)
Balance as at the end of the year	**2.92**	**-**

25.10 Equity investment through OCI

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	-	-
Add: Fair valuation through OCI	9.74	-
Add: Deferred tax adjustment	(2.45)	-
Balance as at the end of the year	**7.29**	**-**

SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Notes forming part of the financial statements
(Figure in Rupees Crores, unless otherwise stated)

26. Net gain / (loss) on fair value changes

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
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	0.53	(0.54)
Total	**0.53**	**(0.54)**
Fair value changes:		
-Realised	0.43	(10.35)
-Unrealised	0.10	9.81
Total	**0.53**	**(0.54)**

27. Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Bad debts recovered	397.94	303.45
Profit on sale of Investment	0.18	0.66
Other interest income	10.58	3.87
Interest income from investments	12.33	-
Liabilities/Provisions written back	8.87	163.67
Miscellaneous income	6.20	3.80
Net gain on foreign currency transactions	-	0.44
Total	**436.10**	**475.89**

28. Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) At Amortised cost		
Interest expense on lease liability	14.05	15.78
Interest on borrowings	475.20	560.83
Interest on debt securities	379.52	550.70
Interest on subordinated liabilities	108.71	110.58
Total (A)	**977.48**	**1,237.89**
(B) Financial intruments designated as hedging instruments		
Cost of Hedging	65.92	63.04
Total (B)	**65.92**	**63.04**
Total (A+B)	**1,043.40**	**1,300.93**

29. Impairment losses & bad debts

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On loans	2,638.20	1,937.39
On Others		
- financial assets	0.35	1.79
- Non-financial assets	-	1.07
Total	**2,638.55**	**1,940.25**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Bad debt written-off	2,159.54	1,226.00
Impairment loss for other assets	0.35	1.79
Impairment loss for other non-financial assets	-	1.07
Impairment loss for Loans [Stage 1,2 and 3 assets]	478.66	711.39
Total	**2,638.55**	**1,940.25**

30. Employee benefits expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	426.85	401.55
Contribution to provident fund and other funds	27.65	25.88
Share Based Payments to employees	30.18	18.18
Staff welfare expenses	6.90	22.77
Total	**491.58**	**468.38**

(Figure in Rupees Crores, unless otherwise stated)

31. Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	30.09	26.36
Amortosation on intangible assets	35.89	28.23
Depreciation on right to use assets	57.28	49.21
Total	**123.26**	**103.80**

32. Operating and other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of plastic cards & embossing	38.17	40.97
Short-term lease expense	31.99	31.11
Variable lease expenses	140.95	97.29
Travelling and conveyance	3.08	18.15
Telephone, fax and postage	51.39	57.39
Card transaction charges	356.70	387.58
Advertisement	97.30	94.39
Sales Promotion	1,382.86	1,494.37
Insurance expense	19.24	14.25
Professional & Consulting fees	134.52	165.68
Fees and Commission expense	606.73	657.15
Rates and taxes	11.71	3.86
Collection charges	357.73	195.05
Repairs and maintenance	26.27	23.64
Auditor's remuneration	0.49	0.53
Power and fuel	4.43	5.42
Printing, stationery and office supplies	47.86	43.53
Royalty Expenses	19.69	24.90
Reward points redemption	405.10	562.28
Surcharge Waiver to Customer	35.42	41.06
Donation	-	2.64
Data processing charges	224.45	227.07
Net loss on foreign currency transactions	2.92	-
Loss on sale of property, plant & equipment	0.18	0.24
Other Expenses	0.36	0.28
Total	**3,999.54**	**4,188.83**

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33. CSR Expenses

'Pursuant to section 135 of the Companies Act, 2013 the Company is required to spend Rs. 32.06 Crore during the Financial Year 2020-21 calculated as per Section 198 of the Companies Act 2013.

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
CSR Expenses	32.07	19.92
Total	**32.07**	**19.92**

Particulars	**For the year ended March 31, 2021**		**For the year ended March 31, 2020**	
	Paid in cash	**Yet to be paid in cash**	**Paid in cash**	**Yet to be paid in cash**
(i) Construction/Acquisition of Assets	12.31	-	6.26	-
(ii) On purposes other than (i) above	19.76	-	13.66	-
Total	32.07	-	19.92	-

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(Figure in Rupees Crores, unless otherwise stated)

34. Tax expense

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Current tax		
In respect of the current period	474.25	591.79
In respect of prior year	(10.77)	3.81
	463.48	595.60
Deferred tax		
In respect of the current period	(134.03)	(153.18)
In respect of prior year	9.76	42.40
Total income tax expense recognised in the current period	339.21	484.82

The income tax expense for the period can be reconciled to the accounting profit as follows:

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Profit before tax from continuing operations	1,323.73	1,729.64
Income tax expense calculated at 25.168%	333.16	435.31
Corporate social responsibility / Others	7.06	3.30
Total	340.22	438.61
Adjustments recognised in the current year in relation to the current tax / deffered tax of prior years	(1.01)	46.21
Income tax expense recognised in profit or loss	339.21	484.82

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
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	(1.87)	1.01
Gain/(loss) on Investment in Equity	(2.45)	-
Remeasurement of fair value of derivative	-	0.08
Total deferred tax recognised in other comprehensive income	(4.32)	1.09
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(4.32)	1.01
Items that may be reclassified to profit or loss	-	0.08
Total	(4.32)	1.09

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35. Earnings/ (loss) per equity share

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a.	Net Profit After Tax	984.52	1,244.82
b	Weighted average of number of equity shares used in computing basic per share (in Crores)	93.97	93.27
c	Weighted average of number of equity shares used in computing diluted earnings per share (in Crores) *	94.86	94.20
d	Basic earning per share (a/b)	10.48	13.35
e	Diluted earning per share (a/c)	10.38	13.21

* Includes effect of dilution on account of Employee Stock Option, for the year ended March 31, 2021.

36. Impact of application of Ind AS 115 Revenue from Contracts with Customers

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, 2021	For the year ended March 31, 2020
Income from fees and services	3,907.67	3,978.66
Service Charges	134.18	117.82
Business development incentive income	299.18	327.28
Insurance commission income	8.25	11.34
Total Revenue	**4,349.28**	**4,435.10**

The Company's accounting policies for its revenue streams are disclosed in detail under Note 4 above.

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 loans which is governed by Ind AS 109. Company's revenue from provision of services arising from contracts entered with customers to provide interchange services, business development services, membership services and other fees is not concentrated to specific customer/segment. Management reviews the revenue of the Company on the information available as disclosed in Statement of Profit and Loss.

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, 2021, the estimated aggregate consideration allocated to unsatisfied performance obligations for these other value-added services is Rs 85.36 Crores which is expected to be recognised through financial year 2022, previous period was Rs 95.23 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

Other unbilled receivables and contract assets are presented net of impairment in note 11 of the Balance sheet.

The below table discloses balances in receivables and unbilled receivables.

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivable *	56.82	54.45
Contract asset **	183.15	178.96
Total-Gross	**239.97**	**233.41**
To be realised within 12 months from reporting date	154.61	138.18
To be realised after 12 months from reporting date	85.36	95.23

* 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 asset gets converted to receivables within a time period of 6 months.

(Figure in Rupees Crores, unless otherwise stated)

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 of unbilled revenue.

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	178.96	134.83
Movement during the year	4.19	44.13
Closing balance	**183.15**	**178.96**
To be realised within 12 months from reporting date	97.79	83.73
To be realised after 12 months from reporting date	85.36	95.23

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, 2021	As at March 31, 2020
Opening balance	752.21	580.63
Capitalised during the year	321.12	584.10
Amortised during the year	(407.07)	(412.50)
Closing balance	**666.25**	**752.21**
To be realised within 12 months from reporting date	83.22	102.57
To be realised after 12 months from reporting date	583.04	649.65

The unamortised contract costs are disclosed in note 14 to financial statements.

(Figure in Rupees Crores, unless otherwise stated)

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, 2021	As at March 31, 2020
Opening balance	332.43	262.66
Received during the year	749.65	693.09
Amortised during the year	(716.24)	(623.32)
Closing balance	**365.84**	**332.43**
To be realised within 12 months from reporting date	365.84	332.43
To be realised after 12 months from reporting date	-	-

Contract liabilities are disclosed in note 23 to financial statements

37. Financial Instruments

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/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.

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 extant RBI Prudential norms for NBFCs.

Details of Tier 1 capital are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Tier I Capital	5130.36	4,223.62

Details of Tier 2 capital are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Tier II Capital	957.45	1,127.16

(Figure in Rupees Crores, unless otherwise stated)

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).

Key capital Ratios

Capital Risk Adjusted Ratio (CRAR) maintained and monitored by Company is as under:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
CRAR – Tier I Capital	20.86%	17.70%
CRAR – Tier II Capital	3.89%	4.72%
Total CRAR	24.75%	22.43%

Company makes all efforts to comply with the above requirements. Further, Company has complied with all externally imposed capital requirements and internal and external stress testing requirements.

Also, the management of the Company monitors its dividend pay-out. Dividend distribution policy of the Company focuses on the factors including but not limited to future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.

SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Notes forming part of the financial statements
(Figure in Rupees Crores, unless otherwise stated)

37.1.1. Financial instruments by category and fair value measurements

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)	74.90	-	-	-	74.90	74.90
Derivative Asset (Refer Note 7)	-	0.10	-	-	0.10	0.10
Trade Receivable (Refer Note 8)	56.82				56.82	56.82
Loans (Refer Note 9)	23,459.14	-	-	-	23,459.14	23,156.06
Investments (Refer Note 10)	946.36	-	11.20	-	957.56	952.44
Other Financial assets (Refer Note 11)						
Contract Asset	183.15	-	-	-	183.15	172.07
Fixed Deposits	2.00	-	-	-	2.00	1.89
Security deposits & others	36.42	-	-	-	36.42	33.31
Total	**25,401.99**	**0.10**	**11.20**	**-**	**25,413.29**	**25,090.79**
Liabilities:						
Derivative Liabilities (Refer Note 15)	-	-	-	-	-	-
Trade payables (Refer Note 16)	748.81	-	-	-	748.81	748.81
Other payables (Refer Note 16)	11.34	-	-	-	11.34	11.34
Debt Securities (Refer Note 17)	5,932.93	-	-	-	5,932.93	5,983.44
Borrowings (Other than Debt Securities) & lease liabilities (Refer Note 18)	10,836.78	-	-	-	10,836.78	10,836.78
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
Other liabilities	9.58	-	-	-	9.58	9.58
Total	**19,531.03**	**-**	**-**	**-**	**19,531.03**	**19,658.63**

(Figure in Rupees Crores, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as of March 31, 2020 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)	515.91	-	-	-	515.91	515.91
Bank Balance other than (a) above (Refer Note 6)	161.45	-	-	-	161.45	161.45
Derivative Asset (Refer Note 7)	-	-	-	-	-	-
Trade Receivable (Refer Note 8)	54.45				54.45	54.45
Loans (Refer Note 9)	22,811.64	-	-	-	22,811.64	22,560.35
Investments (Refer Note 10)	-	-	1.46	-	1.46	1.46
Other Financial assets (Refer Note 11)						
Contract Asset	178.96	-	-	-	178.96	165.45
Fixed Deposits	11.16	-	-	-	11.16	10.99
Security deposits & others	32.97	-	-	-	32.97	30.72
Total	**23,766.54**	**-**	**1.46**	**-**	**23,768.00**	**23,500.78**
Liabilities:						
Derivative Liabilities (Refer Note 15)	-	0.43	-	-	0.43	0.43
Trade payables (Refer Note 16)	721.03	-	-	-	721.03	721.03
Other payables (Refer Note 16)	7.81	-	-	-	7.81	7.81
Debt Securities (Refer Note 17)	5,799.28	-	-	-	5,799.28	5,775.52
Borrowings (Other than Debt Securities) & lease liabilities (Refer Note 18)	10,474.62	-	-	-	10,474.62	10,474.62
Subordinated Liabilities (Refer Note 19)	1,298.85	-	-	-	1,298.85	1,261.82
Other financial liabilities (Refer Note 20)						
Payable to Network Partners	240.15	-	-	-	240.15	240.15
Excess amount from Card holders	204.64	-	-	-	204.64	204.64
Other liabilities	22.58	-	-	-	22.58	22.58
Total	**18,768.96**	**0.43**	**-**	**-**	**18,769.39**	**18,708.60**

(Figure in Rupees Crores, unless otherwise stated)

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. Fair value of the Company's financial assets and liabilities that are measured at fair value on a recurring basis

Finanical Asset/ (Finanical Liabilities)	Fair value as at		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Foreign currency forward contracts not designated in hedge accounting relationships (Refer foreign currency risk management related disclosures given below)	0.10	(0.43)	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
Investments in equity instruments at FVTOCI *	11.20 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	1.46 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	Level 3	Equity valuation is updated as per latest valuation (using discounted cash flow method) report of July '20. We have not observed any material variation in business performance till date.

*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.

(Figure in Rupees Crores, unless otherwise stated)

B. Fair value of the Company's financial assets and liabilities that are not measured at fair value:

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		
			Level 1	Level 2	Level 3
Assets:					
Loans	23,459.14	23,156.06	-	-	23,156.06
Investments	946.36	941.24	941.24	-	0.00
Other Financial assets					
Contract Asset	183.15	172.07	-	-	172.07
Fixed Deposits	2.00	1.89	-	-	1.89
Security deposits & others	36.42	33.31	-	-	33.31
Total	**24,627.07**	**24,304.57**	**941.24**	**-**	**23,363.33**
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**

Fair value of the Company's financial assets and liabilities that are not measured at fair value as on March 31, 2020 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	22,811.64	22,560.35	-	-	22,560.35
Other Financial assets					
Contract Asset	178.96	165.45	-	-	165.45
Fixed Deposits	11.16	10.99	-	-	10.99
Security deposits & others	32.97	30.72	-	-	30.72
Total	**23,034.73**	**22,767.51**	**-**	**-**	**22,767.51**
Liabilities:					
Debt Securities	5,799.28	5,775.52	1,646.97	-	4,128.55
Subordinated Liabilities	1,298.85	1,261.82	363.68	-	898.14
Total	**7,098.13**	**7,037.34**	**2,010.65**	**-**	**5,026.69**

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.

(Figure in Rupees Crores, unless otherwise stated)

C. Reconciliation of Level 3 fair value measurements

Particulars	Unlisted shares irrevocably as at FVTOCI as at March 31, 2021	Unlisted shares irrevocably as at FVTOCI as at March 31, 2020
Opening balance	1.46	1.46
Total gains or losses:		
in profit or loss	-	-
in other comprehensive income	9.74	-
Purchases/Issues/Acquisitions	-	-
Disposals/ settlements	-	-
Transfers out of level 3	-	-
Closing balance	**11.20**	**1.46**

37.2. 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 has put in place a mechanism to ensure that the risks are monitored carefully and managed efficiently. The Company seeks to minimize the effects of these risks by using asset liability matching strategies and use of derivative financial instruments. The Company's risk management policies are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Enterprise Risk Management Committee (ERMC) which is responsible for approving and monitoring company risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

37.2.1. 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 the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

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.

(Figure in Rupees Crores, unless otherwise stated)

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 does not have any floating rate loans. However, the Company is exposed to interest rate risk on borrowings which are short term (upto 12 months) in nature and are open to repricing risk at the time of reborrowing. Repricing risk is the risk of changes in interest rate charged at the time a financial instrument is matured and reborrowed.

Description	As at March 31,2021	As at March 31,2020
Assets (upto one year)	6,406.66	5,549.95
Liabilities (upto one year)	13,267.12	14,247.22
Mismatch	(6,860.46)	(8,697.26)

Interest rate sensitivity analysis

50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents 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):

Decription	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
50 bps Shock Impact- One year Profits	(34.30)	34.30	(43.49)	43.49

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Others	62.73	56.22	73.11	51.15
Total	**62.73**	**56.22**	**73.11**	**51.15**

(Figure in Rupees Crores, unless otherwise stated)

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, 2021	As at March 31, 2020
Currency depreciating by 5%	0.52	(0.25)
Currency Appreciating by 5%	(0.52)	0.25

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, un- hedged 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, 2021 and March 31,2020, company do not have any foreign currency borrowing outstanding.

(Figure in Rupees Crores, unless otherwise stated)

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.

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2021 and March 31, 2020.

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	-	0.14
Gain/(loss) recognised in other comprehensive income during the year	-	(0.22)
Amount reclassified to profit or loss during the year	-	-
Tax impact on above	-	0.08
Balance at the end of the year	**-**	**-**

Contracts not designated under hedge relationship

Cash flow hedging	Action	Currency	Amount	Exchange rate	As at March 31, 2021	As at March 31, 2020
Finacial Asset (6 Months-12 months)	Sell	USD	$0.35	73.50	25.73	-
Finacial Asset (< 6 Months)	Sell	USD	$0.30	75.39	-	22.62

Unhedged Position of the Company is as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Currency	Amount	Currency	Amount
Finacial Liability	$0.85	62.73	$0.75	56.22
Finacial Asset	$0.64	47.38	$0.38	28.53

37.2.2. Credit Risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers fail to fulfil their contractual obligations to the Company. The credit risk management team reports to Chief risk officer. The Chief Risk Officer meets with the Risk Management Committee of Board of Directors (RMCB) independently every quarter.

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 we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

A. Credit risk management approach

Managing credit risk is the most important part of total risk management exercise. The Company's credit risk sub-function headed by Chief Risk Officer (CRO) 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) <u>Retail Customer Selection process</u>

All the fulfilled applications undergo a number of checks which include internal dedupe checks, fraud dedupe check through a fraud detection software for national and local fraud matches. The cases also undergo scrutiny of KYC and income documents where all the approvable cases get screened by internal fraud prevention team for probable fraud alerts. The organization also works on system sampling through rules driven triggers that are based on market knowledge, fraud trends and other portfolio levels indicators.
For retails customers Credit limit is derived based on credit assessment of the individual based on bureau, income documents provided by the applicant and basis the overall risk

profiling along with internal credit assessments process. The applications go through the application scorecards for approval. Multiple scorecards tailormade to different customer segments have been implemented which take into consideration; an applicant's demographic, financial details along with credit worthiness assessment derived through the relationships & performance with the competitors.

Organization has worked on strengthening the credit decision process with pre-qualification of the probable customers and scientific selection based on liability score model developed internally for appropriate customer selection and targeting. We have made multiple interventions throughout the year to strengthen the acquisition quality. This has led to improvement in approval rates in the current financial year. The changes include discontinuation of programs, revision in MCP, scorecard level changes etc.

Credit limit assignment is a function of income capacity and risk assessment done for the individual applicant. Risk assessment is done based on internal scorecards that are based on applicant bureau history, application profile and demographic variables.

(II) <u>Unsecured Corporate customer selection process</u>

- 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. While the most critical indicators are detailed in the annexure along with the benchmarks approved by the board, many other performance indicators are presented in our credit proposals. These also vary slightly depending on the industry of operation of the corporate (for e.g., for manufacturing companies, working capital cycle and cash flow is assessed in detail; for companies in the service industry profitability margins and customer profile is studied in detail).

- In general, we evaluate the business risks associated with the corporate and its industry, its financial profile, liquidity situation and financial flexibility (in case of any perceived liquidity stress). We assess the trend over the years of various financial indicators like net revenue movement, profitability margins, interest cover, debt-to-equity, current ratio, working capital cycle, cash flow assessment etc. A peer comparison is also made between the corporate and other reputed companies from the same industry.

- Further, we assess the credit history indicators as determined by independent 3rd party agencies – external rating, bureau reporting, RBI negative list and asset classification letters from bankers. If the corporate has availed SBI credit facilities relationship, we also receive the details highlighting the type of facilities, payment track record, SB rating etc.

- If the credit profile of the corporate is deemed acceptable, and the corporate meets all the regulatory guidelines, the proposal is put before the approving authority (as per the delegation authority approved by the Board of Directors).

(III) <u>Secured Corporate customer selection process</u>

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 is carried out through Account Management System, which includes:

- Fraud detection
- Portfolio quality review
- Credit line increase
- Cross sell on cards
- Behavior scorecard; and
- Collection score card etc.

The Company deploys right tools & contemporary technology to ensure the same. The Company has deployed practices/analytics such as the following to monitor and mitigate credit risk apart from accepting collaterals (for secured category of loan products)

Delinquency metrics have been developed and constantly evaluated & portfolio interventions leading to better quality of incoming new accounts

Strong collection practices driving consistent improvements in collection metrics &leveraging the latest credit bureau information to improve recoveries from older pools

Strong use of analytics in measuring and monitoring credit risk are used such as;

- Scorecards assessing default risk & payment propensity
- Predictive Business Analytics Models Viz. Debt Estimation, Line Assignment, Profitability based models
- Loss Forecasting Models

Portfolio Risk Management encapsulates the full spectrum of the customer lifecycle once the customer's account is onboarded on system. Building on the information captured at the time of sourcing, credit-intelligence enriching activities are undertaken to create a customer's profile around propensity to spend-pay-revolve-cross sell, delinquency, debt burden, spend affinity etc. The profiles are further matured in due course of time with customer's credit behavior- both onus (within the bank) and off us (with competitors from Credit Bureaus).

(I) <u>Portfolio Risk Management Tools</u>

Portfolio Risk Management leverages a host of information available on customer's behavior, both internal (account performance) and external (credit bureau information). These data points are collected at various stages of the customer lifecycle- active, inactive, pre-delinquency, early-delinquency, severe delinquency and post write-off. The usage of these data points is as below:

- **<u>Predictive Modeling</u>:** This is one of the strongest tools available for risk management where statistical scorecards are developed to predict customer's behavior.

- **Bureau data:** Bureau data is a very rich source to create a holistic credit profile of the customer and is refreshed on a quarterly basis. Industry data covers number of trades (by type of trade- PL, Card, mortgage etc.), balances, delinquency history on each trade etc.
- **Bureau event triggers:** Event based triggers can be set to alert a specific activity by the customer with competition banks which is reported to credit bureaus. For example, an inquiry for a personal loan in bureau can be a trigger to offer a Loan on card internally

- **Spend Indicators:** Spends data offers a rich insight into customer's differential risk profile when every other parameter (scores, payment ratio, spend ratio) is constant.

  A sudden and drastic shift from stable consumption based spend (utilities, groceries, fuel etc.) to aspirational spend (jewelry, apparel, gaming) can indicate future deterioration of risk grade.

- **Income estimator model:** For income-based sourcing, an inflation adjusted indexation is done to derive the current income based on past income docs. For non-income-based segment, income estimation models have been built to derive the income based on onus and bureau variables. The income derived from this model is used to calculate the debt burden ratio which is used as a non-score parameter for portfolio actions.

(II) Portfolio Management activities

Multiple portfolio management activities are undertaken based on the Risk Management tools described above. These activities and programs heavily leverage the bureau information in addition to onus data

a) Portfolio Segmentation and Management

Using scorecards and other account behavior metrices, portfolio is segmented into Grow, Keep and Liquidate for non-delinquent portfolio. These segments offer a better risk grading compared to individual scorecards since it has an overlay of non-score parameters. The idea is to take positive credit expansion action on the Grow segment (Prime credit grade), monitor and take calibrated positive actions on the Keep segment (Semi-prime credit grade) and take negative actions on the Liquidate segment (Sub-prime credit grade). The positive and negative actions have been described later in the document.

For delinquent portfolio similar score and non-score-based segmentations are created which then are allocated to collections as per defined collections and recovery strategies. In the current scenario we have created more granular microsegments and taken a number of portfolio actions on higher risk segments. The actions are in the nature of credit limit reductions, authorisation blocks, as well as declining potentially higher risk transactions.

b) Cross-Sell & authorization

Credit expanding activities are taken on the portfolio based on portfolio segments which include loan on card, limit increase, balance transfer and card upgrades. Cross-sell is targeted towards Prime and Semi-Prime segments and aims to grow the good asset and bring in low risk revenues. In additional to permanent increase in exposure, temporary increase in exposure is also taken by means of risk based over limit authorization to allow customer convenience and generate fee-based revenue.

c) Account Management

Detailed policies and processes are created for end to end management of the account by means of a comprehensive services policy. It covers security checks at call center/website, account modification activities (address/contact detail change), customer-initiated requests (balance refund, loan requests), account reinstatement, card renewals, supplementary card, billing cycle change, reversal of charges, bureau reporting, dispute/fraud chargeback among others. The primary objective is to respond to queries in a timely and accurate manner and resolve disputes expediently. Technology is heavily leveraged here wherein bulk of the policies and processes are automated with self-service channels for customers. Processes have been created to simplify the customer journey for fulfilment of customer requests. It is also ensured that all account management policies adhere to regulatory guidelines with respect to KYC norms, customer consent etc.

d) Collections and Recoveries

Strategies have been created for repayment at various stages which starts when customer has missed the payment due date. Further segments have been created using the collections scorecards and other variables and the output is passed on to the collections team for on tele calling /field activities. The frequency, mode and verbiage of communication is decided based on the segmentations.

e) Fraud Control

Checks have been built into the account management policy to prevent unauthorized access or takeover of customer account. In addition to that, a robust strategy has been created around transaction fraud covering:

- Decline/alert Rules based on Volume-velocity-variety
- Daily dispute review to identify fraud pattern and merchant
- Daily new merchant review to block fraudulent merchants before they gain momentum

A feedback loop is also created for the sourcing policy to discontinue segments which show considerable and persistent delinquencies. The portfolio review across these metrices is not just with the Company but also with the industry by means of reports or custom analysis from network (Visa/Mastercard/Rupay) or bureau.

(III) Key levers and actions

When it comes to taking actions on portfolio based on the portfolio indicators there are multiple levers of change depending on the desired outcome. These primarily are credit limit reductions, over limit strategies, cross-sell offers, account blocking etc.
Collection Approach

Customers who fail to pay their dues by the stipulated payment due date, at various stages of delinquency, come under the purview of collections & recovery strategies, as is decided by risk and/or collections team from time to time. Company uses various measures for collection of dues including tele-calling, field visits, written reminders, SMS, legal recourse etc. as is permitted by the approved strategy. Collection of dues will follow definitive treatment hierarchy (viz. total amount payment, minimum amount payment, bucket outstanding payment followed by financial hardship tools) and will involve laid down procedures, duly approved. Collection team may segregate treatment of accounts based on effectiveness of collections, cost implications & productivity benefit as well as the stage of delinquency. Accounts may also get allocated to external agencies, duly empaneled, depending on the severity, vintage of delinquency or any other related parameters.

SBI Cards may block the customer's account, in the event payment is not received within stipulated payment due date, as communicated through statements & SMS. The account block, in such cases, may be temporary or permanent depending on delinquency stage, default potential, payment history. Accounts charged off post 191 days from payment due date are classified as Recovery Pool / Post charge-off bucket. Alternate Dispute Resolution channels like Arbitration, Conciliation, Bilingual Legal Notice, Privilege Police Complaint and

Lok Adalat recourse taken depending upon risk profile. Also, Quasi-legal, legal action under Sec 138 of Negotiable Instruments Act.

Also, the collaterals in the case of secured retail and corporate loans given are Fixed Deposit (FD) or Bank Guarantee (BG) from banks and hence, there is no significant/minimal credit risk associated for secured pool of loans which constitutes generally 1% - 2 % of the total credit exposure.

Stress testing on portfolio would be carried out periodically and results are regularly reported to RMCB and necessarily follow up action is taken. The review of portfolio analysis & trends, including recovery rates, is carried out at monthly intervals at the Executive Risk Management Committee of the Company.

Managing customer life cycle is a functional priority of the credit risk function. However, the Company may still continue to recover amounts legally and contractually owed.

Prohibited Practices

Tele callers / Recovery agents are prohibited in conducting the following acts but not limited to:

- Engaging in any conduct or practices that harass, threat, oppress or abuse any person in connection with the collection of a debt.
- Using false, deceptive or misleading representations or practices in collection of any debt.
- Refrain from action that could damage the integrity and reputation of SBI Cards.
- Threatening or using violence to harm an individual's body, reputation or property.
- Using obscene gestures and abusive language (either orally or in writing).

B. Credit risk analysis

This section analyses Company's credit risk split as follows;

(a) **Exposure to credit risk** - Analysis of overall exposure to credit risk before and after credit risk mitigation.
(b) **Credit quality analysis** - Analysis of overall loan portfolio by credit quality.
(c) **Impairment** - Analysis of non-performing / impaired loans.

(Figure in Rupees Crores, unless otherwise stated)

(d) Credit risk mitigation - Analysis of collaterals held by client segment and collateral type.

(a) Exposure to credit risk

Maximum exposure to credit risk before and after credit risk mitigation (explained in detail in point (D)) is given below;

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and bank balances	718.10	677.36
Derivative Financial Instruments	0.10	-
Trade Receivables	56.82	54.45
Loans	23,459.14	22,811.64
Investment	957.56	1.46
Other Financial Assets	221.57	223.09
Total	**25,413.29**	**23,768.00**

Loans to customer includes loans secured by lien on Fixed deposits and Bank Guarantee held with third party banks. Secured loans account for 1.35% .as at March 31, 2021, 1.34% as at March 31, 2020 of total loans.

Notes:

- Loans to customers which accounts for 92.3% of total exposure to credit risk, as at March 31, 2021, 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.
- Investment 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
- Derivative instruments taken by the Company are from the same party (Parent company - Refer Note 16) 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

(Figure in Rupees Crores, unless otherwise stated)

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 Rs 200 Cr.

Single Borrower and Group Borrower exposure as on:

Particulars	Single Borrower exposure	Group Borrower exposure
March 31, 2021	1.66%	2.70%
March 31, 2020	2.80%	4.62%

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, 2021	As at March 31, 2020
Corporate - Secured	25.26	29.14
Corporate - Unsecured	40.92	115.19
Retail - Secured	290.99	277.24
Retail - Unsecured	24,756.66	23,719.03
Total	**25,113.83**	**24,140.60**

(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.

A breakdown of loans by credit quality is given below.

By Portfolio Segment

(Figure in Rupees Crores, unless otherwise stated)

Credit risk classification/ Staging	As at March 31, 2021	As at March 31, 2020
Strong (Stage 1)	20,720.59	19,063.35
Satisfactory (Stage 2)	3,138.96	4,592.87
High Risk (Stage 3)	1,254.28	484.39
Total	**25,113.83**	**24,140.60**

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 since initial recognition or have low credit risk at the reporting date. 12-month expected credit losses ('ECL') are recognized and interest revenue is calculated on the gross carrying amount of the asset.
Stage 2	Includes borrowers that have not had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment. 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 calcu

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 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 instrument to be upgraded from Stage 3, the entire overdue balance 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

(Figure in Rupees Crores, unless otherwise stated)

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 = Balance Outstanding + CCF*(Credit Limit – 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 % = Utilisation (t+12) – 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, 2021, 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	0.92%	2.88%	100.00%	57.92%	57.92%	57.92%
Retail - Secured	3.53%	8.14%	100.00%	9.19%	9.19%	9.19%
Retail - Unsecured	2.47%	6.15%	100.00%	65.90%	65.90%	65.90%

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 point's	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+)	1. PD determination basis external raiting 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	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	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 and is not forward looking as it is based on past historical data. Accordingly, in anticipation of the expected economic fallout, we have now 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 erstwhile SC Stand still accounts and 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. We have created additional management overlay on these segments. We are closely monitoring our asset quality and taking suitable actions to manage our exposures. These segments and strategies are being actively monitored and will be refined as more data becomes available.

The incremental provision created as management overlay is as follows:

Stage	Management Overlay
Stage 1	-
Stage 2	143.73
Stage 3	153.27
Total	**297.00**

Below table shows stage wise portfolio gross exposure and loss allowance on Loans

Portfolio Segment	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	22.04	3.22	-	29.14	-	-
Corporate - Unsecured	40.82	0.10	-	52.11	62.70	0.38
Retail - Secured	278.34	6.77	5.88	231.57	44.60	1.08
Retail - Unsecured	20,379.39	3,128.87	1,248.40	18,750.54	4,485.57	482.93
Gross Exposure	**20,720.59**	**3,138.96**	**1,254.28**	**19,063.35**	**4,592.87**	**484.39**
Less : Impairment loss	331.71	346.35	976.63	653.06	350.37	325.53
Carrying Amount	**20,388.88**	**2,792.61**	**277.66**	**18,410.29**	**4,242.50**	**158.86**

Below table shows the breakup of Impairment loss provision

Portfolio Segment	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	-	-	-	-	-	-
Corporate - Unsecured	0.22	-	-	0.57	9.45	0.38
Retail - Secured	0.90	0.05	0.54	0.59	1.06	0.07
Retail - Unsecured	330.59	346.30	976.09	651.90	339.86	325.07
Total Impairment loss	**331.71**	**346.35**	**976.63**	**653.06**	**350.37**	**325.53**

As of March 31, 2021, there is NIL specific loss provision for Corporate unsecured customers (March 31, 2020, loss provision includes, specific impairment loss provision for Rs 4.37 Crores for Corporate unsecured customers (Rs 3.98 Crores and 0.38 Crores for Stage 2 and Stage 3 respectively) and management overlay for COVID-19 as per details mentioned above

(Figure in Rupees Crores, unless otherwise stated)

ECL % as per collective measurement model

ECL percentage	As at March 31, 2021			As at March 31, 2020		
Segment wise exposure	**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	0.53%	1.67%	57.92%	1.10%	8.72%	100.00%
Retail - Secured	0.32%	0.75%	9.19%	0.25%	0.46%	6.94%
Retail - Unsecured	1.63%	4.05%	65.90%	1.69%	4.29%	65.63%

ECL % including individual measurement and management overlay

ECL percentage	As at March 31, 2021			As at March 31, 2020		
Segment wise exposure	**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	0.54%	0.00%	0.00%	1.10%	15.07%	100.00%
Retail - Secured	0.32%	0.74%	9.18%	0.25%	2.37%	6.94%
Retail - Unsecured	1.62%	11.07%	78.19%	3.48%	7.58%	67.31%

Movement of Impairment loss allowance:

Particulars	Stage 1	Stage 2	Stage 3
Impairment Loss Allowance as at March 31, 2020	**653.06**	**350.37**	**325.53**
Movements during the year			
Addition / Reduction during the year	(392.28)	(238.04)	2,009.41
Provision movement on account of derecognise during the year	-	-	(152.93)
Provision movement due to Write-offs during the year	-	-	(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**

Particulars	Stage 1	Stage 2	Stage 3
Impairment Loss Allowance as at March 31, 2019	259.99	56.45	301.13
Movements during the year			
Addition / Reduction during the year	(35.48)	84.34	783.15
Provision movement due to Write-offs during the year	-	-	(862.92)
New Addition during the year *	428.55	209.59	104.17
Impairment Loss Allowance as at March 31, 2020	**653.06**	**350.37**	**325.53**

* Includes management overlay due to COVID -19 of Rs 297.00 Crores (Rs 489.26 Crores as of March 31, 2020)

(d) Movement of Impairment Loss on assets other than Loans

For the year ended March 31, 2021

Particulars	Trade receivable	Other Financial asset	Other non Financial assets
Opening balance	0.16	3.69	114.20
Addition / Reduction during the year	0.18	(1.79)	(0.46)
Closing Balance	**0.34**	**1.91**	**113.74**

For the year ended March 31, 2020

Particulars	Trade receivable	Other Financial asset	Other non Financial assets
Opening balance	-	2.15	119.68
Addition / Reduction during the year	0.16	1.63	(5.47)
Closing Balance	**0.16**	**3.69**	**114.20**

(Figure in Rupees Crores, unless otherwise stated)

(e) Credit risk mitigation

The below table shows the cover ratio of total NPA for the portfolio segment

As at March 31, 2021

Non-Performing Loans	Corporate Unsecured	Retail Secured	Retail Unsecured
Loans	-	5.88	1,248.40
Loss reserve (ECL)	-	0.54	976.09
Coverage	0.00%	9.18%	78.19%

As at March 31, 2020

Non-Performing Loans	Corporate Unsecured	Retail Secured	Retail Unsecured
Loans	0.38	1.08	482.93
Loss reserve (ECL)	0.38	0.07	325.07
Coverage	100.00%	6.94%	67.31%

37.2.3. 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:

SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Notes forming part of the financial statements
(Figure in Rupees Crores, unless otherwise stated)

Maturity Analysis of Non Derivative financial assets & liabilities : As at Mar'21

Description	Upto 30/31	Over 1 month	Over 2 months	Over 3 months	Over 6 months	Over 1 year to	Over 3 year to	Over 5 years	Total
Financial Liabilities									
Debt securities	-	613.66	416.43	449.84	918.00	2,785.00	750.00	-	5,932.93
Borrowings other than debt securities	5,006.20	2,915.48	1,706.14	814.70	278.34	92.12	23.25	0.55	10,836.78
Subordinated liabilties	-	-	6.46	28.56	113.31	800.00	-	350.00	1,298.33
Other Financial Liabilities	569.31	81.44	72.61	243.66	425.77	0.63	-	69.57	1,462.99
Financial Liabilities Total	**5,575.51**	**3,610.58**	**2,201.64**	**1,536.76**	**1,735.42**	**3,677.75**	**773.25**	**420.12**	**19,531.03**
Financial Assets									
Cash and cash equivalents	641.18	-	2.02	-	-	-	-	-	643.20
Banks Balances	5.25	0.01	-	0.03	0.50	-	-	69.11	74.90
Loans & Advances	7,288.07	3,440.15	2,263.43	3,823.37	2,800.29	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	35.13	24.05	10.64	24.49	159.75	19.12	1.31	3.89	278.39
Financial Assets Total	**7,969.63**	**3,745.74**	**2,277.78**	**4,129.57**	**3,023.65**	**3,672.14**	**232.82**	**361.85**	**25,413.19**

Maturity Analysis of Non Derivative financial assets & liabilities : As at Mar'20

Description	Upto 30/31 days	Over 1 month	Over 2 months	Over 3 months	Over 6 months	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Financial Liabilities									
Debt securities	199.34	637.26	860.94	1,266.82	1,091.36	1,443.90	299.66	-	5,799.28
Borrowings other than debt securities	5,776.99	2,479.11	1,829.11	237.32	24.63	89.85	36.61	1.00	10,474.62
Subordinated liabilties	-	-	7.22	29.37	15.57	199.77	699.12	347.79	1,298.85
Other Financial Liabilities	371.28	132.65	135.55	385.36	109.99	-	-	61.37	1,196.21
Financial Liabilities Total	**6,347.60**	**3,249.01**	**2,832.81**	``	**1,241.56**	**1,733.52**	**1,035.40**	**410.17**	**18,768.95**
Financial Assets									
Cash and cash equivalents	377.33	138.58	-	-	-	-	-	-	515.91
Banks Balances	-	0.01	0.02	1.03	101.54	-	-	58.85	161.45
Loans & Advances	6,243.28	3,286.55	3,061.65	4,988.60	2,657.73	2,414.98	-	158.85	22,811.64
Investments	-	-	-	-	-	-	-	1.46	1.46
Other Financial Assets	33.66	67.59	9.85	48.36	98.88	15.37	3.68	0.15	277.54
Financial Assets Total	**6,654.27**	**3,492.73**	**3,071.52**	**5,037.99**	**2,858.15**	**2,430.34**	**3.68**	**219.31**	**23,768.00**

SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
Notes forming part of the financial statements
(Figure in Rupees Crores, unless otherwise stated)

Maturity Analysis of Derivative financial assets & liabilities :

Description	Upto 30/31 days	Over 1 month	Over 2 months	Over 3 months	Over 6 months	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at March 31, 2021									
Foreign exchange forward contract Liabilities (Assets)					(0.10)				(0.10)
As at March 31, 2020									
Foreign exchange forward contract Liabilities (Assets)				0.43					0.43

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.

Following is the position of company's undrawn limits as on respective year end dates:

Funding Facility	Total Facility	Drawn *	Undrawn
March 31, 2021			
Less than 1 year	19,000.00	12,875.66	6,124.34
March 31, 2020			
Less than 1 year	16,500.00	12,839.86	3,660.14

* does not include lease liability

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, 2021 would increase/decrease by Rs.1.12 crores (for the year ended March 31, 2020 increase/decrease by Rs. 0.15 crores) as a result of the changes in fair value of equity investments measured at FVTOCI.

Decription	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
10% Value	1.12	-1.12	0.15	-0.15

38. Auditors' remuneration (excluding GST/Service tax)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit fee	0.30	0.30
Quarterly Limited Review fee	0.06	0.13
Tax audit fee	0.03	0.03
Fee for other services	0.07	0.05
Reimbursement of expenses	0.02	0.02
Total	**0.49**	**0.53**

For year ended March 31, 2020, the Company has also paid an amount of Rs 0.33 Crores to the auditors in relation to IPO assignment and the proportionate expenses (Company's share) Rs 0.02 Crores is netted off from 'securities premium account'.

39. 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:

Reward Points Movement*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a. Provision at the beginning of the year	**405.88**	438.84
b. Net addition during the year	333.22	547.18
c. Value of points redeemed during the year	(358.79)	(439.13)
d. Adjustment for change in estimate during the year	-	(155.41)
e. Movement on account of unpaid vendors liability	6.68	14.39
f. Provision at the end of the year* (a+b-c-d+e)	**386.98**	**405.88**

* Provision for reward points as at March 31, 2021 includes provision as per actuarial valuation of Rs. 342.11 Crores (previous period Rs. 367.69 Crores) and provision for unpaid claims of Rs. 44.87 Crores (previous period Rs. 38.19 Crores)

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, 2021	For the year ended March 31, 2020
a. Provision at the beginning of the year	**0.18**	0.15
b. Additions / (Reduction) made during the year	(0.00)	0.09
c. Amount Paid during the year	0.02	0.06
d. Provision at the end of the year (a+b-c)	**0.16**	**0.18**

(Figure in Rupees Crores, unless otherwise stated)

40. Income and expenditure in foreign currency

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenditure in foreign currency (on accrual basis)		
Network and other service charges	253.57	405.35
Professional fees	7.45	8.89
Travel & Conveyance	-	0.92
Others	9.97	11.57
Finance Cost	42.55	56.51
Income in foreign currency (on accrual basis)		
Business development incentive & Interchange income	292.72	385.17

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

Notes forming part of the financial statements

Fellow subsidiaries contd..

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 01 'August'2020 to 27th January'2021)

Mr. Hardayal Prasad, MD and CEO (till 31July' 2020)

Mr. Nalin Negi, CFO

Ms. Payal Mittal Chhabra, Company Secretary

Mr. Sunil Kaul, Director

Dr. Tejendra Mohan Bhasin, Director (from 28 June 2019)

Mr. Rajendra Kumar Saraf, Director (from 14 August 2019)

Mr. Dinesh Kumar Mehrotra, Director (from 14 November 2019)

Ms. Anuradha Shripad Nadkarni, Director (from 14 November 2019)

Mr. Shree Prakash Singh, Director (till 31 July'2020)

Mr. Devendra Kumar, Director (from 21 August 2020)

Mr. Shriniwas Yeshwant Joshi, Director (from 04 December 2020)

Mr. Rajnish Kumar, Director (till 6th October'2020)

Mr. Nilesh Shivji Vikamsey, Director ((from 14 August 2019 till 5th November 2020)

Mr. Ashwini Kumar Sharma, Director (till 05 August 2019)

Ms. Saraswathy Athmanathan, Director (till 03 August 2019)

(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, 2021

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
a. Transactions during the period	**For the year ended March 31, 2021**			
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 Employement 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	-

(Figure in Rupees Crores, unless otherwise stated)

Notes forming part of the financial statements

Particulars	Holding Company	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
b. Balances Outstanding at Period End	**As at March 31, 2021**			
Trade Payables and Other liabilities	45.73	-	0.81	-
Trade receivables	-	-	0.16	-
Borrowings Including Interest Payable	9,951.06	-	319.89	-
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.

(Figure in Rupees Crores, unless otherwise stated)

41.2. Transactions/balances outstanding with related parties for the Year ended/as at March 31, 2020

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
a. Transactions during the year	**For the year ended March 31, 2020**			
Advertisement, sales promotion & Collection	24.79	-	-	-
Cost allocations received*	2.47	-	-	-
Fees and Commission, bank charges	172.80	-	-	-
Commission Received	-	-	0.04	-
Personnel Cost (Managerial remuneration- Salaries & other Allowances)	-	-	-	3.34
Personnel Cost (Managerial remuneration- Post Employement Benifits)	-	-	-	0.12
Personnel Cost (Managerial remuneration- Share based payments)	-		-	0.53
Gratuity fund contribution	-	-	11.49	-
Interest Income on fixed deposit	0.82	-	-	-
Income on Investment	-	-	0.02	
Finance charges	662.82	-	7.98	-
Borrowings taken	74,120.64	-	825.00	-
Borrowings repaid	73,206.38	-	-	-
Investment Purchased	-	-	60.00	-
Investment Sold	-	-	60.00	-
Fixed Deposit made	367.91	-	-	-
Fixed deposit matured	365.24	-	-	-
Royalty expenses	24.90	-	-	-
Loans and Advances given and other adjustments	2.65	-	3.99	0.37
Loans and Advances Repaid	2.70	-	4.10	0.42
Insurance Expenses	-	-	1.53	-
Conrtibution to Other Fund	0.74	-	-	-
CSR Contribution	-	-	2.04	-
IPO Expenses (our share)	-	-	0.30	-

IPO expenses related to the selling shareholders have not been considered above as they are not expense of the Company and the same are borne by the Selling Shareholders.

SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
(Figure in Rupees Crores, unless otherwise stated)

Notes forming part of the financial statements

Particulars	Holding Company	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
b. Balances Outstanding at year End	**As at March 31, 2020**			
Trade Payables and Other liabilities	32.24	4.01	10.41	-
Trade receivables	0.60	-	-	-
Borrowings	9,804.95	-	315.00	-
Interest and other Payable	112.37	-	4.93	-
Cash and Bank Balances**	395.90	-	-	-
Loans and Advances***	8.85	-	0.12	0.01
Fixed deposit	5.09	-	-	-
Investments	-	-	0.001	-
Other Recoverable	-	-	0.02	-
Contribution to other fund	0.07	-	-	-
Interest Accrued	0.17	-	-	-

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, 2020.

*** These amounts represent year-end balances outstanding as at March 31, 2020 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 as on date when the Scheme become 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 31st March 2021, Performance based options (Performance Option-2) are granted as 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.

(Figure in Rupees Crores, unless otherwise stated)

Notes forming part of the financial statements

i) Summary of options granted under plan:

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	Total
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 Rs.)	152.10	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	52,780	131,950
Avg. Exercise price per share option(in Rs.)	-	-	-	-	-	152.10	152.10	152.10	152.10	152.10
Vesting Period	-	-	-	-	-	1 year	2 year	3 year	4 year	-
Options Exercised during the year										
Number of Options	1,031,500	728,932	-	-	-	-	-	-	-	1,760,432
Avg. Exercise price per share option(in Rs.)	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 Rs.)	-	-	152.10	152.10	152.10	152.10	152.10	152.10	152.10	152.10

SBI Cards and Payment Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)
(Figure in Rupees Crores, unless otherwise stated)

Notes forming part of the financial statements

Option movement	As at March 31, 2020									
	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	Total
Opening balance										
Options Granted during the year										
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 Rs.)	152.10	152.10	152.10	152.10	152.10	-	-	-	-	152.10
Vesting Period	1 year	1 year	2 year	3 year	4 year	-	-	-	-	-
Options Exercised during the year	-	-	-	-	-	-	-	-	-	-
Options Forfeited during the year	-	-	-	-	-	-	-	-	-	-
Options Expired during the year	-	-	-	-	-	-	-	-	-	-
Options Vested during the year	-	-	-	-	-	-	-	-	-	-
Options Outstanding at the year end										
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 Rs.)	152.10	152.10	152.10	152.10	152.10					152.10

(Figure in Rupees Crores, unless otherwise stated)

ii) Share options outstanding at the end of period have following expiry date and exercise prices.

Option	Grant date	Expiry date	Exercise price (in Rs.)	Share options March 31, 2021
Performance Option-1	Tranche 2 - September 17,	16 September 2021	152.10	2,389,100
	Tranche 3 - September 17,	16 September 2022	152.10	3,583,650
	Tranche 4 - September 17,	16 September 2023	152.10	4,778,200
Performance Option-2	Tranche 1 - June 17, 2020	16 June 2021	152.10	13,195
	Tranche 2 - June 17, 2020	16 June 2022	152.10	26,390
	Tranche 3 - June 17, 2020	16 June 2023	152.10	39,585
	Tranche 4 - June 17, 2020	16 June 2024	152.10	52,780
	Total			**10,882,900**
	Weighted average remaining contractual life of options outstanding (In years)			1.73

iii) Fair value at the grant date of options granted during the year ended March 31, 2021

Type of Option	Tranche	Fair value (in Rs.)
Performance Option-2	Tranche 1	604.9
	Tranche 2	613.1
	Tranche 3	620.9
	Tranche 4	628.3

Fair value at the grant date of options granted during the period ended March 31, 2020

Type of Option	Tranche	Fair value (in Rs.)
Goodwill options	NA	49.0
Performance Option-1	Tranche 1 options	50.5
	Tranche 2 options	56.9
	Tranche 3 options	64.5
	Tranche 4 options	71.2

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	Goodwill Options	Performance Options-1				Performance Options-2			
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
years to expiration	3.5	3.5 to 3.9	4.5	5.5	6.5	3.5	4.5	5.5	6.5
Risk free rates	6.5%	6.5% to 6.6%	6.6%	6.7%	6.8%	5.9%	6.1%	6.2%	6.3%
Expected volatility	31.1%	30.9% to 31.1%	30.8%	31.1%	31.2%	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 instinct 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, 2021	March 31, 2020
Employee option plan	30.18	18.18
Total expense	**30.18**	18.18

43. Leases

The Company has leases of various offices and equipment. Rental contracts are typically made for fixed periods of 3 to 9 years but may have extension options as described in (II) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable wherever applicable.
- Variable lease payment that are based on an index or a rate if applicable.
- Amounts expected to be payable by the lessee under residual value guarantees if applicable.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option if applicable, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

(Figure in Rupees Crores, unless otherwise stated)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received if applicable, and
- any initial direct costs if applicable.

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. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

I. Variable lease payments

Estimation uncertainty arising from 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.

II. Extension and termination options

Extension and termination options are included in a number of lease contracts. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

The company has classified computer server used in data center management services as lease. Contractual maturities of lease liabilities on as undiscounted basis are as given below:

Particulars	March 31, 2021	March 31, 2020
Not later than one year	57.34	49.26
Later than one year and not later than five years	115.36	126.46
Later than five years	0.56	1.00
Total minimum lease payments	**173.26**	**176.72**

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.

(Figure in Rupees Crores, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident Fund	18.02	17.80
Employee State Insurance Corporation (ESIC)	0.36	0.62
Contribution to National Pension Scheme	0.89	0.74
Labour Welfare Fund	0.14	0.14
Total	**19.41**	**19.30**

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, 2021	For the year ended March 31, 2020
Discount rate	6.30%	6.95%
Future Salary Increase/Salary escalation	9.00%	10.00%
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	22.00%	27.00%
From 31 to 40 years	12.00%	11.00%
From 41 to 50 years	11.00%	9.00%
From 51 to 59 years	0.00%	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)

Statement of profit and loss

Net employee benefits expense recognized in the employee cost:

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Current service cost	8.16	6.43
Past service cost	-	-
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	0.08	0.15
(Gains) / losses on settlement	-	-
Components of defined benefit costs recognised in profit or loss	8.24	6.59
Remeasurement on the net defined benefit liability:		
Changes in financial assumptions	(1.75)	2.98
Changes in demographic assumptions	(1.56)	0.00
Experience adjustments	(4.24)	2.14
Return on plan assets (excluding amounts included in net interest expense)	0.13	(1.11)
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	(7.42)	4.01

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated 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, 2021**	**For the year ended March 31, 2020**
Present value of funded defined benefit obligation	56.28	53.85
Fair value of plan assets	(55.47)	(50.22)
Net unfunded obligation status	0.81	3.63
Restrictions on asset recognised		-
Net liability arising from defined benefit obligation	**0.81**	**3.63**

(Figure in Rupees Crores, unless otherwise stated)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined benefit obligation	53.85	41.75
Current service cost	8.16	6.43
Past service cost	-	-
Interest cost	3.59	3.02
Remeasurement (gains)/losses due to:		
Actuarial gains and losses arising from changes in financial assumptions	(1.75)	2.98
Actuarial gains and losses arising from changes in demographic assumptions	(1.56)	-
Actuarial gains and losses arising from experience adjustments	(4.24)	2.14
Benefits paid	(1.77)	(2.47)
Liabilities assumed/(settled)	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Closing defined benefit obligation	**56.28**	**53.85**

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, 2021	For the year ended March 31, 2020
Discount Rate		
Impact of increase 50 bps on Defined benefit obligation	-4.52%	-5.04%
Impact of Decrease 50 bps on Defined benefit obligation	4.88%	5.48%
Salary Esclation rate		
Impact of increase 50 bps on Defined benefit obligation	4.73%	5.29%
Impact of Decrease 50 bps on Defined benefit obligation	-4.43%	-4.93%

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

(Figure in Rupees Crores, unless otherwise stated)

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, 2021	For the year ended March 31, 2020
Expected Benefits for 1 year	5.19	4.34
Expected Benefits for 2 year	5.07	4.30
Expected Benefits for 3 year	4.87	4.17
Expected Benefits for 4 year	4.79	4.05
Expected Benefits for 5year	4.38	3.95
Expected Benefits for 6 year	4.73	3.63
Expected Benefits for 7 year	3.70	4.18
Expected Benefits for 8 year	4.15	3.19
Expected Benefits for 9 year	4.00	3.91
Expected Benefits for 10 year and Above	74.36	96.43
weighted average duration to the payment of these cash flows (in Years)	9.39	10.51

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, 2021	For the year ended March 31, 2020
Discount rate	6.30%	6.95%
Future Salary Increase/Salary escalation	9.00%	10.00%
Retirement Age (years)	60 Years	60 Years
Mortality Tables*	2012-14	2012-14
Employee turnover		
From 21 to 30 years	22.00%	27.00%
From 31 to 40 years	12.00%	11.00%
From 41 to 50 years	11.00%	9.00%
From 51 to 59 years	0.00%	0.00%

(Figure in Rupees Crores, unless otherwise stated)

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, 2021	For the year ended March 31, 2020
Defined benefit obligation	16.94	15.12
Closing defined benefit obligation	**16.94**	**15.12**

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, 2021	For the year ended March 31, 2020
Discount rate	6.30%	6.95%
Increase in Cost of Award	0.00%	0.00%
Retirement Age (years)	60 Years	60 Years
Mortality Tables*	2012-14	2012-14
Employee turnover		
From 21 to 30 years	22.00%	27.00%
From 31 to 40 years	12.00%	11.00%
From 41 to 50 years	11.00%	9.00%
From 51 to 59 years	0.00%	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 long service award in respect of the employees of the Company are as follows:

Notes forming part of the financial statements

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation	8.83	7.84
Closing defined benefit obligation	**8.83**	**7.84**

45. Contingent liabilities

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Claims against the Company not acknowledged as debt		
(a) Demand notices from Service tax department	53.74	39.53
(b) Claims against the company in the ordinary course of business	19.36	15.19
(c) Guarantees	110.13	110.18
(d) Demand notice from Income tax department	5.45	5.45
(e) Contribution notice from ESIC & EPFO	7.08	2.53
Total	**195.76**	**172.88**
Pre-deposit against claims	**2.47**	**2.06**

Certain show cause notices relating to indirect taxes matters amounting to Rs. 4.72 Crores (previous period Rs. 4.72 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.

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, 2021.

46. SEGMENT INFORMATION

The Segment reporting disclosed by the Company in this section is presented in accordance with the disclosure’s requirements of Ind AS 108 "Operating Segment".

Definition of the operating segments of the Company is based on the identification of the various activities performed which generate revenues and expenses, while also taking into consideration the organizational structure approved by the Board of Directors for business management purposes. Based on these segments, management analyses the main operating and financial metrics for the purpose of taking resource allocation decisions and assessing the Company's performance. The Company has not aggregated any operating segments for presentation purposes.

There is only reportable segment ("Credit cards") an 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 is 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.

47. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounted to Rs. 22.07 crores as at March 31, 2021, (Rs. 23.08 crores as at March 31, 2020).

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. The balances are reconciled with the balance confirmation received and discrepancies, if any are accounted on regular basis. For the year end balances of Account Receivables, Account Payables and Loans, 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.

49. The Company deposited 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 Rs. 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 Rs. 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 Rs. 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, 2019. 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 Rs. 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, 2021 to mitigate the uncertainty risk considering that the said refund is subject to interpretation of law in view of the above.

51. All financial information presented in INR has been rounded off to the nearest crores (up to two decimals), except as stated otherwise. Till previous year, all financial information was rounded off to the nearest lakhs (up to two decimals), except as stated otherwise.

52. During the year ended March 31, 2021, 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, 2021**	**For the year ended March 31, 2020**
Number of accounts	:	31671	NIL
Aggregate value (net of provisions) of accounts sold to ARC	:	Rs 79.88 Crores	NIL
Aggregate consideration	:	Rs 18.43 Crores	NIL
Additional consideration realized in respect of accounts transferred in earlier years	:	NIL	NIL
Aggregate gain / (loss) over net book value	:	(Rs 61.45 Crores)	NIL

The consideration on sales of asset [Stage 3] has been settled in cash as of March 31, 2021.

53. In accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all categories of eligible borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions and IBA notification bearing reference No. CIB/ADV/MBR/9833 dated April 19, 2021 on methodology for calculation of the amount of such 'interest on interest', Company has formulated a Board-approved policy for such refund and also recognised a charge of Rs. 4.17 Crores in its Statement of Profit and Loss for the year ended March 31, 2021, and the same shall be credited to customer's account in due course of time.

54. During the financial year ended March 31, 2021, the Company has reclassified following comparative figures which do not have material impact on the Financial Statements

Note No.	Note Description	Previously reported Amount	Revised Amount	Change
Asset				
Note 5	Cash and cash equivalents	515.13	515.91	0.78
Note 6	Bank Balance	160.90	161.45	0.55
Note 9	Other receivables	180.17	-	(180.17)
Note 12	Other financial assets	40.34	223.10	182.76
		Total		**3.92**
Liabilities				
Note 18	Debt securities	5,685.44	5,799.28	113.84
Note 19	Borrowings (other than Debt Securities) & lease liabilities	10,432.82	10,474.62	41.80
Note 20	Subordinated liabilities	1,246.68	1,298.85	52.17
Note 21	Other financial liabilities	671.26	467.37	(203.89)
		Total		**3.92**

55. SEBI Initial Disclosure requirement (circular No HO/DDHS/CIR/P/2018/144 dt Nov'18)

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 31st March 2021 (in Rs cr)	Rs 18,068.04 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 Annual Disclosure requirement (circular No HO/DDHS/CIR/P/2018/144 dt Nov'18)

S. No.	Particulars	Details
i.	Incremental borrowing done in FY **(a)**	Rs 1,900.00 Cr
ii.	Mandatory borrowing to be done through issuance of debt securities **(b) = (25% of a)**	Rs 475.00 Cr
iii.	Actual borrowings done through debt securities in FY **(c)**	Rs 1,900.00 Cr
iv.	Shortfall in the mandatory borrowing through debt securities, if any **(d) = (b) - (c)** **{If the calculated value is zero or negative, write "nil"}**	Nil
v.	Reasons for short fall, if any, in mandatory borrowings through debt securities	N.A.

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 (Rs. crore)	% of Total deposits	% of Total Liabilities
1	Jun'20	9 (Nine)	13,420.38	N.A.	72.12%
2	Sep'20	8 (Eight)	13,504.25	N.A.	73.25%
3	Dec'20	10 (Ten)	15,523.37	N.A.	73.35%
4	Mar'21	8 (Eight)	15,274.68	N.A.	72.18%

ii) Top 20 large deposits (amount in Rs. 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 Rs. crore and % of total borrowings)

Sr. No.	Quarter ended	Amount (Rs. crore)	% of Total Borrowings
1	Jun'20	13,466.07	84.29%
2	Sep'20	13,678.77	87.75%
3	Dec'20	15,427.00	85.39%
4	Mar'21	15,559.24	87.37%

iv) Funding Concentration based on significant instrument/product

Sr. No.	Quarter ended	Bank Lines		Debentures		Commercial Papers	
		Total Amount (Rs. crore)	% of Total Liabilities	Total Amount (Rs. crore)	% of Total Liabilities	Total Amount (Rs. crore)	% of Total Liabilities
1	Jun'20	9,105.33	48.93%	4,390.15	23.59%	2,416.35	12.98%
2	Sep'20	8,843.07	47.97%	4,390.45	23.81%	2,294.96	12.45%
3	Dec'20	10,047.50	47.48%	4,340.74	20.51%	3,604.31	17.03%
4	Mar'21	10,663.52	51.49%	5,019.12	24.23%	2,212.14	10.68%

(Figure in Rupees Crores, unless otherwise stated)

Notes forming part of the financial statements

v) Stock Ratios :

Sr. No.	Quarter ended	Name of the instrument/product	% of Total Public Funds	% of Total Liabilities	% of Total Assets
a	Jun'20	Commercial Papers	N.A.	12.98%	9.96%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	68.13%	52.26%
b	Sep'20	Commercial Papers	N.A.	12.45%	9.44%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	65.75%	49.85%
c	Dec'20	Commercial Papers	N.A.	17.03%	13.21%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	62.36%	48.38%
d	Mar'21	Commercial Papers	N.A.	10.68%	8.19%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	65.51%	50.23%

vi) Institutional set-up for liquidity risk management
Refer note no 37.2.3 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 also 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. 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 is 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.

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 monthly observations over the previous/reporting quarter.

Notes forming part of the financial statements

(Rs. In Crores)

Sr. No.	Particulars	Quarter ended March 31, 2021 Total Unweighted Value (Average)	Quarter ended March 31, 2021 Total Weighted Value (Average)	Quarter ended December 31, 2020 Total Unweighted Value (Average)	Quarter ended December 31, 2020 Total Weighted Value (Average)
High Quality Liquid Asset					
1	Total High Quality Liquid Assets (HQLA)		**961.09**		**1,113.18**
Cash Outflows					
2	Deposits (For Deposit taking Companies)	-	-	-	-
3	Unsecured Wholesale Funding	395.41	454.72	362.21	416.54
4	Secured Wholesale Funding	3,908.10	4,494.32	4,363.41	5,017.92
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	-	-	-	-
6	Other contractual funding obligations	1,128.07	1,297.28	1,157.93	1,331.61
7	Other contingent funding obligations	-	-	-	-
8	Total Cash Outflows	**5,431.58**	**6,246.32**	**5,883.55**	**6,766.08**
Cash Inflows					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	7,479.60	5,609.70	7,627.07	5,720.30
11	Other Cash Inflows	118.05	88.54	127.43	95.58
12	Total Cash Inflows	**7,597.65**	**5,698.24**	**7,754.50**	**5,815.88**
			Total Adjusted Value		**Total Adjusted Value**
13	Total HQLA		961.09		1,113.18
14	Total Net Cash Outflows		1,561.58		1,691.52
15	Liquidity Coverage Ratio (%)		**61.55%**		**65.81%**

* For December quarter, Total weighted value (average) HQLA is for the month of December 2020 only, as LCR was applicable from December 01,2020.

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 majorly incomes accruals which company expects to receive in next 30 days.

The average LCR of the Company for the three months ended March 31, 2021 was 61.55% as against 65.81% for the quarter ended December 31,2020. The LCR remains above the regulatory minimum requirement of 50%. The average HQLA for the quarter ended March 31,2021 was Rs 961.09 crores as against Rs 1,113.18 crores for the quarter ended December 31,2020. The net cash outflow position has gone down by Rs 129.94 crores and HQLA level has gone down by Rs 152.09 crores as cash outflows in next 30 days has reduced. HQLA comprises of balances in demand deposits with Scheduled Commercial Banks (1.85%), Investments in Treasury Bills (64.67%) and investment in Government Securities (33.48%). 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.

(Figure in Rupees Crores, unless otherwise stated)

Notes forming part of the financial statements

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	
Liabilities side:	**March 31, 2021**		**March 31, 2020**	
Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:	**Amount outstanding**	**Amount overdue**	**Amount outstanding**	**Amount overdue**
(a) Debentures : Secured				
: Unsecured	5,019.12	-	4,556.16	-
(Other than falling within the meaning of public deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowing				
(e) Commercial Paper	2,212.14	-	2,541.97	-
(f) Other Loans				
- External commercial borrowings	-	-	-	-
- Cash/Credit Loans*	10,663.52	-	10,297.89	-
- Finance lease obligation	-	-	-	-
- lease obligation	173.26	-	176.73	-

* It includes working capital demand loan.

Assets side:	**Amount outstanding As at March 31, 2021**	**Amount outstanding As at March 31, 2020**
Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured*	316.25	306.38
(b) Unsecured	24,797.58	23,834.22
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 As at March 31, 2021**	**Amount outstanding As at March 31, 2020**
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	623.25	Nil
(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	323.11	Nil
(v) Others	Nil	Nil
2. Unquoted:		
(i) Shares: (a) Equity	11.20	1.46
(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

(Figure in Rupees Crores, unless otherwise stated)

Notes forming part of the financial statements

Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provisions					
	As at March 31, 2021			As at March 31, 2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	0.24	0.24	-	0.17	0.17
(c) Other related parties	-	0.02	0.02	-	0.01	0.01
2. Other than related parties	314.76	23,144.13	23,458.89	304.66	22,506.81	22,811.48
Total	**314.76**	**23,144.39**	**23,459.14**	**304.66**	**22,507.00**	**22,811.66**

Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

	As at March 31, 2021		As at March 31, 2020	
Category	**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	957.56	957.56	1.46	1.46
Total	**957.56**	**957.56**	**1.46**	**1.46**

* Refer note 10

Other Information	**As at March 31, 2021**	**As at March 31, 2020**
Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	1,254.28	484.39
Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	277.65	158.86

(Figure in Rupees Crores, unless otherwise stated)

59. Disclosure of Restructured Accounts

S. No.	Type of Restructuring		Under CDR					Under SME Debt					Others				
	Asset Classification Details		**A**	**B**	**C**	**D**	**Total**	**A**	**B**	**C**	**D**	**Total**	**A**	**B**	**C**	**D**	**Total**
			#	#	#	#		#	#	#	#		#	#	#	#	
1	Restructured accounts as on 1 April 20	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	**508**	-	-	**508**
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	**1.39**	-	-	**1.39**
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	**0.93**	-	-	**0.93**
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	**3,168**	-	-	**3,168**
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	**37.37**	-	-	**37.37**
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	**24.62**	-	-	**24.62**
3	Upgradations to restructured standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	**177**	-	-	**177**
		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	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	**1,843**	-	-	**1,843**
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	**19.53**	-	-	**19.53**
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	**12.87**	-	-	**12.87**
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	**21**	-	-	**21**
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	**0.20**	-	-	**0.20**
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	**0.13**	-	-	**0.13**
7	Adjustments as on 31st Mar'21 for payment/provision*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount received	-	-	-	-	-	-	-	-	-	-	-	**4.61**	-	-	**4.61**
		Provision adjustments	-	-	-	-	-	-	-	-	-	-	-	**3.05**	-	-	**3.05**
8	Restructured Accounts as on 31st March 2021 (S No 1+2-3-4-5-6-7)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	**1,635**	-	-	**1,635**
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	**14.42**	-	-	**14.42**
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	**9.50**	-	-	**9.50**

* 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

60. Additional Disclosures

60.1. Capital

Particulars		As at March 31, 2021	As at March 31, 2020
i)	CRAR (%)	24.75%	22.43%
ii)	CRAR - Tier I Capital (%)	20.86%	17.70%
iii)	CRAR - Tier II Capital (%)	3.89%	4.72%
iv)	Amount of subordinated debt raised as Tier-II capital*	1,250	1,250
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

*Qualifying amount as Tier II Capital as at 31st March 2021 is Rs 650 crore (Previous Year Rs. 830 crore). Fresh subordinated debt raised as Tier II during Financial Year 2020-21 is Nil (Previous year Rs 100 crore).

60.2. Investments

Particulars	As at March 31, 2021	As at March 31, 2020
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	957.56	1.46
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	957.56	1.46
(b) Outside India	-	-
2 Movement of Provisions held towards		
(i) Opening balance	-	-
(ii) Add: Provisions madde during the year	-	-
(iii) Less: Write-off / write-back of excess	-	-
(iv) Closing balance	-	-

(Figure in Rupees Crores, unless otherwise stated)

Notes forming part of the financial statements

60.3. Derivatives

Forward Rate Agreement / Interest Rate Swap

S. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(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

60.4. Exchange Traded Interest Rate (IR) Derivatives

S. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(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, 2021		As at March 31, 2020	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	Hedged Assets	25.73 (USD 0.35)	Nil	22.62 (USD 0.30)	Nil
	Hedged Liabilities- Loan	Nil	Nil	Nil	Nil
	Hedged Liabilities- Interests	Nil	Nil	Nil	Nil
(ii)	Marked to Market Positions				
	a) Asset (+)	0.10	Nil	Nil	Nil
	b) Liability (-)	Nil	Nil	(0.43)	Nil
(iii)	Credit Exposure	Nil	Nil	Nil	Nil
(iv)	Unhedged Exposures	110.11	Nil	84.75	Nil

Refer note 37 to the financial statements for details

Notes forming part of the financial statements

60.6. Disclosures relating to Securitisation

S. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
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		
	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	Year ended March 31, 2021	Year ended March 31, 2020
(i)	No. of accounts	31671	Nil
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	Rs 79.88 Crores	Nil
(iii)	Aggregate consideration	Rs 18.43 Crores	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / (loss) over net book value	(Rs 61.45 Crores)	Nil

(Figure in Rupees Crores, unless otherwise stated)

60.8. Details of Assignment transactions undertaken by NBFCs

S. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(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

Particulars			For the year ended March 31,2021	For the year ended March 31,2020
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

Details of Non-performing Financial Assets sold:

Particulars			For the year ended March 31,2021	For the year ended March 31,2020
1	(a)	No. of accounts sold	Nil	Nil
	(b)	Aggregate outstanding	Nil	Nil
2	(a)	Aggregate consideration received	Nil	Nil

(Figure in Rupees Crores, unless otherwise stated)

60.10. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2021

Particulars	Upto 30/31 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	7,288.07	3,440.15	2,263.43	3,823.37	2,800.29	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
Borrowings *	5,006.20	3,529.14	2,129.03	1,293.10	1,309.65	3,677.12	773.25	350.55	18,068.04
Foreign Currency assets	-	-	3.98	-	69.13	-	-	-	73.11
Foreign Currency liabilities	13.53	49.20	-	-	-	-	-	-	62.73

Maturity pattern of certain items of assets and liabilities as at March 31, 2020

Particulars	Upto 30/31 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	6,243.28	3,286.55	3,061.65	4,988.60	2,657.73	2,414.98	-	158.85	22,811.63
Investments	-	-	-	-	-	-	-	1.46	1.46
Borrowings *	5,976.33	3,116.36	2,697.27	1,533.50	1,131.56	1,733.52	1,035.40	348.80	17,572.74
Foreign Currency assets	-	-	15.10	36.05	-	-	-	-	51.15
Foreign Currency liabilities	-	56.22	-	-	-	-	-	-	56.22

(Figure in Rupees Crores, unless otherwise stated)

60.11. Exposure to Real Estate

	Category	As at March 31, 2021	As at March 31, 2020
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		
	a. Residential	Nil	Nil
	b. Commercial real Estate	Nil	Nil

60.12. Exposure to Capital Market

	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Direct investment in equity shares, convertible bonds,	Nil	Nil
(ii)	Advances against shares / bonds / debentures or other	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares	Nil	Nil
(vii	Bridge loans to companies against expected equity flows /	Nil	Nil
(viii	All exposures to Venture Capital Funds (both registered and	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 2020-21.

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 31 March 2021.

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 Incorporatoin under Companies Act 2013	L65999DL1998PLC093849
Insurance Regulatory and Development Authority of India	CA0075
NBFC Registeration	14.01328

(Figure in Rupees Crores, unless otherwise stated)

60.15.2. Disclosure of Penalties imposed by RBI and other regulators

No penalties have been imposed by any regulators during financial year 2020-21.

60.15.3. Related Party Transactions

For related party transaction refer note no.42.

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 2020-21.

60.15.5. Revenue Recognition

There is no circumstance in which revenue recognition has been postponed pending the resolution of significant uncertainties.

61. Additional Disclosures

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, 2021	As at March 31, 2020
Provision towards stage 3 assets *	976.63	325.53
Provision for stage 1 and stage 2 assets *	678.06	1,003.43
Provision for Long Service Awards	8.83	7.84
Provision for reward points redemption	386.98	405.87
Provision for Gratuity	0.81	3.63
Provision for Compensated absences	16.94	15.12
Provision on Trade Receivable	0.34	0.16
Provision on Financial assets	1.91	3.69
Provision on Non Financial assets	113.74	114.20
Provision for Bonus & Incentive Payable	40.97	48.83
Provision for Other Expenses**	87.69	121.34

* Includes management overlay.

** Includes accrued expenses for which services/goods received but the invoices are awaited.

61.2. Draw Down from reserves

There is no draw down from the reserves during the financial year ended March 31, 2021.

(Figure in Rupees Crores, unless otherwise stated)

61.3. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Advances

Particulars	As at March 31, 2021	As at March 31, 2020
Total Advances to twenty largest borrowers*	49.95	115.37
Percentage of Advances to twenty largest borrowers to Total	0.20%	0.48%

*In cases of corporate advances the amount of total advances has been taken at group level and not at an individual account level under the same group.

61.4. Concentration of Exposures

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers/customers*	217.08	216.58
Percentage of Exposures to twenty largest borrowers/customers	0.16%	0.17%

*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, 2021	As at March 31, 2020
Total Exposure to top four NPA accounts*	0.75	0.29

*All four NPA accounts has been blocked for transactions. Hence there is an exposure of principal outstanding amount only as the income on this outstanding has already been derecognized as per the accounting policy adopted.

61.6. Sector wise NPAs

Sl No.	Sector	% of NPAs to Total Advances in that sector	As at March 31, 2021	As at March 31, 2020
1	Agriculture & allied activities			
2	MSME			
3	Corporate borrowers - Credit Cards*	0.00%	-	0.38
4	Services			
5	Unsecured personal loans			
6	Auto loans			
7	Other personal loans - Credit Cards	4.99%	1,254.28	484.00

*In case of Corporate Cards, the NPA includes all the credit cards exposure to that corporate in total. % of NPA is for FY 2020-21.

(Figure in Rupees Crores, unless otherwise stated)

61.7. Movement of NPAs

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Net NPAs to Net Advances (%)	1.15%	0.67%
Movement of NPAs (Gross)		
(a) Opening balance	484.39	452.95
(b) Additions during the year *	3,162.24	1,257.44
(c) Reductions during the year	(2,159.54)	(1,226.00)
(d) Derecognised during the year	(232.81)	-
(e) Closing balance	1,254.28	484.39
(ii) Movement of NPAs (Net)		
(a) Opening balance	158.86	151.82
(b) Additions during the year	946.98	370.12
(c) Reductions during the year	(828.19)	(363.08)
(d) Closing balance	277.65	158.86
(iii) Movement of provisions for NPAs (excluding		
(a) Opening balance	325.53	301.13
(b) Provisions made during the year	2,215.26	887.32
(c) Write-off / write-back of excess	(1,411.23)	(862.92)
(d) Derecognised during the year	(152.93)	-
(e) Closing balance	976.63	325.53

* Addition during the year is net of repayment.

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
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6.1)	(6.2)**	(6) = (6.1)+(6.2)	(7)=(4)-(6)
Performing Assets								
Standard	Stage 1 Stage 2	20,720.59 3,138.96	331.71 346.35	20,388.88 2,792.61	95.44	122.06	217.50	460.56
Subtotal of Performing Assets		**23,859.55**	**678.06**	**23,181.49**	**95.44**	**122.06**	**217.50**	**460.56**
Non-Performing Assets (NPA)								
Substandard	Stage 3	1,254.01	976.35	277.65	97.81	-	97.81	878.54
Doubtful- up to 1 year	Stage 3	-	-	-	-	-	-	-
1-3 years	Stage 3	-	-	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-	-	-
Subtotal of dobtful		-	-	-	-	-	-	-
Loss	Stage 3	0.28	0.28	-	0.28	-	0.28	-
Subtotal of NPA		**1,254.28**	**976.63**	**277.65**	**98.09**	**-**	**98.09**	**878.54**
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** **Stage 2**	**20,720.59** **3,138.96**	**331.71** **346.35**	**20,388.88** **2,792.61**	**95.44**	**122.06**	**217.50**	**460.56**
	Stage 3	**1,254.28**	**976.63**	**277.65**	**98.09**	**-**	**98.09**	**878.54**
	Total	**25,113.83**	**1,654.69**	**23,459.14**	**193.53**	**122.06**	**315.59**	**1,339.10**

* Substandard assets provision as per IRACP norms is based on principal balance. Income which would have been derecognized in IRACP on substandard assets is Rs. 273.40 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 31 March 2021.

61.10. Off-balance Sheet SPVs sponsored

There is no off-balance sheet SPVs sponsored by the Company during the year ended 31 March 2021.

61.11. Disclosure of RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 Dated August 6, 2020

Type of borrower	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan **
	(A)	(B)	(C)	(D)	(E)
Personal Loans *	290,884.00	2,668.03	-	-	75.76
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**290,884.00**	**2,668.03**	**-**	**-**	**75.76**

* Represent Credit Card details

** Represent additional provision created as of March 31, 2021, as mandated by RBI Circular dated August 06, 2021, over and above provision created as per ECL model

(Figure in Rupees Crores, unless otherwise stated)

Notes forming part of the financial statements

61.12. Disclosures of Customers Complaints

S.no	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	No. of complaints pending at the beginning of the year	399	293
(b)	No. of complaints received during the year	14,977	16,051
(c)	No. of complaints redressed during the year	15,296	15,945
(d)	No. of complaints pending at the end of the year	80	399

For **S. Ramanand Aiyar & Co.**
Chartered Accountants
Firm Registration No.: 000990N

Puneet Jain
Digitally signed by Puneet Jain
Date: 2021.04.26 17:50:39 +05'30'

Puneet Jain
Partner
Membership No.: 520928

For and on behalf of the Board of Directors
SBI Cards and Payment Services Limited

RAMA MOHAN RAO AMARA
Digitally signed by RAMA MOHAN RAO AMARA
Date: 2021.04.26 17:08:19 +05'30'

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

JOSHI SHRINIWAS YESHWANT
Digitally signed by JOSHI SHRINIWAS YESHWANT
Date: 2021.04.26 18:13:26 +05'30'

Shriniwas Yeshwant Joshi
Director
DIN: 05189697

NALIN NEGI
Digitally signed by NALIN NEGI
Date: 2021.04.26 17:16:15 +05'30'

Chief Financial Officer

PAYAL MITTAL CHHABRA
Digitally signed by PAYAL MITTAL CHHABRA
Date: 2021.04.26 17:21:43 +05'30'

Company Secretary

Date : New Delhi
Place: April 26, 2021

Date: Gurugram / Mumbai
Place: April 26, 2021