

SBICAP (UK) LIMITED
Directors' Report and
Financial Statements
for the Year Ended 31 March 2019

SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

**Contents of the Financial Statements
for the year ended 31 March 2019**

	Page
Company Information	1
Directors' Report	2
Independent Auditors' Report	4
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9
Detailed Profit and Loss Account	14

SBICAP (UK) LIMITED

**Company Information
for the year ended 31 March 2019**

Directors:

S Chadha
D K Khara
U S Sistla
Sandeep

Registered office:

702-703
Tower 42
25 Old Broad Street
London
EC2N 1HN

Registered number:

05461622 (England and Wales)

Auditors:

Haines Watts
Chartered Accountants and Statutory Auditors
Sterling House
177-181 Farnham Road
Slough
Berkshire
SL1 4XP

SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

**Directors' Report
for the year ended 31 March 2019**

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

Principal activity

The principal activity of the company in the year under review was that of the arrangement of Corporate Finance and providing Advisory Services.

Review of business

The company achieved an income (including bank interest) of £ 2,992 (2018: £ 7,114). The loss for the year amounted to £ 349,193 (2018: £ 475,576).

During FY 2019, key work undertaken in the debt capital markets included marketing of various foreign currency bonds issued by Indian corporate clients such as Power Finance Corporation, Indian Oil Corporation and Bharat Petroleum Corporation. The company also arranged non-deal road shows to Power Grid Corporation of India Limited. In the equity capital markets, key work undertaken included managing deal roadshow for Sembcorp Energy India Ltd.

Although the company arranged various investors meetings for placement of Indian originated capital market products, the procurement of investment was not exclusively done by SUL. Many of the mandates were on a no-fee basis as they involved public sector undertakings in India.

The company also made efforts to engage relevant stakeholders in the area of loan syndications and debt resolutions. However, it was unable to execute any deals during the current year. The primary focus in this area of operation was to share leads with the India office, SBI London Branch and other Indian banks in UK.

We have witnessed a growing number of issuances in capital markets from Indian corporate clients since January 2019. Further, many new corporates are exploring to raise money in international markets for the first time. With a stabilising Indian currency and oil prices and a positive economic environment in India, we believe there will be strong appetite for Indian capital market products in this region. We will continue to work with our Group offices for successful placement of their issuances.

In view of the above and the increased focus of the parent bank in doing local business, we anticipate generating income from loan syndications and capital markets transactions in the coming year.

Directors

The directors during the year under review were:

V Purandare	- resigned 31/12/2018
S Chadha	
N R Sowmya	- resigned 23/10/2018
D K Khara	
U S Sistla	- appointed 3/10/2018
Sandeep	- appointed 26/10/2018

The directors holding office at 31 March 2019 did not hold any beneficial interest in the issued share capital of the company at 1 April 2018 (or date of appointment if later) or 31 March 2019.

Going concern

The company took necessary steps to rationalise its operating costs and thus was able to bring down its expenses. The company incurred a loss after taxation for the year of £ 349,193 (2018: £ 475,576) and ended the year with net assets of £ 210,495 (2018: £559,688).

The company is anticipating an equity capital infusion of £ 200,000 from its parent company, SBI Capital Markets Ltd. as an immediate prop to its funds position. This is likely to be completed by end of May 2019. The directors have considered the basis of preparation of the financial statements, and based on the assessment of current cash, expected cash burns and the anticipated equity capital infusion, have an expectation that the company has adequate resources to continue in operational existence. Hence, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors also wish to disclose that they are cognizant of the current financial position of the company and are reviewing the business strategy and operations of SUL to implement required remedial measures.

SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

**Directors' Report
for the year ended 31 March 2019**

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

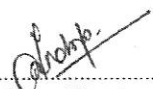
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:


Sandeep - Director



Date: 25/04/2019

**Independent Auditors' Report to the Members of
SBICAP (UK) Limited**

Opinion

We have audited the financial statements of SBICAP (UK) Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

**Independent Auditors' Report to the Members of
SBICAP (UK) Limited**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Wills (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditors
Sterling House
177-181 Farnham Road
Slough
Berkshire
SL1 4XP

Date: 25/4/19

SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

Statement of Comprehensive Income
for the year ended 31 March 2019

	Notes	2019 £	2018 £
Turnover		-	-
Administrative expenses		(352,185)	(482,690)
Operating loss		(352,185)	(482,690)
Interest receivable and similar income	4	2,992	7,114
Loss before taxation	5	(349,193)	(475,576)
Tax on loss	6	-	-
Loss for the financial year		(349,193)	(475,576)
Other comprehensive income		-	-
Total comprehensive income for the year		(349,193)	(475,576)

The notes on pages 9 to 13 form part of these financial statements

SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

Statement of Financial Position
31 March 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	7		1,112		621
Current assets					
Debtors	8	29,722		34,236	
Cash at bank		197,246		583,027	
		226,968		617,263	
Creditors					
Amounts falling due within one year	9	17,585		13,996	
Net current assets			209,383		603,267
Total assets less current liabilities			210,495		603,888
Provisions for liabilities	11		-		44,200
Net assets			210,495		559,688
Capital and reserves					
Called up share capital	12		200,000		200,000
Retained earnings	13		10,495		359,688
Shareholders' funds			210,495		559,688

The financial statements were approved by the Board of Directors on
signed on its behalf by:

25/04/2019

and were


Sandeep - Director



SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

Statement of Changes in Equity
for the year ended 31 March 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	200,000	835,264	1,035,264
Changes in equity			
Total comprehensive income	-	(475,576)	(475,576)
Balance at 31 March 2018	200,000	359,688	559,688
Changes in equity			
Total comprehensive income	-	(349,193)	(349,193)
Balance at 31 March 2019	200,000	10,495	210,495

The notes on pages 9 to 13 form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 March 2019**

1. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

SBICAP (UK) Limited is a limited liability company incorporated in England. The Registered Office is 702-703 Tower 42, 25 Old Broad Street, London, EC2N 1HN.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates in determining the carrying amounts of certain assets and liabilities. Management makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The management's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. This disclosure excludes uncertainty over future events and judgement in respect of measuring financial instruments.

The following are the company's key sources of estimation certainty:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates and the physical condition of the assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including: the credit rating of the receivable, the ageing profile of receivables and historical experience.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

**Notes to the Financial Statements - continued
for the year ended 31 March 2019**

1. Accounting policies - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- Straight line over the life of the lease
Fixtures and fittings	- Straight line over the life of the lease

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

During the year the company incurred a loss after taxation for the year of £349,193 (2018: £475,576) and ended the year with net assets of £210,495 (2018: £559,688).

The company has received a letter of support from its immediate parent company confirming liquid resources will be made available for the company to meet and settle all its liabilities. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors wish to disclose that SBI Capital Markets India Ltd., the parent company of SBICAP (UK) Limited, as part of a larger plan of its business reorganization is reviewing the business strategy and operations of its subsidiaries including SBICAP (UK) Limited.

2. Employees and directors

	2019	2018
	£	£
Wages and salaries	144,400	174,236
Social security costs	10,301	21,450
Other pension costs	2,144	2,663
	<u>156,845</u>	<u>198,349</u>

The average number of employees during the year was as follows:

	2019	2018
Management	1	1
Operations	2	2
	<u>3</u>	<u>3</u>

3. Directors' emoluments

	2019	2018
	£	£
Directors' remuneration	81,159	92,909

Two directors received remuneration from the company. All other directors' remuneration is borne by the immediate parent company.

SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

**Notes to the Financial Statements - continued
for the year ended 31 March 2019**

4. Interest receivable and similar income

	2019	2018
	£	£
Deposit account interest	<u>2,992</u>	<u>7,114</u>

5. Loss before taxation

The loss is stated after charging/(crediting):

	2019	2018
	£	£
Other operating leases	62,233	53,982
Depreciation - owned assets	418	1,410
Loss on disposal of fixed assets	-	163
Auditors' remuneration	6,000	6,000
Foreign exchange differences	<u>565</u>	<u>(5)</u>

6. Taxation

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2019 nor for the year ended 31 March 2018.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Loss before tax	<u>(349,193)</u>	<u>(475,576)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	<u>(66,347)</u>	<u>(90,359)</u>
Effects of:		
Capital allowances in excess of depreciation	(162)	-
Depreciation in excess of capital allowances	-	1,051
Expenses not deductible for tax purposes	14	172
Losses carried forward to future periods	<u>66,495</u>	<u>89,136</u>
Total tax charge	<u>-</u>	<u>-</u>

The company has tax losses of approximately £2,065,716 (2018: £1,715,744) that are available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses as it is not clear when future profits will arise to absorb these losses. The current year tax losses of £349,972 may be surrendered, without payment to a fellow group company.

SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

**Notes to the Financial Statements - continued
for the year ended 31 March 2019**

7. Tangible fixed assets

	Short leasehold £	Fixtures and fittings £	Totals £
Cost			
At 1 April 2018	34,172	754	34,926
Additions	-	909	909
At 31 March 2019	<u>34,172</u>	<u>1,663</u>	<u>35,835</u>
Depreciation			
At 1 April 2018	34,172	133	34,305
Charge for year	-	418	418
At 31 March 2019	<u>34,172</u>	<u>551</u>	<u>34,723</u>
Net book value			
At 31 March 2019	<u>-</u>	<u>1,112</u>	<u>1,112</u>
At 31 March 2018	<u>-</u>	<u>621</u>	<u>621</u>

8. Debtors: amounts falling due within one year

	2019 £	2018 £
Other debtors	17,685	15,270
VAT	5,645	7,508
Prepayments and accrued income	6,392	11,458
	<u>29,722</u>	<u>34,236</u>

9. Creditors: amounts falling due within one year

	2019 £	2018 £
Social security and other taxes	6,136	6,237
Accruals and deferred income	11,449	7,759
	<u>17,585</u>	<u>13,996</u>

10. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £	2018 £
Within one year	33,000	43,970
Between one and five years	5,266	9,990
In more than five years	10,823	-
	<u>49,089</u>	<u>53,960</u>

11. Provisions for liabilities

	2019 £	2018 £
Other provisions	-	44,200

Other provisions in the prior year related solely to dilapidations in respect of the office.

SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

**Notes to the Financial Statements - continued
for the year ended 31 March 2019**

12. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
200,000	Ordinary	£1	<u>200,000</u>	<u>200,000</u>

13. Reserves

	Retained earnings £
At 1 April 2018	359,688
Deficit for the year	<u>(349,193)</u>
At 31 March 2019	<u>10,495</u>

14. Immediate parent company

The immediate parent company is SBI Capital Markets Limited, a company incorporated in India.

15. Directors' advances, credits and guarantees

The following advances and credits to a director subsisted during the years ended 31 March 2019 and 31 March 2018:

	2019 £	2018 £
Sandeep		
Balance outstanding at start of year	-	-
Amounts advanced	2,529	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>2,529</u>	<u>-</u>

16. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

There were no related party transactions during the year or prior year.

17. Ultimate parent company and controlling party

The ultimate parent company and controlling party is State Bank of India, a company incorporated in India.

A copy of the group consolidated financial statements are available online from www.sbi.co.in or from the registered office address: State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai, Maharashtra 400021, India.

SBICAP (UK) LIMITED (REGISTERED NUMBER: 05461622)

Detailed Profit and Loss Account
for the year ended 31 March 2019

	£	2019 £	£	2018 £
Income		-		-
Other income				
Deposit account interest		2,992		7,114
		<u>2,992</u>		<u>7,114</u>
Expenditure				
Wages	63,241		81,327	
Social security	10,301		21,450	
Pensions	2,144		2,663	
Rent	62,233		53,982	
Service charges	4,948		35,786	
Insurance	540		879	
Light and heat	1,210		2,098	
Officers residence rent	32,683		28,843	
Directors' salaries	81,159		92,909	
News distribution	641		631	
Telephone	2,587		7,458	
Post and stationery	1,149		1,213	
Advertising	-		2,500	
Travelling	17,576		22,070	
Repairs and renewals	1,131		747	
Dilapidations	(19,200)		44,200	
Canteen and cleaning	3,226		7,884	
Recruitment expenses	1,837		1,689	
Sundry expenses	1,882		2,704	
Regulatory fees and levies	1,164		1,135	
Subscriptions	24,655		21,451	
Training	1,818		3,527	
Professional fees	46,612		29,437	
Auditors' remuneration	6,000		6,000	
Foreign exchange losses	565		(5)	
Profit/loss on sale of tangible fixed assets	-		163	
Impairment losses for tangible fixed assets	-		5,315	
Entertainment	73		741	
Seminars and conventions	1,280		1,876	
Donations	-		301	
		<u>351,455</u>		<u>480,974</u>
		(348,463)		(473,860)
Finance costs				
Bank charges		314		306
		<u>314</u>		<u>306</u>
		(348,777)		(474,166)
Depreciation				
Short leasehold	-		1,173	
Fixtures and fittings	416		237	
		<u>416</u>		<u>1,410</u>
Net loss		<u>(349,193)</u>		<u>(475,576)</u>

This page does not form part of the statutory financial statements