

SBI Cards and Payment Services Limited
Balance Sheet as at March 31, 2022
(Figure in Rupees Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	5	758.16	643.20
(b) Bank balance other than cash and cash equivalents	6	348.23	75.90
(c) Derivative financial instruments	7	-	0.10
(d) Trade receivables	8	168.47	81.52
(e) Loans	9	30,187.25	23,459.14
(f) Investments	10	1,297.19	957.56
(g) Other financial assets	11	213.32	194.87
Total financial assets		32,972.62	25,413.29
2 Non-financial assets			
(a) Current tax assets (net)	12	41.24	52.47
(b) Deferred tax assets (net)	13	218.53	395.09
(c) Property plant and equipment	14	39.20	56.46
(d) Capital work in progress	14	0.49	0.49
(e) Intangible assets under development	14	13.75	9.58
(f) Intangible assets	14	116.41	89.66
(g) Right-of-use assets	14	283.85	161.98
(h) Other non-financial assets	15	982.34	833.84
Total non-financial assets		1,675.81	1,599.57
Total assets (1+2)		34,648.43	27,012.86
LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
(a) Payables	16		
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		36.26	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,080.54	881.38
(ii) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		10.87	11.34
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7,106.34	5,932.93
(b) Debt securities	17	14,680.10	10,663.52
(c) Borrowings (other than Debt Securities)	18	1,196.02	1,298.33
(d) Subordinated liabilities	19	1,572.69	876.10
(e) Other financial liabilities	20	25,882.82	19,663.60
Total financial liabilities		25,882.82	19,663.60
2 Non-financial liabilities			
(a) Provisions	21	477.39	409.65
(b) Other non-financial liabilities	22	735.52	637.58
Total non-financial liabilities		1,212.91	1,047.23
Total liabilities (1+2)		26,895.73	20,710.83
3 Equity			
(a) Equity share capital	23	943.18	940.53
(b) Other equity	24	6,809.52	5,361.50
Total equity		7,752.70	6,302.03
Total liabilities and equity (1+2+3)		34,648.43	27,012.86

1 to 61

See accompanying notes to the financial statements

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

R. Balasubramanian
Partner
Membership No. : 080432

For and on behalf of the Board of Directors

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

Shrinivas Yeshwant Joshi
Director
DIN: 05189697

Chief Financial Officer

Company Secretary

Place: Gurugram
Date : April 29, 2022

Place: Gurugram / Mumbai
Date : April 29, 2022



SBI Cards and Payment Services Limited
Statement of Profit and Loss for the year ended March 31, 2022
(Figure in Rupees Crores, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
1 Revenue from operations			
(i) Interest Income	25	4,866.03	4,945.65
(ii) Fees and commission income	26	5,226.56	3,907.67
(iii) Net gain on fair value changes	27	-	0.53
(iv) Sale of services		132.19	134.18
(v) Business development incentive income		447.61	299.18
(vi) Insurance commission income		4.88	8.25
Total revenue from operations		10,677.27	9,296.46
2 Other income	28	624.25	417.12
3 Total income (1+2)		11,301.52	9,713.58
4 Expenses			
(i) Finance costs	29	1,027.32	1,043.40
(ii) Fees and commission expense		1,022.63	606.73
(iii) Net loss on fair value changes	27	0.10	-
(iv) Net loss on derecognition of financial instruments under amortised cost category	31	1.71	61.45
(v) Impairment on financial instruments	30	2,255.84	2,638.55
(vi) Employee benefits expenses	31	472.71	491.58
(vii) Depreciation, amortisation and impairment	32	148.58	123.26
(viii) Operating and other expenses	33	4,200.49	3,424.88
Total expenses		9,129.36	8,389.65
5 Profit before tax (3-4)		2,172.16	1,323.73
6 Tax expense:	34		
Current tax charge / (credit)		382.88	463.48
Deferred tax charge / (credit)		173.14	(124.27)
Total tax expenses		556.02	339.21
7 Profit for the period (5-6)		1,616.14	984.52
8 Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		6.89	7.42
- Tax impact on above		(1.73)	(1.87)
- Gain/(loss) on equity instrument through OCI		6.72	9.74
- Tax impact on above		(1.69)	(2.45)
Subtotal (A)		10.19	12.84
B. Items that will be reclassified to profit or loss			
- Gain/(loss) on forward contracts in hedging relationship		-	-
- Tax impact on above		-	-
Subtotal (B)		-	-
Other comprehensive income (A+B)		10.19	12.84
9 Total comprehensive income for the period (7+8)		1,626.33	997.36
10 Earnings per equity share:	35		
(1) Basic (Rs.)		17.16	10.48
(2) Diluted (Rs.)		17.02	10.38

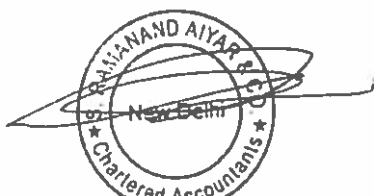
See accompanying notes to the financial statements

1 to 61

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

R. Balasubramanian
Partner
Membership No.: 080432

Place: Gurugram
Date: April 29, 2022



Rama Mohan Rao Amara
Managing Director & CEO
DIN: 00951394

Chief Financial Officer

Place: Gurugram/Mumbai
Date: April 29, 2022

Shrinivas Yeshwant Joshi
Director
DIN: 05189697

Company Secretary

SBI Cards and Payment Services Limited
Cash flow statement for the year ended March 31, 2022
(Figure in Rupees Crores, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax for the year	2 172.16	1,323.73
Adjustments for:		
Depreciation and amortisation expense	148.56	123.26
Liabilities written back	(0.75)	(8.87)
Impairment losses & bad debts	2 255.90	2 638.55
Net loss on derecognition of financial instruments under amortised cost category	1.7*	61.45
Other interest income	(46.05)	(22.91)
Cash inflow from interest income	47.58	16.65
Share based payments	22.79	30.18
Finance cost	1 327.32	1 043.40
Unrealised foreign exchange (Gain)/loss (net)	(1.44)	(0.11)
Loss/ Profit on sale of property, plant & equipment	0.63	0.18
Profit on sale on investments	(0.40)	(0.18)
Fair valuation of derivatives	0.10	0.53
Operating profit before working capital changes	<u>5,628.17</u>	<u>5,204.80</u>
Adjustment for changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Bank balance other than cash & cash equivalent	(271.33)	64.55
Trade receivables	(87.25)	(27.25)
Other financial assets	(18.30)	29.38
Other non financial assets	(238.76)	62.49
Loans	(8 984.83)	(3 347.15)
Adjustments for increase / (decrease) in operating liabilities:		
Other financial liabilities	567.40	235.47
Other non financial liabilities	97.94	44.11
Provisions	74.79	(179.56)
Trade payables	237.05	164.61
Cash from/ (used) in operations before taxes	<u>(2,993.12)</u>	<u>2,271.45</u>
Finance Cost Paid	(1 025.69)	(1 096.30)
Cash from/ (used) in operations before taxes	<u>(4,018.81)</u>	<u>1,175.15</u>
Direct taxes paid (net of refunds)	(371.65)	(482.53)
Net cash generated/ (used) in operating activities	<u>(4,390.46)</u>	<u>692.32</u>
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(99.92)	(56.95)
Proceeds from sale of property, plant and equipment and intangible assets	0.33	0.09
Purchase of investments	(3,761.55)	(1 404.57)
Proceeds from investment	3 323.32	464.65
Net cash used in investing activities (B)	<u>(938.12)</u>	<u>(996.78)</u>
C. Cash flow from financing activities		
Proceeds from issue of share capital (including security premium and share pending allotment)	37.34	27.17
Proceeds from debt securities	4 254.51	8 448.90
Repayment of debt securities	(3 106.88)	(6 262.78)
Borrowings (other than debt securities)	4 016.50	365.54
Repayment of subordinated liabilities	(100.00)	-
Interim dividend paid (including dividend distribution tax)	-	(93.83)
Payment of lease liabilities	(56.93)	(53.25)
Net cash (used) / generated in financing activities (C)	<u>5,044.54</u>	<u>431.75</u>
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>114.96</u>	<u>127.29</u>
Cash and cash equivalents as at the beginning of the year	<u>643.20</u>	<u>515.91</u>
Cash and cash equivalents as at the end of the year	<u>758.16</u>	<u>643.20</u>

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

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

R. Balasubramanian
Partner
Membership No.: 080432

Place: Gurugram
Date: April 29, 2022

For and on behalf of the Board of Directors

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951354

Shrinivas Yashwant Joshi
Director
DIN: 05189687

Chief Financial Officer

Company Secretary

Place: Gurugram
Date: April 29, 2022

Mumbai



SBI Cards and Payment Services Limited
Statement of Changes in Equity as at March 31, 2022
(Figure in Rupees Crores, unless otherwise stated)
A. Equity Share Capital

	Number of shares	Amount
Balance as at April 01, 2021	940,525,456	940.53
Changes in equity share capital during the year (refer note 24)	2,647,033	2.65
Balance as at March 31, 2022	943,172,489	943.18
Balance as at April 01, 2020	938,956,784	938.98
Changes in equity share capital during the year (refer note 24)	1,560,602	1.57
Balance as at March 31, 2021	940,525,456	940.53

B. Other Equity (refer note 24)

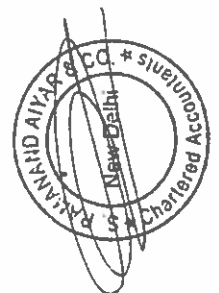
Particulars	Reserve and Surplus					OCI		Shares pending allotment	Total
	Capital redemption reserve	Statutory reserve	General reserve	Capital reserve created on account of amalgamation	Securities Premium	Retained earnings	Share options outstanding account	Equity Instruments through Other Comprehensive Income	
Balance as at April 01, 2021									
Profit after tax	3.40	1,011.85	13.08	(71.51)	535.19	3,418.78	40.50	7.29	5,361.50
Other comprehensive income, net of income taxes	-	-	-	-	-	1,618.14	-	-	1,618.14
Share based payments to employees- for the period	-	-	-	-	-	5.10	-	5.03	10.19
Received on allotment of shares to employees pursuant to ESOP scheme	-	-	-	-	37.61	-	22.79	-	22.79
Transferred from Retained Earning @ 20% interim equity dividend for FY 2021-22	-	323.23	-	-	-	(323.23)	-	-	37.61
Transfer on allotment of shares to employees pursuant to ESOP scheme	-	-	-	-	15.29	(235.78)	(15.29)	-	(235.78)
Transfer on cancellation of stock option	-	-	0.03	-	-	-	(0.03)	-	-
Share application money pending allotment	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	3.40	1,335.08	13.11	(71.51)	548.09	4,481.06	47.87	12.32	6,009.57
Balance as at April 01, 2020									
Profit after tax	3.40	814.95	12.99	(71.51)	904.74	2,719.51	18.18	-	4,402.26
Other comprehensive income, net of income taxes	-	-	-	-	-	984.52	-	-	984.52
Share based payments to employees- for the period	-	-	-	-	-	5.55	-	7.29	12.84
Received on allotment of shares to employees pursuant to ESOP scheme	-	-	-	-	22.68	-	30.18	-	30.18
Transfer on allotment of shares to employees pursuant to ESOP scheme	-	-	-	-	7.77	-	(7.77)	-	-
Transfer on cancellation of stock option	-	-	0.09	-	-	(196.90)	(0.09)	-	-
Transferred from Retained Earning @ 20% interim equity dividend	-	196.90	-	-	-	(196.90)	-	-	-
Share application money pending allotment	-	-	-	-	-	(93.90)	-	-	(93.90)
Balance as at March 31, 2021	3.40	1,011.85	13.08	(71.51)	915.19	3,418.78	40.50	7.29	5,361.50

For and on behalf of the Board of Directors

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

R. Balasubramanian
Partner
Membership No.: 080432

Place: Gurugram
Date: April 29, 2022



Rama Mohan Rao Anura
Managing Director & CEO
DIN: 04851334

Syloshi
Shrinivas Venkatesh Joshi
Director
DIN: 05189897

Chief Financial Officer

Company Secretary

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

1. Company overview

SBI Cards and Payment Services Limited, ("the Company" or "SBI Card") was incorporated on May 15, 1998 and is engaged in the business of issuing credit cards to consumers in India. The Company's registered office is at Netaji Subhash Place, Wazirpur, New Delhi – 110034 and its principal place of business is at DLF Infinity Towers, Gurugram, Haryana, 122002 and is domiciled in India. The Company was incorporated as a joint venture between State Bank of India and GE Capital Mauritius Overseas Investment with a shareholding of 60% and 40% respectively. On December 15, 2017, GE Capital Mauritius Overseas Investments sold its entire stake (40%) in the Company to State Bank of India (14%) and CA Rover Holdings (26%).

During the year ended March 31, 2020, the Company was converted to Public Limited from Private Limited, and Registrar of Companies has issued fresh certificate of incorporation dated August 20, 2019. Further on March 12, 2020 fresh equity shares were allotted pursuant to Initial Public Offer (IPO) and Company was listed with effect from March 16, 2020 on Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

The Company is a Non-Deposit accepting Systemically Important Non-Banking Financial Company (NBFC-ND-SI) registered with Reserve Bank of India (RBI) vide Registration Number 14.01328 under section 45 IA of the RBI Act, 1934. Accordingly, all provisions of the Reserve Bank Act 1934 and all directions, guidelines or instructions of the RBI that have been issued from time to time and are in force and as applicable to a Non-Banking Financial Company are applicable to the company.

The Company also acts as corporate insurance agent for selling insurance policies to credit card customers. The Company has been granted license on March 01, 2012 by the Insurance Regulatory & Development Authority (IRDA) under the Insurance Regulatory & Development Authority (Insurance brokers) regulations, 2002 to act as a corporate insurance agent, valid up to March 31, 2025.

On April 29, 2022 the Board of Directors approved the financial statement of the Company and recommended for consideration and adoption by the shareholders in its Annual General Meeting.

2. Compliance with IND-AS's

2.1. Statement of Compliance

These financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments that are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified).

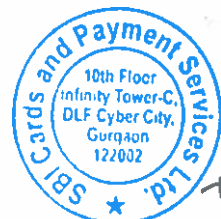
Further the Company has complied with all the directions related to implementation of Indian Accounting Standards prescribed for Non-Banking Finance Company [NBFC] in accordance with Reserve Bank of India [RBI] notification dated March 13, 2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3. Basis of preparation of financial statements

3.1. Use of estimates

The preparation of the Company's financial statements is in conformity with the financial reporting framework applicable to the Company requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include provision for expected credit loss, estimated useful life of Tangible Assets and provisions and contingent liabilities. Actual results may differ from the estimates



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

used in preparing the accompanying financial statements. Any changes in estimates are recognised prospectively. Refer Note 4.16 for critical estimates and judgements applied in preparation of financial statements.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Estimation of uncertainties relating to the pandemic from COVID-19

COVID-19 pandemic has caused volatility in Indian economy throughout the year due to imposition of localized/regional lockdowns which has led to disruptions in business and individual activities. While economy is recovering from the pandemic, the extent to which any new wave of COVID-19 will impact Company's results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

3.2. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Crores (up to two decimals), unless otherwise stated.

4. Significant Accounting Policies

4.1. Revenue recognition

The Company's operating revenues are comprised principally of service revenues such as Interest income on financial assets i.e. loans advanced, membership fee earned, transaction revenue earned on interchange including target incentives offered by network partners. Other fee and charges include cheque bounce charge, late fees, over limit fees etc. The Company also earns income from investments made.

Revenue is measured, as set out in Ind AS 115, at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates, value added taxes.

4.1.1. Interest income

Interest income includes

- a. Interest income on dues from credit card holders and on EMI based advances.
- b. Interest Income from Fixed Deposit is recognised on accrual basis.
- c. Interest Income from Investment is recognised on Effective Interest Rate basis

The Company recognises Interest income in line with Ind AS 109 and expense for all financial instruments, except those classified as held for trading or designated at fair value are recognised in 'Interest income' and 'Finance expense' in the statement of profit and loss using the effective interest rate method (EIR). The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. EIR is calculated by considering all costs and income attributable to all acquisition of a financial asset or assumption of a financial liability and it



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

represents a rate that exactly discount estimated future cash payments / receipts through the expected life of the financial asset/ liability to the gross carrying amount of a financial asset or the amortised cost of a financial liability.

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR.

4.1.2. Income from fees and services

The Company sells credit card memberships to card holders, income earned from the provision of membership services is recognised as revenue over the membership period consisting of 12 months at fair value of the consideration net of expected reversals/ cancellations.

Other service revenue consists of value-add services provided to the card holders. Other service revenues are recognised in the same period in which related transactions occur or services rendered.

Interchange fees are collected from acquirers and paid to issuers by network partners to reimburse the issuers for a portion of the costs incurred for providing services that benefit all participants in the system, including acquirers and merchants. Revenue from interchange income is recognised when related transaction occurs, or service is rendered.

4.1.3. Service Charges

The Company enters into contracts with co-brand partners and other service providers for marketing, sales and promotional activities. The income is recognised in the same period in which related performance is done as per the terms of the business arrangements.

Income from business process management services is recognised when (or as) the company satisfies performance obligation by transferring promised services to the customer.

4.1.4. Business Development Incentive

The Company enters into long-term contracts with network partners for various programs designed to build payments volume, increase product acceptance. Revenue recognition is based on estimated performance and the terms of the business arrangements. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

4.1.5. Insurance Commission Income

The Company acts as corporate insurance agent for selling insurance policies to credit card customers and the income arising therefrom is recognised in the same period in which related transactions occurs or services rendered at fair value of consideration net off expected reversals/cancellations.

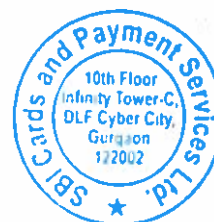
4.1.6. Dividend Income and Income from Sale of Investments

Dividend income is recognised when the right to receive the dividend is established.

Excess of sale price over purchase price of mutual fund units is recognised as other income at the time of sale.

4.1.7. Unidentified receipts & Stale cheques

The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in balance sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on balance sheet date. Further, the unresolved unidentified receipts aged more than three years are also written back as other income on balance sheet date.



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

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

4.1.8. Recovery from bad debts

Recovery from bad debts written off is recognised as other income based on actual realisations from customers. Any recovery over and above the actual write-off is accounted for as miscellaneous income.

4.2. Expenditure

Expenses are recognised on accrual basis. Expenses incurred on behalf of other companies, for sharing personnel, etc. are allocated to them at cost and reduced from respective expense classifications. Similarly, expense allocation received from other companies is included within respective expense classifications.

4.3. Finance cost

Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds are recognised using the EIR. Any expenditure which is directly attributable to borrowing is capitalized and amortised over the life of borrowing loan. Borrowing cost also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

4.4. Property, Plant and Equipment

4.4.1. Recognition and Derecognition

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

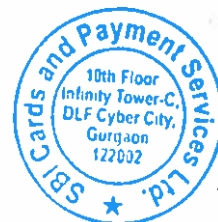
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit & loss when the asset is derecognised. The assets are fully depreciated over the life and residual value of the assets is considered as NIL, for the purpose of depreciation computation.

Capital work- in- progress includes cost of property, plant and equipment under installation / development as at the balance sheet date.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted accordingly, if appropriate.

4.4.2. Depreciation on Property, plant and equipment

Depreciation on property, plant and equipment is provided on straight line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:



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

Description	Useful Life
Furniture and Fixtures	10
Office equipment	5
Computers & Computer Equipment	3
Owned Vehicles	8
Computer Server	6

Improvements of leasehold property are depreciated over the period of the lease term or useful life, whichever is shorter.

Right-of-use assets - Refer note 4.8.

4.5. Intangible assets

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

Intangible assets comprise purchase of software & Internally developed project. Software is recognised at cost and amortised using the straight line method over a period of three years. Internally developed projects are also recognised at cost and amortised using the straight line method over period of two to five years based on management's estimate of its useful life. Useful life of Intangible assets represents the period over which the Company expects to derive the economic benefits from the use of the asset.

Intangible assets under developments are intangible assets that are not ready for the intended use as on the balance sheet date and are disclosed as Intangible assets under development.

An item of intangible assets and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit & loss when the asset is derecognised.

4.6. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Company also regularly assesses collectability of dues and creates appropriate impairment allowance based on internal provision matrix. Impairment losses are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.7. Financial Instruments

Initial Recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are



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

added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Subsequent Recognition

(I) Non -derivative financial instruments

Financial Assets

Financial assets are carried at amortized cost using Effective Interest rate method (EIR):

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest [SPPI] on the principal amount outstanding.

Effective Interest Rate (EIR) method:

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at fair value through profit or loss (FVTPL).

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated for financial assets having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain/ loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur.

Financial assets at fair value through other comprehensive income [FVOCI]:

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding [SPPI].

Financial assets at fair value through profit or loss [FVTPL]:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Equity Investments designated under [FVOCI]

The classification is made on initial recognition and is irrevocable. All fair value changes of equity instruments excluding dividend are recognised in OCI and are not available for reclassification to the statement of profit and loss.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or



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

- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
- the Company has transferred the rights to receive cash flows from the financial assets, or
- the Company has retained the contractual right to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised.

Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and/or infrequent transaction of sale of portfolio which doesn't affect the business model during of the Company.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure;

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

For recognition of impairment loss on Loans to customers, where no significant increase in credit risk [SICR] has been observed, such assets are classified in "Stage 1" and a 12 months ECL is recognised. Loans that are considered to have significant increase in credit risk are considered to be in "Stage 2" and those which are in default or for which there is an objective evidence of impairment are considered to be in "Stage 3". Lifetime ECL is recognised for stage 2 and stage 3 Loans. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Further, for corporate portfolio, the Company's credit risk function also segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal sources supplemented by external data. Impairment allowance for these exposures are reviewed and accounted on a case by case basis. If in subsequent period, credit quality of the corporate loan improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL. For further details refer to note 37.2.2

For trade receivables and other financial assets, the Company uses a provision matrix (simplified approach) to determine impairment loss allowance on the portfolio of receivables. The provision matrix is based on its historically observed default rates and management judgement/ estimates over the expected life of receivable.



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

Write off policy:

Loans are written off when the Company has no reasonable expectation of recovering the financial asset (either in its entirety or a portion of it). A write off constitutes a derecognition event.

The Company estimates such write off to get triggered on accounts which are overdue for 191 days or more from payment due date. Further, for certain commercial accounts carrying specific provision and for certain categories of retail accounts in Stage 3, where the likelihood of recovery of the outstanding is remote, the Company may trigger an early charge off. Recoveries resulting from the Company's enforcement activities will result in other Income impairment gains.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(II) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company does not use derivative financial instruments for speculative purposes. The counterparty to the Company's foreign currency forward contracts is generally a bank. The Company has derivative financial instruments which are not designated as hedges.

Any derivative that is not designated as hedge is categorized as a financial asset or financial liability, at fair value through profit or loss account.

Hedging

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on booked exposures. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Cash flow hedge

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The Company designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. The forward 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.



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

Offsetting of financial instruments:

Financials assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.8. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of an identified asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company's lease asset classes primarily consist of Computer server and Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payment that depends on index or a rate, and amount to be paid under residual value guarantees. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, the Company uses incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.



4.9. Income-tax expense

Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure 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.

4.10. Foreign currency

Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the Balance sheet date.

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



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

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.



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

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



72

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

equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares)

4.13. Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

4.14. Provision for reward points redemption

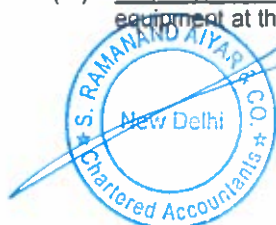
The Company has a reward point's program which allows card members to earn points based on spends through the cards that can be redeemed for cash, gift vouchers and retail merchandize. The Company makes payments to its reward partners when card members redeem their points and creates provisions, based on the actuarial valuation by an independent valuer, to cover the cost of future reward redemptions. The liability for reward points outstanding as at the year-end and expected to be redeemed in the future is estimated based on an actuarial valuation.

4.15. Cash and Cash Equivalent

Cash and cash equivalents comprise cash balances on hand, cash balances in bank, funds in transit lying in nodal account of intermediaries/payment gateway aggregators and highly liquid investments with maturity period of three months or less from date of investment that are readily convertible to known of cash and which are subject to an insignificant risk of change in value.

4.16. Critical accounting judgements and key sources of estimation uncertainty

- (I) Revenue Recognition: Application of the various accounting principles in Ind AS 115 related to the measurement and recognition of revenue requires us to make judgments and estimates. Specifically, complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting. The Company consider various factors in estimating transaction volumes and estimated marketing activities target fulfilment, expected behavioural life of card etc.
- (II) Business development incentive: Estimation of business development incentives relies on forecasts of payments volume, card issuance etc. Performance is estimated using, transactional information - historical and projected information and involves certain degree of future estimation.
- (III) Card life: Estimation of card life relies on behavioural life trend established basis past customer behaviour / observed life cycle
- (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



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

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.



19

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

- (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

- i) Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 109- Financial Instruments-

(i) The amendment specifies that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

(ii) If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.



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

- ii) Reserve Bank of India (RBI) issued Master Directions - Credit Card and Debit Card – issuance and Conduct Directions, 2022 vide notification no DoR.AUT. REC.No.27/24.01041/2022-23 dated April 21,2022. These directions cover the general and conduct regulations relating to credit, debit and co-branded cards which shall be read along with prudential, payment and technology & cyber security related directions applicable to credit, debit and co-branded cards, as issued by the Reserve Bank. These directions will be applicable from July 1, 2022. The Company is assessing the impact of the above mentioned circular and will take necessary action within the prescribed timelines.



5. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks (of the nature of cash and cash equivalents)		
Current Accounts *	17.75	14.12
Funds in transit (lying in nodal account of intermediaries/payment gateway aggregators)	636.22	522.49
Deposits with maturity less than 3 months	-	108.59
Investment in Government Securities with maturity less than three months**	104.19	-
Total	758.16	643.20

* Current Account balance for the period ended March 31, 2022 includes Rs 0.74 Crores held in Escrow account to meet IPO expenses (for year ended March 31, 2021 Rs 2.02 Crores)

** The balances held as Investment in Government Securities with maturity of less than three months as at March 31, 2022 are as follows

Particulars	Face Value	Units	Amount
91DTB16062022	100	10,500,000.00	104.19
Total		10,500,000.00	104.19

There was NIL balance held as Investment in Government Securities with maturity of less than three months as at March 31, 2021

6. Bank balance other than cash and cash equivalent

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits (under Lien) with original maturity for more than 3 months	8.17	7.78
Earmarked balances with bank		
Unpaid dividend *	235.87	0.07
Non moving credit balance of customers	103.28	88.05
Unidentified receipts	0.78	0.81
Unpaid e-grata to customers	0.15	0.18
TOTAL	348.23	78.90

* Unpaid dividend amounting Rs. 235.87 Crores (0.07 Crore for FY 2019-20 and Rs. 235.80 Crores for FY 2021-22 (gross of TDS amount)) (previous year Rs. 0.07 Crore for FY 2019-20)

7. Derivative Financial Instruments (Assets)

Particulars	As at March 31, 2022	As at March 31, 2021
Part I		
(i) Currency Derivatives		
- Spot and forwards	-	0.10
Total	-	0.10
Part II		
(i) Cash Flow hedging		
- Currency derivatives	-	0.10
Total	-	0.10
Refer note no. 38.1.1		

8. Trade receivable

Particulars	As at March 31, 2022	As at March 31, 2021
To be realised within twelve months after reporting date:		
Trade Receivables considered good - Unsecured	168.47	81.52
Trade Receivables which have significant increase in Credit Risk	0.04	0.34
Less:- Impairment loss allowance	(0.04)	(0.34)
Total	168.47	81.52

- No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- No trade receivables are due from firms including LLP, private companies respectively in which any director is a partner, a director or a member.
- The average credit period is 30-60 days. No interest is charged on trade receivables from the date of the invoice.

Trade Receivables Ageing Schedule as of March 31, 2022

Particulars	Outstanding for following periods from due date of payments						Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	
(i) Undisputed Trade receivables - considered good	19.61	113.90	34.95	-	-	-	168.47
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	0.04	-	-	0.04
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total- Gross	19.61	113.90	34.95	0.04	-	-	168.51

Trade Receivables Ageing Schedule as of March 31, 2021

Particulars	Outstanding for following periods from due date of payments						Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	
(i) Undisputed Trade receivables - considered good	22.52	57.82	1.17	-	-	-	81.52
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	0.34	-	-	0.34
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total- Gross	22.52	57.82	1.17	0.34	-	-	81.86



SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(Figure in Rupees Crores, unless otherwise stated)
9. Loans

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortized Cost		
(A)		
Other - Loans & advances to customers		
To be realised within twelve months after reporting date	27,248.95	21,442.54
To be realised after twelve months after reporting date	4,032.42	3,671.29
Total (A)- Gross	31,281.37	25,113.83
Less - Impairment loss allowance	(1,094.12)	(1,654.69)
Total (A)- Net	30,187.25	23,459.14
(B)		
(i) Secured by lien on fixed deposits and financial guarantees	340.30	316.25
(ii) Unsecured	30,941.07	24,797.58
Total (B)- Gross	31,281.37	25,113.83
Less - Impairment loss allowance	(1,094.12)	(1,654.69)
Total (B)- Net	30,187.25	23,459.14
(C) Loans in India		
(i) Public sector	10.06	4.92
(ii) Others	31,271.31	25,108.91
Total (C)- Gross	31,281.37	25,113.83
Less - Impairment loss allowance	(1,094.12)	(1,654.69)
Total (C)- Net	30,187.25	23,459.14

Refer note 36.1.2

Loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013) in the normal course of business

- a) repayable on demand Nil
b) without specifying any terms or period of repayment Nil

The company has given the credit card advances to promoters, directors, KMPs and the related parties in the normal course of business are shown as below

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	0.02	0.00%	0.06	0.00%
Directors	0.03	0.00%	0.01	0.00%
KMPs	0.03	0.00%	0.01	0.00%
Related Parties	0.25	0.00%	0.18	0.00%

Left blank intentionally



10. Investments

Particulars	As at March 31, 2022	As at March 31, 2021
(A)		
At Amortized Cost		
Investment to be realised within twelve months after the reporting date		
Investment in Government Securities	878.31	623.25
Investment to be realised after twelve months after the reporting date		
Investment in Government Securities	400.96	323.11
Equity instruments	-	-
At Fair Value through Other Comprehensive Income		
Investment to be realised after twelve months after the reporting date		
Equity instruments	17.92	11.20
Total	1,297.19	957.56
(B)		
(i) Investment outside India	-	-
(ii) Investment in India	1,297.19	957.56
Total	1,297.19	957.56
(C)		
Less- Allowance for Impairment Loss	-	-
Total Net (A-C)	1,297.19	957.56

The balances held as Investment as at March 31, 2022 are as follows:

Particulars	Face Value	Units	Amount
Investment in Government Securities (Current)			
182DTB04052022	100	7,500,000.00	74.74
182DTB19052022	100	15,500,000.00	154.24
364DTB23062022	100	5,000,000.00	49.58
182DTB28072022	100	7,000,000.00	69.07
182DTB04082022	100	20,500,000.00	202.06
182DTB01882022	100	13,500,000.00	132.92
364DTB13102022	100	12,500,000.00	122.43
364DTB02112022	100	7,500,000.00	73.27
		89,000,000.00	878.31
Investment in Government Securities (Non-Current)			
7.32% GS2024	100	8,000,000.00	85.07
6.18% GS2024	100	12,500,000.00	132.16
5.22% GS2025	100	18,000,000.00	183.73
Total		38,500,000.00	400.96
Equity Instruments (Amortised Cost)			
SBI Foundation *	10	1,001.00	-
Total		1,001.00	-
* Face value of the equity instrument as on March 31, 2022 is Rs 10,010			
Equity Instruments (fair value through OCI)			
Online PSB Loans Limited	10	112,996.00	17.92
Total		112,996.00	17.92

The balances held as Investment as at March 31, 2021 are as follows:

Particulars	Face Value	Units	Amount
Investment in Government Securities (Current)			
364DTB26082021	100	500,000.00	4.93
182DTB20052021	100	11,500,000.00	114.50
364DTB19082021	100	26,000,000.00	278.43
364DTB20052021	100	16,500,000.00	164.28
364DTB27012022	100	6,500,000.00	63.11
Total		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	-
* Face value of the equity instrument as on March 31, 2021 is Rs 10,010			
Equity Instruments (fair value through OCI)			
Online PSB Loans Limited	10	112,996.00	11.20
Total		112,996.00	11.20

Left blank intentionally



11. Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
To be realised within twelve months after reporting date:		
Contract Asset		
Receivables considered good - unsecured	69.63	79.95
Security deposits		
Unsecured, considered good	4.81	8.01
Unsecured, which have significant increase in credit risk	1.98	1.43
Other recoverable - Considered good	0.56	1.95
Other recoverable which have significant increase in credit risk	0.43	0.48
Less - impairment loss allowance	(2.39)	(1.91)
Sub total	75.00	89.91
To be realised after twelve months after reporting date:		
Contract Asset		
Receivables considered good - Unsecured	118.26	85.36
Security deposits		
Unsecured, considered good	20.06	19.60
Sub total	138.32	104.96
Total	213.32	194.87

* Refer note 38

12. Current tax liabilities/assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax asset (net)		
To be settled within twelve months after reporting date		
Advance income tax (net of provision)	41.24	52.47
Total	41.24	52.47

Left blank intentionally



13. Deferred Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
To be adjusted after twelve months after reporting date:		
-Deferred tax asset	218.53	395.09
Total	218.53	395.09

For the year ended March 31, 2022

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	DTA Rate Change and Previous year trueup	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Property, plant and equipment	3.18	4.77	-	(0.15)	7.80
Membership & Processing fee	102.80	22.40	-	-	125.20
Provision for expenses	22.44	4.33	-	(7.95)	18.82
Staff benefits and statutory dues	17.01	(1.96)	(2.39)	(8.23)	4.43
Fair valuation of derivatives	(0.04)	0.04	-	-	0.00
Fair valuation of Investment through OCI	(2.45)	-	(1.03)	-	(3.48)
Amortisation of card acquisition cost	(167.68)	(22.27)	-	-	(189.95)
Provision for doubtful debts & ECL	420.66	(165.34)	-	0.95	256.27
Debt Issue expenses	(1.10)	0.59	-	-	(0.52)
Income on investment	0.26	1.35	-	(1.66)	(0.05)
Total	395.09	(156.10)	(3.42)	(17.04)	218.53

There are no unrecognised deductible temporary differences.

For the year ended March 31, 2021

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	DTA Rate Change and Previous year trueup	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Property, plant and equipment	0.74	2.43	-	0.02	3.18
Membership & Processing fee	95.97	6.83	-	-	102.80
Provision for expenses	29.46	6.74	-	(13.76)	22.44
Staff benefits and statutory dues	6.70	8.71	(1.87)	3.47	17.01
Fair valuation of derivatives	0.01	(0.05)	-	-	(0.04)
Fair valuation of Investment through OCI	-	-	(2.45)	-	(2.45)
Amortisation of card acquisition cost	(189.32)	21.64	-	-	(167.68)
Provision for doubtful debts & ECL	332.85	87.30	-	0.51	420.66
Defined benefit obligation	0.13	(0.13)	-	-	(0.00)
Debt Issue expenses	(1.40)	0.30	-	-	(1.10)
Income on investment	-	0.26	-	-	0.26
Total	275.13	134.03	(4.32)	(9.76)	395.09

There are no unrecognised deductible temporary differences.

Left blank intentionally



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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment		
A. Carrying amounts of:		
Furniture & Fixture	2.69	2.74
Office equipment	3.60	5.34
Owned Vehicles	-	-
Computers including server (owned)	16.96	26.63
-Owned		
-On lease	-	-
Leasehold improvements	15.95	21.75
Vehicles on Finance Lease	-	-
Total	39.20	56.46
B. Capital work in progress		
Capital work In progress	0.49	0.49
Total	0.49	0.49
Intangible Assets		
A. Carrying value of other intangible assets		
Computer software	116.41	89.66
Total	116.41	89.66
B. Intangible Assets under development		
Intangible assets under development	13.75	9.58
Total	13.75	9.58
Right-of-use Assets		
Vehicle	-	-
Computer server on lease	127.72	103.79
Building	156.13	58.19
Total	283.85	161.98
Total	453.70	318.17



78

Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Leasehold improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2021	3.67	11.30	-	81.52	41.39	-	137.88	0.49
Additions	0.51	0.45	-	6.67	3.10	-	10.73	2.73
Deletions	(0.24)	(0.38)	-	(0.51)	(5.23)	-	(6.46)	(2.73)
Balance at March 31, 2022	3.94	11.37	-	87.68	39.26	-	142.25	0.49
Property Plant and Equipments-Accumulated Depreciation								
Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Leasehold improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2021	0.93	9.96	-	54.89	19.64	-	85.42	-
Depreciation during the period	0.41	2.17	-	16.29	8.48	-	27.35	-
Eliminated on disposal of assets	(0.13)	(0.34)	-	(0.48)	(4.88)	-	(5.83)	-
Balance at March 31, 2022	1.21	11.79	-	70.70	23.24	-	106.94	-
Net book value as on March 31, 2022	2.73	0.58	-	16.98	16.02	-	35.30	0.49
Property Plant and Equipments-Cost								
Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Leasehold improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2020	3.55	9.96	0.08	87.94	34.80	11.29	127.03	11.17
Additions	0.19	1.75	-	13.65	7.35	-	22.97	1.08
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	(11.29)	(11.29)	-
Depreciation pursuant to adoption of Ind AS 116	(0.06)	(0.03)	(0.08)	(0.10)	(0.58)	-	(0.85)	(11.78)
Deletions	-	-	-	-	-	-	-	-
Balance at March 31, 2021	3.67	11.30	-	81.62	41.39	-	137.88	0.49
Property Plant and Equipments-Accumulated Depreciation								
Particulars	Furniture & Fixture	Office equipment	Owned Vehicles	Computers including server (Owned)	Leasehold improvements	Vehicles on Finance Lease	Total	Capital work in progress
Balance at April 01, 2020	0.57	3.88	0.02	35.80	11.62	3.82	55.61	-
Depreciation during the period	0.37	2.09	0.04	19.19	8.43	-	30.08	-
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	(3.82)	(3.82)	-
Depreciation pursuant to adoption of Ind AS 116	(0.01)	(0.01)	(0.03)	(0.10)	(0.41)	-	(0.56)	-
Eliminated on disposal of assets	-	-	-	-	-	-	-	-
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	-	26.73	21.75	-	56.46	0.49

There has been no impairment losses recognized during the year. The entire property plant and equipments of the company (present and future) has been given as Collateral Security with a first charge right to consortium bankers.

CWIP ageing schedule as of March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-3 years	3-5 years	More than 5 Years	
Projects in progress	-	0.49	-	-	0.49
Projects temporarily suspended	-	-	-	-	-
Total	-	0.49	-	-	0.49

CWIP ageing schedule as of March 31, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-3 years	3-5 years	More than 5 Years	
Projects in progress	0.19	0.30	-	-	0.49
Projects temporarily suspended	-	-	-	-	-
Total	0.19	0.30	-	-	0.49

(b) For capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

There are no Capital work in progress which is overdue or has exceeded its cost compared to its original plan as of March 31, 2022 (Previous year Nil)



14.2 Intangible Assets

Particulars	Computer software	Intangible assets under development
At Cost		
Balance at April 1, 2021	177.11	9.58
Additions	83.73	20.78
Deletions	-	(16.61)
Balance at March 31, 2022	260.84	13.75
Accumulated amortisation and impairment		
Balance at April 1, 2021	87.45	-
Amortisation charge for the year	56.98	-
Deletions/adjustments	-	-
Balance at March 31, 2022	144.43	-
Net book value as on March 31, 2022	116.41	13.75

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

(a) Intangible asset under development ageing schedule

Details of intangible asset under development as on March 31, 2022 is as below:

Intangible asset under development	Amount in Intangible asset under development for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	13.62	0.13	-	-	13.75
Project temporarily suspended	-	-	-	-	-
Total	13.62	0.13	-	-	13.75

Details of intangible asset under development as on March 31, 2021 is as below:

Intangible asset under development	Amount in Intangible asset under development for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	0.43	9.15	-	-	9.58
Project temporarily suspended	-	-	-	-	-
Total	0.43	9.15	-	-	9.58

(b) Intangible asset under development completion schedule

There are no intangible assets under development which is overdue or has exceeded its cost compared to its original plan as of March 31, 2022 (Previous year Nil)



14.3 Right-of-Use assets
Particulars

	Computer server on lease	Building	Total
At Cost			
Balance at April 1, 2021	165.52	115.94	281.46
Reclassified on account of adoption of Ind AS116	-	-	-
Additions	60.77	125.35	186.12
Disposals/adjustments	(18.72)	(20.32)	(39.04)
Balance at March 31, 2022	207.57	220.97	428.54
Accumulated depreciation and impairment			
Balance at April 1, 2021	61.73	57.75	119.48
Reclassified/Creation on account of adoption of Ind AS116	-	-	-
Depreciation during the year	36.84	27.41	64.25
Disposals/adjustments	(18.72)	(20.32)	(39.04)
Balance at March 31, 2022	79.85	64.84	144.69
Net book value as on March 31, 2022	127.72	156.13	283.85

Particulars	Computer server on lease	Building	Total
At Cost			
Balance at April 1, 2020(Refer note 4.8)	118.69	115.00	233.69
Reclassified on account of adoption of Ind AS116	-	-	-
Additions	46.83	5.95	52.78
Disposals/adjustments *	-	(5.01)	(5.01)
Balance at March 31, 2021	165.52	115.94	281.46
Accumulated depreciation and impairment			
Balance at April 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

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



15. Other non financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
To be realised within twelve months after reporting date:		
Service tax / GST recoverable (Service tax recoverable includes Pre-deposits for appeal and Show cause notices)		
Unsecured, considered good	120.56	92.76
Prepaid expenses	31.50	29.98
Unamortised Card acquisition cost	135.28	83.22
Other advances		
Unsecured, considered good	52.26	39.20
Unsecured, which have significant increase in credit risk	0.01	0.04
Sub Total - Gross	339.61	245.16
Less - Impairment loss allowance	(0.01)	(0.04)
Sub Total - Net (A)	339.60	245.14
To be realised after twelve months after reporting date:		
Service tax / GST recoverable (Service tax recoverable includes Pre-deposits for appeal and Show cause notices)		
Unsecured, which have significant increase in credit risk	5.41	113.70
Prepaid expenses	3.30	5.66
Unamortised Card acquisition cost	619.44	583.04
Sub Total - Gross	628.15	702.40
Less - Impairment loss allowance	(5.41)	(113.70)
Sub Total - Net (B)	622.74	588.70
Total Net (A+B)	962.34	833.84

16. Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Payable within twelve months after reporting date:		
(i) Trade payables*		
(i) total outstanding dues of micro enterprises and small enterprises	38.26	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,080.54	881.38
Total (A)	1,118.80	881.38
(ii) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.85	0.83
(a) total outstanding dues to employees	9.22	10.51
(b) total outstanding dues to capital creditors	10.87	11.34
Total (B)	1,127.67	892.72
Total (A+B)		

(*) 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 September 4, 2015 issued by the Central Government of India, the disclosure related to trade payables as at the end of the period are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting period	38.26	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Trade Payables ageing schedule as at March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payments					Total
			Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	31.96	3.48	0.80	-	-	-	-	36.26
(ii) Others	945.93	116.68	17.80	0.01	-	-	0.11	1,080.54
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-	-
Total	977.91	120.16	18.60	0.01	-	-	0.11	1,116.80

Trade Payables ageing schedule as at March 31, 2021

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payments					Total
			Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-	-
(ii) Others	771.43	68.71	40.93	0.13	0.07	-	0.11	881.38
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-	-
Total	771.43	68.71	40.93	0.13	0.07	-	0.11	881.38



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

17. Debt Securities

At amortized cost

Particulars	As at March 31, 2022	As at March 31, 2021
(A)		
(i) From Others		
Unsecured		
(i) Commercial paper		
- To be settled within twelve months after reporting date.	815.16	2,212.14
(ii) Debentures		
- To be settled within twelve months after reporting date.	1,486.18	185.79
- To be settled after twelve months after reporting date.	4,805.00	3,535.00
Total (A)	7,106.34	5,932.93
(B)		
Debt Securities in India	7,106.34	5,932.93
Total (B)	7,106.34	5,932.93

17.1 Details of non-convertible debentures (NCD)

Particulars	As at March 31, 2022	As at March 31, 2021
8.10% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in May'21)	-	110.00
9.15% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Jun'22)	450.00	450.00
8.55% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Aug'22)	175.00	175.00
7.60% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Feb'23)	410.00	410.00
7.50% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Mar'23)	300.00	300.00
6.85% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Jun'23)	400.00	400.00
5.75% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Nov'23)	500.00	500.00
5.90% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Feb'24)	550.00	550.00
5.70% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in May'24)	455.00	-
5.55% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in June'24)	500.00	-
5.70% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Aug'24)	500.00	-
5.75% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Nov'24)	500.00	-
5.82% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Dec'24)	650.00	-
7.40% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Feb'25)	300.00	300.00
6.00% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Dec'25)	450.00	450.00
Total	6,140.00	3,645.00
Interest accrued and impact of EIR	151.18	75.79
Total	6,291.18	3,720.79



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

18. Borrowings (other than debt securities)

Particulars	As at March 31, 2022	As at March 31, 2021
A)		
At amortized cost		
(a) From Bank (Other than Related Party)		
Unsecured Loans (Refer note 18.1 below)		
(i) Term loan		
- To be settled after twelve months after reporting date	499.95	-
(b) From Bank (Related Party)		
Secured Loans (Refer note 18.2 below)		
(i) Working capital loans		
- To be settled within twelve months after reporting date	9,398.64	8,134.93
(c) From Bank (other than Related Party)		
Secured Loans (Refer note 18.2 below)		
(i) Working capital loans		
- To be settled within twelve months after reporting date	4,781.51	2,528.59
Total (A)	14,680.10	10,663.52
(B)		
Borrowings in India	14,680.10	10,663.52
Total (B)	14,680.10	10,663.52

Note 18.1 Repayment schedule of term loan is as below :

Particulars	As at March 31, 2022	As at March 31, 2021
4.95 % Unsecured Term Loan (Bullet repayment in Jun'25)	500.00	-
Total	500.00	-
Interest accrued and impact of EIR	0.05	-
Total	499.95	-

Note 18.2 Secured by	Collateral Security	Repayment terms	Guaranteed by
Primary Security			
First Charge on entire current assets of the company (present and future) including Hypothecation of Receivables.	First Charge on entire property, plant & equipments of the company (present and future).	Within 12 months	NA
Details of Default	Quarterly returns filled with banks are in agreement with books of account		
Nil	Yes		

Working capital loan as on March 31, 2022 includes Cash Credit (Related Party) Rs 199.98 Crores (March 31, 2021 Rs 162.39 Crores)

Interest rate on working capital loans varies from 3.90% to 5.35% and on Cash Credit facility varies from 7.05% to 7.30%



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

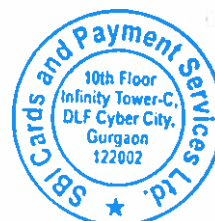
19. Subordinated Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(A)		
Unsecured non-convertible debentures		
- Redeemable within twelve months after reporting date, and	146.02	148.33
- Redeemable after twelve months after reporting date	1,050.00	1,150.00
Total (A)	1,196.02	1,298.33
(B)		
Subordinated liabilities in India	1,196.02	1,298.33
Total (B)	1,196.02	1,298.33

19.1 Details of non-convertible debentures

Particulars	As at March 31, 2022	As at March 31, 2021
9.00% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Nov'21)	-	100.00
9.65% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Apr'22)	100.00	100.00
8.30% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in May'23)	500.00	500.00
8.10% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Oct'23)	200.00	200.00
9.55% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Jan'29)	250.00	250.00
8.99% Unsecured NCD of Rs 1,000,000 each (Redeemable at par in Jun'29)	100.00	100.00
Total	1,150.00	1,250.00
Interest accrued and impact of EIR	46.02	48.33
Total	1,196.02	1,298.33

Left blank intentionally



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

Net Debt reconciliation for the year ended March 31, 2022

Particulars	Opening Balance	Cashflows	Non Cash Changes			Closing balance
			Interest /amortization	Foreign Exchange Movement	Others	
Debt Securities						
Commercial Papers	2,212.14	(1,347.37)	(49.61)	-	-	815.16
Debentures	3,720.79	2,495.00	75.39	-	-	6,291.18
Borrowings (other than debt securities) & lease liabilities						
Working capital loans	10,663.52	3,516.56	0.08	-	-	14,180.15
Term Loan	-	500.00	(0.05)	-	-	499.95
Subordinated Liabilities						
Debentures	1,298.33	(100.00)	(2.31)	-	-	1,196.02
Total	17,894.78	5,064.19	23.50	-	-	22,982.46

Net Debt reconciliation for the year ended March 31, 2021

Particulars	Opening Balance	Cashflows	Non Cash Changes			Closing balance
			Interest /amortization	Foreign Exchange Movement	Others	
Debt Securities						
Commercial Papers	2,541.97	(313.88)	(15.95)	-	-	2,212.14
Debentures	3,257.31	500.00	(36.52)	-	-	3,720.79
Borrowings (other than debt securities) & lease liabilities						
Working capital loans	10,297.89	365.54	0.08	-	-	10,663.52
Foreign currency working capital loans	-	-	-	-	-	-
Subordinated Liabilities						
Debentures	1,298.85	-	(0.52)	-	-	1,298.33
Total	17,396.02	551.67	(52.91)	-	-	17,894.78



20. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Payable within twelve months after reporting period:		
Unpaid dividends	213.00	0.07
Payable to Network Partners	684.54	464.72
Excess amount from Card holders	355.12	225.54
Lease liability	62.38	57.34
Other liabilities	17.58	9.51
Payable after twelve months after reporting date		
Lease liability	240.07	115.92
Total	1,572.69	876.10

21. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Employee Benefits		
(i) Liabilities to be settled within twelve months after reporting date		
- Provision for compensated absence	4.90	3.64
- Provision for gratuity	0.00	0.81
- Provision for long service awards	1.68	1.45
- Provision for bonus & Incentive Payable	45.65	40.97
Sub Total (A)	52.21	46.87
(ii) Liabilities to be settled after twelve months after reporting date		
- Provision for compensated absence	10.60	13.30
- Provision for long service awards	4.44	7.38
Sub Total (B)	15.04	20.68
Others		
(i) Liabilities to be settled within twelve months after reporting date		
- Provision for reward points redemption *	265.73	232.47
Sub Total (C)	265.73	232.47
(ii) Liabilities to be settled after twelve months after reporting date		
- Provision for reward points redemption *	144.41	109.63
Sub Total (D)	144.41	109.63
Total (A+B+C+D)	477.39	409.65

* Refer note 40

22. Other non financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Liabilities to be settled within twelve months after reporting date:		
Revenue received in advance- Unamortised membership fees *	441.16	365.84
Statutory liabilities	269.35	247.21
Fees received in advance	25.01	24.53
Total	735.52	637.58

* Refer note 36



23. Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Capital				
Equity shares of 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	943,172,489	943.18	940,525,456	940.53
TOTAL	943,172,489	943.18	940,525,456	940.53

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Reconciliation of the number of shares				
Balance as at the beginning of the year	940,525,456	940.53	938,956,794	938.96
Movements*	2,647,033	2.65	1,568,662	1.57
Balance as at the end of the year	943,172,489	943.18	940,525,456	940.53

* During the year ended March 31, 2022, 2,647,033 Equity shares (Previous year 1,568,662) of Rs 10 each has been allotted under ESOP scheme.

(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 entitled to one vote per share. In the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts.

(iii) Shares held by Holding Company (face value of Rs. 10/- each)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Shares held by State Bank of India	652,633,992	652.63	652,633,992	652.63

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	%	Number of Shares	%	Number of Shares
Shares held by State Bank of India *	69.20%	652,633,992	69.39%	652,633,992
Shares held by CA Rover Holdings #	NA	NA	11.61%	109,173,488

* As at March 31, 2022 one share is held by nominee individual shareholders of which State Bank is the beneficial owner.

As on March 31, 2022 shareholding of CA Rover has gone down below 5%.

(v) Shares reserved for issue under Employee Stock Option Plan

Particulars	No of Stock options / Equity shares
a. Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2019 to employees of the company drawn in accordance with SEBI guidelines 1999	27,970,028
b. Option granted under the scheme up to March 31, 2022	13,475,650
c. Option cancelled up to March 31, 2022 and added back to pool for future grants	194,515
d. Option granted net of cancellation under the scheme up to March 31, 2022 (d= b-c)	13,281,135
e. Balance available under the scheme for future grants (e= a-d)	14,688,893

(vi) Shares held by promoters at the end of the year

Particulars	As at March 31, 2022	As at March 31, 2021
Promoter name	State Bank of India	State Bank of India
No. of Shares	652,633,992	652,633,992
% of total shares	69.20%	69.39%
% Change during the year	-0.19%	-0.12%



24. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital redemption reserve (refer note 24.1 below)	3.40	3.40
Statutory reserve (refer note 24.2 below)	1,335.08	1,011.85
General reserve (refer note 24.3 below)	13.11	13.08
Capital reserve (on account of amalgamation) (refer note 24.4 below)	(71.51)	(71.51)
Securities Premium (refer note 24.5 below)	935.09	935.19
Retained earnings (refer note 24.6 below)	4,481.06	3,418.78
Share options outstanding account (refer note 24.7 below)	47.97	40.50
Share application money pending allotment (refer note 24.8 below)	-	2.92
Equity investment through OCI (refer note 24.9 below)	12.32	7.29
TOTAL	6,809.52	5,381.50

24.1 Capital redemption reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	3.40	3.40
Balance as at the end of the year	3.40	3.40

Nature and purpose of reserve: Where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to the capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

24.2 Statutory reserve

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	1,011.85	814.95
Add: Transferred from Retained Earnings @ 20%	323.23	196.90
Balance as at the end of the year	1,335.08	1,011.85

Nature and purpose of reserve: Statutory reserves is created based on statutory requirements under Section 45-IC of the Reserve Bank of India Act, 1934 and is not available for distribution as dividend.

24.3 General reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	13.08	12.99
Add: Amount transferred from Share options outstanding account*	0.03	-
Balance as at the end of the year	13.11	13.08

* Refer note 24.7

Nature and purpose of reserve: General reserve is the retained earning of the Company which are kept aside out of company's profit to meet future (known or unknown) obligation.

24.4 Capital reserve (on account of amalgamation)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	(71.51)	(71.51)
Balance as at the end of the year	(71.51)	(71.51)

Nature and purpose of reserve: Capital reserve represents a reserve which is created pursuant to amalgamation of SBI Business Process Management Services Private Limited (SBI BPMSL) vide order passed by Hon'ble National Company Law Tribunal (NCLT) dated June 04, 2019 effective from April 01, 2018.

24.5 Securities premium

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	935.19	904.74
Add: During the period *	37.61	22.58
Add: Transfer from share options outstanding account	15.29	7.77
Balance as at the end of the year	988.09	935.19

Nature and purpose of reserve: Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provision of the Companies Act, 2013.

* During the year ended March 31, 2022, addition during the year represents securities premium received on account of ESOP Rs. 37.61 Crores and adjustment of Company's share of IPO related expenses for Rs. 14 Crores (For 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).

24.6 Retained earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	3,418.78	2,719.51
Add: Profit for the period	1,816.14	984.52
Less: Interim equity dividend	(235.79)	(93.90)
Add: Transfer From Other Comprehensive Income	5.18	5.55
Less: Transfer to Statutory reserve (section 45-IC of the Reserve Bank of India Act, 1934)	(323.23)	(196.90)
Balance as at the end of the year	4,481.06	3,418.78

Nature and purpose of reserve: Retained earnings represent the amount of accumulated profits(losses) and appropriations if any.

24.7 Share options outstanding account

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	40.50	18.18
Add: During the Period	22.79	30.18
Less: Transfer on allotment of shares to employees pursuant to ESOP scheme	(15.29)	(7.77)
Less: Transfer to general reserve	(0.03)	(0.09)
Balance as at the end of the year	47.97	40.50

Nature and purpose of reserve: Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees.

24.8 Shares application money pending allotment

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	2.92	-
Add: Shares application money pending allotment pursuant to ESOP	-	2.92
Less: Shares allotment pursuant to scheme of amalgamation	(2.92)	-
Balance as at the end of the year	-	2.92

Nature and purpose of reserve: This represents shares pending allotment pursuant to ESOP scheme.

24.9 Equity investment through OCI

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	7.29	-
Add: Fair valuation through OCI	6.72	9.74
Add: Tax impact	(1.69)	(2.45)
Balance as at the end of the year	12.32	7.29

Nature and purpose of reserve: The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.



25. Interest Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At Amortised Cost		
Interest on loans	4,821.20	4,927.67
Interest income from investments	43.52	12.33
Interest on deposits with banks	1.31	6.65
Total	4,866.03	4,946.65

26. Fees and commission Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interchange income	2,557.89	1,712.20
Fee based income	1,870.51	1,491.69
Membership fees	798.16	703.78
Total	5,226.56	3,907.67

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

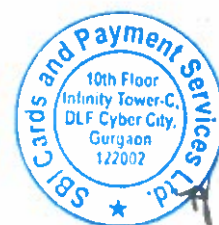
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain/loss on financial Instruments at fair value through profit or loss		
(i) On trading portfolio	-	-
(ii) On financial instruments designated at fair value through profit or loss	(0.10)	0.53
Total	(0.10)	0.53
Fair value changes:		
-Realised	(0.10)	0.43
-Unrealised	-	0.10
Total	(0.10)	0.53

28. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Bad debts recovered	503.05	397.94
Net gain on foreign currency transactions	3.01	-
Profit on sale of Investment	0.40	0.18
Reversal of Impairment loss	108.41	-
Liabilities/Provisions written back	0.75	8.87
Interest Income -Income tax & GST tax refund	1.22	3.93
Miscellaneous income	7.41	6.20
Total	624.25	417.12

29. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) At Amortised cost		
Interest on borrowings	510.09	475.20
Interest on debt securities	386.47	379.52
Interest on sub-ordinated liabilities	106.90	108.71
Interest on lease liability	22.87	14.05
Total (A)	1,026.33	977.48
(B) Financial instruments designated as hedging Instruments		
Cost of Hedging	0.99	65.92
Total (B)	0.99	65.92
Total (A+B)	1,027.32	1,043.40



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

30. Impairment on financial instruments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On loans	2,255.01	2,638.20
On Others		
- financial assets	0.83	0.35
Total	2,255.84	2,638.55

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Bad debt written-off	2,811.26	2,159.54
Impairment loss for other assets	0.83	0.35
Impairment loss for Loans [Stage 1, 2 and 3 assets]	(556.25)	478.66
Total	2,255.84	2,638.55

31. Employee benefits expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	413.06	426.85
Contribution to provident fund and other funds	27.96	27.65
Share Based Payments to employees	22.79	30.18
Staff welfare expenses	8.90	6.90
Total	472.71	491.58

32. Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	27.33	30.09
Amortisation on intangible assets	56.98	35.89
Depreciation on right to use assets	64.25	57.28
Total	148.56	123.26

Left blank intentionally



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

33. Operating and other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of plastic cards & embossing	44.91	38.17
Short-term lease expense	39.27	31.99
Variable lease expenses	134.83	140.95
Travelling and conveyance	7.88	3.08
Telephone, fax and postage	54.78	51.39
Card transaction charges	476.02	356.70
Advertisement	122.58	97.30
Director's fees, allowances and expenses	1.17	1.03
Sales Promotion	1,728.22	1,382.86
Insurance expense	16.21	19.24
Professional & Consulting fees	159.79	133.49
Rates and taxes	39.25	11.71
Collection charges	271.74	357.73
Repairs and maintenance	25.27	26.27
Auditor's remuneration (refer note 39)	0.48	0.49
Power and fuel	5.26	4.43
Printing, stationery and office supplies	22.06	47.86
Royalty Expenses	32.32	19.69
Reward points redemption	622.63	405.10
Surcharge Waiver to Customer	53.31	35.42
Corporate social responsibility expenditure*	37.55	32.07
Data processing charges	302.72	224.45
Net loss on foreign currency transactions	-	2.92
Loss on sale of property, plant & equipment	0.63	0.18
Other Expenses	1.61	0.36
Total	4,200.49	3,424.88

Left blank intentionally



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

*** Corporate social responsibility expenditure**

Pursuant to section 135 of the Companies Act, 2013 the Company is required to spend Rs. 37.55 Crore during the Financial Year 2021-22 calculated as per Section 198 of the Companies Act 2013.

Details of expenditure incurred is as below :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
CSR Expenses	37.55	32.07
Total	37.55	32.07

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) amount required to be spent by the company during the year,	37.55	32.07
(b) amount of expenditure incurred, * [Refer below details]	37.55	32.07
(c) shortfall at the end of the year,	Nil	Nil
(d) total of previous years shortfall,	Nil	Nil
(e) reason for shortfall,	NA	NA
(f) nature of CSR activities,	Disaster relief, Skill development, Education, healthcare, Environment	Disaster relief, Child care, Skill development, Education, Healthcare, Environment
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Nil	Nil
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	0.10	Nil

*** Details of expenditure**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount disbursed and utilized	37.21	32.07
Amount spent over and above disbursed amount - deposited to unspent account	0.10	Nil
Amount disbursed but unutilized - deposited to unspent account	0.05	Nil
Amount neither disbursed nor utilized - deposited to unspent account	0.20	Nil
Total	37.55	32.07

Left blank intentionally



34. Tax expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
Current tax charge	399.92	474.25
In respect of prior year	(17.04)	(10.77)
	<u>382.88</u>	<u>463.48</u>
Deferred tax		
Deferred tax charge	156.10	(134.03)
In respect of prior year	17.04	9.76
Total income tax expense recognised in the current period	<u>173.14</u>	<u>(124.27)</u>

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax from continuing operations	2,172.16	1,323.73
Income tax expense calculated at 25.168%	546.69	333.16
Corporate social responsibility / Others	9.33	7.06
Total	<u>556.02</u>	<u>340.22</u>
Adjustments recognised in the current year in relation to the current tax / deferred tax of prior years	-	(1.01)
Income tax expense recognised in profit or loss	<u>556.02</u>	<u>339.21</u>

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	-	-
Total current tax recognised in other comprehensive income	<u>-</u>	<u>-</u>
Bifurcation of the income tax recognised in other comprehensive income into -		
Items that will not be reclassified to profit or loss	-	-
Total	<u>-</u>	<u>-</u>
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(1.73)	(1.87)
Gain/(loss) on Investment in Equity	(1.69)	(2.45)
Remeasurement of fair value of derivative	-	-
Total deferred tax recognised in other comprehensive income	<u>(3.42)</u>	<u>(4.32)</u>
Bifurcation of the income tax recognised in other comprehensive income into -		
Items that will not be reclassified to profit or loss	(3.42)	(4.32)
Items that may be reclassified to profit or loss	-	-
Total	<u>(3.42)</u>	<u>(4.32)</u>

Left blank intentionally



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

35. Earnings/ (loss) per equity share

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a	Net Profit After Tax	1,616.14	984.52
b	Weighted average of number of equity shares used in computing basic per share (in Crores)	94.19	93.97
c	Effect of dilution: Employee stock options (in Crore)	0.74	0.88
d	Weighted average of number of equity shares used in computing diluted earnings per share (in Crores) (b+c)	94.93	94.86
e	Basic earning per share - Rs. (a/b)	17.16	10.48
f	Diluted earning per share - Rs. (a/d)	17.02	10.38

36. Revenue from Contracts with Customers in line with Ind AS 115.

The Company derives revenue from a variety of services contracts with customers which are governed by Ind AS 115 such as interchange income, membership fee, business development incentive income and other fees such as ATM fees, late payment etc. Below table shows the revenue from contracts with customers.

Revenue from Services	For the year ended March 31, 2022	For the year ended March 31, 2021
Fees and commission income	5,226.56	3,907.67
Sale of services	132.19	134.18
Business development incentive income	447.61	299.18
Insurance commission income	4.88	8.25
Total Revenue	5,811.24	4,349.28

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

For Critical accounting estimates, refer note 4.16 to the financial statements.

Disaggregation of Revenue

Disaggregation of revenue is not required as the Company's primary business is to provide credit card facility and interest on loans which is governed by Ind AS 109.

Transaction price allocated to the remaining performance obligations

The Company applies practical expedient in Ind AS 115 and does not disclose information about remaining performance obligations wherein the Company has a right to consideration from customer in an amount that directly corresponds with the value to the customer of entity's performance till date.

The Company's remaining performance periods for its incentive arrangements with network partners contracts with customers for its payment network services are typically long-term in nature (typically ranging from 3-5 years). Consideration is variable based upon the number of transactions processed and volume activity on the cards. At March 31, 2022, the estimated aggregate consideration allocated to unsatisfied performance obligations for these other value-added services is Rs 118.26 Crores which is expected to be recognised through financial year 2023 and later, (previous period was Rs 85.36 Crores)

Receivables from contracts with customers and contract balances

The following table provides information about receivables, contract assets, contract cost and contract liabilities from contract with customers



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

Contract assets are presented net of impairment in note 11 of the Balance sheet.

The below table discloses balances in receivables and Contract asset

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivable *	168.47	81.52
Contract asset **	187.89	165.31
Total-Gross	356.36	246.83
To be realised within 12 months from reporting date	238.10	161.47
To be realised after 12 months from reporting date	118.26	85.36

* Refer note 8 to the financial statement

** Refer note 11 to the financial statement

The Company might satisfy a performance obligation before it receives the consideration in which case the Company recognises a contract asset or receivable, depending on whether something other than the passage of time is required before the consideration is due.

Contract Assets

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the right become unconditional. Below table shows the movement.

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	165.31	162.42
Movement during the year	22.58	2.89
Closing balance	187.89	165.31
To be realised within 12 months from reporting date	69.63	79.95
To be realised after 12 months from reporting date	118.26	85.36

Contract costs

The contract cost primarily relates to:

- Cost of acquiring a customer is the incremental cost of obtaining contract with customer, which is recognised in the profit and loss statement over the behavioural life of the customer.
- Sales promotion expenses which are directly related to selling card membership to new customers. This cost is deferred over the membership period consisting of 12 months.

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	666.26	752.21
Capitalised during the year	1,139.69	321.12
Amortised during the year	(1,051.23)	(407.07)
Closing balance *	754.72	666.26
To be realised within 12 months from reporting date	135.28	83.22
To be realised after 12 months from reporting date	619.44	583.04

* The unamortised contract costs are disclosed in note 15 to financial statements.

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.



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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	365.84	332.43
Received during the year	886.58	749.65
Recognised during the year	(811.27)	(716.24)
Closing balance *	441.16	365.84
To be realised within 12 months from reporting date	441.16	365.84
To be realised after 12 months from reporting date	-	-

* Contract liabilities are disclosed in note 22 to financial statements

37. Capital Management

Capital risk is the risk that the Company has insufficient capital resources to meet the minimum regulatory requirements to support its credit rating and to support its growth and strategic options. The Company's capital plans are deployed with the objective of maintaining capital that is adequate in quantity and quality to support the Company's risk profile, regulatory and business needs. Management/Asset Liability Management Committee [ALCO] is responsible for ensuring the effective management of capital risk. Capital risk is measured and monitored using limits set out in relation to the capital and leverage, all of which are calculated in accordance with relevant regulatory requirements.

(A) Regulated capital:

Tier 1 capital consists of Equity share capital, Reserve & Surplus (netted off Intangibles).

Tier 2 capital consists of Provision for Standard Assets & Subordinated debts as per RBI Prudential norms for NBFCs.

Details of Tier 1 capital are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Tier I Capital	6,633.56	5,130.36

Details of Tier 2 capital are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Tier II Capital	884.38	957.45

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15 % of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off- balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Board of Director's regularly monitors the maintenance of prescribed levels of Capital Risk Adjusted Ratio (CRAR).



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

(B) Key capital ratios:

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

Particulars	As at March 31, 2022	As at March 31, 2021
CRAR – Tier I Capital	21.03%	20.86%
CRAR – Tier II Capital	2.80%	3.89%
Total CRAR	23.83%	24.75%

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

The Board of Directors approved the Dividend distribution policy which is in line with the regulatory requirement and guidelines as prescribed by RBI from time to time. The policy focuses on the internal and external factors (which includes long term growth plan, cash flow position, auditors' qualification, supervisory findings of RBI on divergence in classification and provisioning in Stage 3 assets, prevalent economic conditions and market practices etc) which the Board shall consider before declaring the dividend.

(c) Interim dividend on equity shares declared:

During the year ended March 31, 2022, the Board of Directors have declared interim dividend of 25% (Rs 2.50 per equity share of the face value of Rs 10.00) for the financial year 2021-22 in accordance with Section 123(3) of the Companies Act, 2013, as amended. (March 31, 2021 - NIL)



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

38. Financial Instruments

Financial instruments by category and fair value measurements

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows

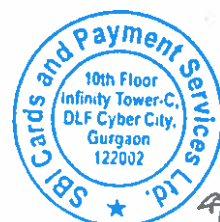
Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Financial assets/liabilities Designated as hedging instruments	Total carrying value	Total fair value
		Designated upon initial recognition	Equity instruments designated upon initial recognition			
Assets:						
Cash and cash equivalents (Refer Note 5)	758.16	-	-	-	758.16	758.16
Bank Balance other than (a) above (Refer Note 6)	348.23	-	-	-	348.23	348.23
Derivative Asset (Refer Note 7)	-	-	-	-	-	-
Trade Receivables (Refer Note 8)	168.47	-	-	-	168.47	168.47
Loans (Refer Note 9)	30,187.25	-	-	-	30,187.25	29,893.00
Investments (Refer Note 10)	1,279.27	-	17.92	-	1,297.19	1,291.45
Other Financial assets (Refer Note 11)						
Contract Assets	187.89	-	-	-	187.89	172.54
Security deposits	24.87	-	-	-	24.87	20.32
Others	0.56	-	-	-	0.56	0.56
Total	32,954.70	-	17.92	-	32,972.62	32,662.73
Liabilities:						
Trade payables (Refer Note 16)	1,116.80	-	-	-	1,116.80	1,116.80
Other payables (Refer Note 16)	10.87	-	-	-	10.87	10.87
Debt Securities (Refer Note 17)	7,106.34	-	-	-	7,106.34	7,120.95
Borrowings (Other than Debt Securities)(Refer Note 18)	14,680.10	-	-	-	14,680.10	14,662.47
Subordinated Liabilities (Refer Note 19)	1,196.02	-	-	-	1,196.02	1,251.26
Other financial liabilities (Refer Note 20)						
Payable to Network Partners	684.54	-	-	-	684.54	684.54
Excess amount from Card holders	355.12	-	-	-	355.12	355.12
Unpaid dividends	213.00	-	-	-	213.00	213.00
Lease liability	302.45	-	-	-	302.45	302.45
Others	17.58	-	-	-	17.58	17.58
Total	26,682.82	-	-	-	26,682.82	26,736.64



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

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Financial assets/liabilities Designated as hedging instruments	Total carrying value	Total fair value
		Designated upon initial recognition	Equity instruments designated upon initial recognition			
Assets:						
Cash and cash equivalents (Refer Note 5)	643.20	-	-	-	643.20	643.20
Bank Balance other than (a) above (Refer Note 6)	76.90	-	-	-	76.90	76.90
Derivative Asset (Refer Note 7)	-	0.10	-	-	0.10	0.10
Trade Receivables (Refer Note 8)	81.52	-	-	-	81.52	81.52
Loans (Refer Note 9)	23,459.14	-	-	-	23,459.14	23,156.01
Investments (Refer Note 10)	946.36	-	11.20	-	957.56	952.44
Other Financial assets (Refer Note 11)						
Contract Assets	165.31	-	-	-	165.31	154.23
Security deposits	27.61	-	-	-	27.61	24.50
Others	1.95	-	-	-	1.95	1.95
Total	25,401.99	0.10	11.20	-	25,413.29	25,090.84
Liabilities:						
Trade payables (Refer Note 16)	881.38	-	-	-	881.38	881.38
Other payables (Refer Note 16)	11.34	-	-	-	11.34	11.34
Debt Securities (Refer Note 17)	5,932.93	-	-	-	5,932.93	5,983.44
Borrowings (Other than Debt Securities) (Refer Note 18)	10,663.52	-	-	-	10,663.52	10,663.52
Subordinated Liabilities (Refer Note 19)	1,298.33	-	-	-	1,298.33	1,375.42
Other financial liabilities (Refer Note 20)						
Payable to Network Partners	464.72	-	-	-	464.72	464.72
Excess amount from Card holders	228.54	-	-	-	228.54	228.54
Unpaid dividends	0.07	-	-	-	0.07	0.07
Lease liability	173.26	-	-	-	173.26	173.26
Others	9.51	-	-	-	9.51	9.51
Total	19,663.60	-	-	-	19,663.60	19,791.20



SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(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. The Company's financial assets and liabilities that are measured at fair value on a recurring basis

Financial Asset/ (Financial Liabilities)	Fair value as at		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2022	As at March 31, 2021		
Foreign currency forward contracts not designated in hedge accounting relationships (Refer foreign currency risk management related disclosures given below)		0.10	Level 2	Future cash flows are estimated based on forward exchange rates from observable forward exchange rate at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties
Investments in equity instruments at FVTOCI *	17.92 3.2% equity investment in Online PSB Loans Ltd (formerly known as Capitaworld platform Private Limited). Company is a fintech startup engaged in the business of providing Smart & Digital lending platform and market place	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	Level 3	Equity valuation is updated as per latest valuation report. The Company has evaluated and has not observed any material variation in business performance till date.

*These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI, instead of reflecting changes in fair value immediately in profit or loss.

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

The Company's financial assets and liabilities that are not measured at fair value as on March 31, 2022, are:

Particulars	Carrying value	Fair value	Fair value measurement at end of the reporting		
			Level 1	Level 2	Level 3
Assets:					
Loans	30,187.25	29,893.00	-	-	29,893.00
Investments	1,279.27	1,273.53	1,273.53	-	0.0
Other Financial assets					
Contract Assets	187.89	172.54	-	-	172.54
Security deposits	24.87	20.32	-	-	20.32
Total	31,679.28	31,359.39	1,273.53	-	30,085.86
Liabilities:					
Debt Securities	7,106.34	7,120.95	4,819.61	-	2,301.34
Borrowings (Other than Debt Securities)	14,680.10	14,662.47	-	-	14,662.47
Subordinated Liabilities	1,196.02	1,251.26	387.83	-	863.44
Total	22,982.46	23,034.68	5,207.43	-	17,827.25



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

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	23,156.01	-	-	23,156.01
Investments	946.36	941.24	941.24	-	0.00
Other Financial assets					
Contract Assets	165.31	154.23	-	-	154.23
Security deposits	27.61	24.50	-	-	24.50
Total	24,598.42	24,275.97	941.24	-	23,334.74
Liabilities:					
Debt Securities	5,932.93	5,983.44	3,585.51	-	2,397.93
Subordinated Liabilities	1,298.33	1,375.42	399.67	-	975.76
Total	7,231.26	7,358.86	3,985.17	-	3,373.69

Except as detailed in the table above, the management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

C. Reconciliation of Level 3 fair value measurements

Particulars	Unlisted shares Irrevocably as at FVTOCI as at March 31, 2022	Unlisted shares irrevocably as at FVTOCI as at March 31, 2021
Opening balance	11.20	1.46
Total gains or losses:		
in profit or loss	-	-
in other comprehensive income	6.72	9.74
Purchases/Issues/Acquisitions	-	-
Disposals/ settlements	-	-
Transfers out of level 3	-	-
Closing balance	17.92	11.20

38.1. Financial risk management

Financial risk factors

The Company has exposure to the following types of risks from financial instruments:

- Market risks;
- Credit risk; and
- Liquidity risk;

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Risk Management Committee manages the risk management framework and appetite. The Board of Directors has established the Enterprise Risk Management Committee (ERMC) which is responsible for approving and monitoring Company's risk management framework. The risk management policies, processes and tools are reviewed regularly to reflect changes in market conditions and the Company's activities.

38.1.1. Market risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in variables such as changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

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.



SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(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 has fixed as well as floating rate loans. The Company is exposed to interest rate risk on Loans as well as repricing risk at the time of re-borrowing. The below table shows the interest rate sensitivity for a period up to one year.

Description	As at March 31,2022	As at March 31,2021
Assets	9,048.25	6,406.66
Liabilities	17,127.50	13,267.12
Variation	(8,079.25)	(6,860.46)

Interest rate sensitivity analysis

50-basis point [bps] increase or decrease is management's assessment of the reasonably possible change in interest rates. The below table presents the impact on Profit / (Loss) before tax for 50 basis point increase or decrease in interest rate on Company's short-term interest rates liabilities and assets which are open to repricing risk (assuming all other variables are held constant):

Description	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
50 bps Impact on profit	(40.40)	40.40	(34.30)	34.30

The above sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates. The Company's sensitivity to interest rate has increased on a year-to-year basis primarily due to business growth and correspondingly increase in borrowings.

B. Foreign Currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency resulting in exposures to foreign exchange rate fluctuations.

The carrying amount of company's foreign currency asset and liability are as follows:

Particulars	Liabilities		Assets	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Others	82.57	62.73	75.52	73.11
Total	82.57	62.73	75.52	73.11



SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(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, 2022	As at March 31, 2021
Currency depreciating by 5%	(0.35)	0.52
Currency Appreciating by 5%	0.35	(0.52)

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, 2022, and March 31, 2021, company do not have any foreign currency borrowing outstanding.

Contracts included in hedge relationship

During the year Company has designated certain foreign exchange forward contracts as cash flow hedges the movement in spot rates to mitigate the risk of foreign exchange exposure on underlying foreign currency exposures. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting and any hedge ineffectiveness is calculated and accounted for in the statement of profit or loss at the time of the hedge relationship rebalancing.

As on March 31, 2022, the Company does not have any outstanding contract which was designated under Hedge relationship (March 31, 2021 - NIL)

Contracts not designated under hedge relationship

Cash flow hedging	Action	Currency	Amount	Exchange rate	As at March 31, 2022	As at March 31, 2021
Financial Asset (6 Months-12 months)	Sell	USD	\$0.35	73.50	-	25.73



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

Unhedged Position of the Company is as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Currency	Amount	Currency	Amount
Financial Liability	\$1.09	82.57	\$0.85	62.73
Financial Asset	\$1.00	75.52	\$0.64	47.38

38.1.2. Credit Risk

Credit risk is the risk of financial loss arising out of customer's failing to meet their contractual obligations to the Company.

The Company has a board approved Credit Risk policy. The Chief Risk Officer (CRO) owns the policy.

Credit risk arises mainly from loans and advances to retail and corporate customers arising on account of facilitating credit card loans to customers. The Company also has exposure to credit risk arising from other financial assets such as cash and cash equivalents, other financial assets including fixed deposits with banks, other receivables from contracts with customers and contract assets etc.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

A. Credit risk management approach

Managing credit risk is the most important part of total risk management exercise. The CRO of the Company is responsible for the key policies and processes for managing credit risk, which include formulating credit policies and risk rating frameworks, guiding the Company's appetite for credit risk exposures, undertaking independent reviews and objective assessment of credit risk, and monitoring performance and management of portfolios. The principal objectives being maintaining a strong culture of responsible lending across the Company, and robust risk policies and control frameworks, implementing and continually re-evaluating our risk appetite and ensuring there is adequate monitoring of credit risks, their costs and their mitigation.

The basic credit risk management would cover two key areas, viz., (a) customer selection & (b) customer management. These are governed by Board Approved Credit Policy and Collections Policy which is reviewed on a regular basis.

(a) Customer Selection

Key criterion for customer selection is in accordance with Board Approved Credit Policy, which defines, inter alia, type of customers, category, market segment, income criterion, KYC requirement, documentation etc. The Policy also spells out details of credit appraisal process, delegation structure. The customer selection process aims to ensure quality portfolio and lower delinquency.

(I) Retail Customer Selection process

All the fulfilled approved applications undergo a number of checks which include

- internal deduplication checks,
- fraud deduplication check
- scrutiny of KYC and income documents
- Sophisticated Machine Learning (ML) application models
- Bureau checks etc

For Credit limit is assigned basis ML models to estimate the debt and income of a customer



(II) Unsecured Corporate customer selection process

- For all unsecured corporate card exposures, SBI Cards conducts a detailed subjective assessment based on information taken from the corporate, bureau reports, third party credit assessment agencies like rating agencies and any publicly available information.
- To accurately assess the credit profile of a corporate, SBI Cards assesses the detailed financials, stock price performance (if listed) trends over the recent past. The critical parameters are collated as a credit proposal and approval is done by the credit committee.
- In general, we evaluate the business risks associated with the corporate and its industry, its financial profile, liquidity situation and financial flexibility. A peer comparison is also made between the corporate and other reputed companies from the same industry.

(III) Secured Corporate customer selection process

SBI Cards allows exposure to corporates against liquid securities (e.g. Fixed Deposit & Bank Guarantee). For all secured corporate card exposures, SBI Cards checks the bureau reports and a slightly shorter proposal is put before the approving authority (as per the delegation authority approved by the Board of Directors). The security is validated before any cards are issued.

(b) Customer Management

Customer management relates to credit controls once a card is issued, broadly consisting of:

i. Portfolio Monitoring

We perform continuous monitoring of the portfolio leveraging various capabilities including ML based behavior scores, bureau refresh, bureau alerts, payment behavior, transaction trends, and periodic update on income estimation

ii. Portfolio management

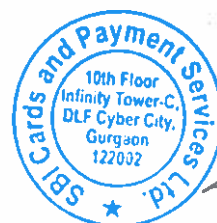
Portfolio management activities enable us to grow lower risk exposures while restricting high risk. We have robust capabilities around dynamic limit management, cross-sell of term loans, balance transfers. Account management capabilities including a robust blocking strategy, reinstatements, dispute management, and overlimit strategies

iii. Fraud control

Continuous monitoring of transactions and a risk-based approach is leveraged to identify instances of fraud like account takeover, unauthorized access. ML models are leveraged to identify potential frauds and proactively protect against the same

iv. Collection strategy

Customers who fail to pay their dues by the stipulated payment due dates, at various stages of delinquency come under the purview of collection and recovery strategies. The company has developed ML models to prioritize collection efforts and also guide the intensity of efforts across delinquency buckets. Hardship tools are leveraged to help resolve cases including settlements and restructuring. Post write-off, ML based segmentation is leveraged to prioritize efforts. For secured cards, liens on FDs / BGs are invoked



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

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.
- (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, 2022	As at March 31, 2021
Cash and bank balances	1,106.39	720.10
Derivative Financial Instruments	-	0.10
Trade Receivables	168.47	81.52
Loans	30,187.25	23,459.14
Investment	1,297.19	957.56
Other Financial Assets	213.32	194.87
Total	32,972.62	25,413.29

Loans to customer includes loans secured by lien on Fixed deposits and Bank Guarantee held with third party banks. Secured loans account for 1.13% as at March 31, 2022, (1.35% as at March 31, 2021) of total loans.

Notes:

- Loans to customers which accounts for 91.6% of total exposure to credit risk, as at March 31, 2022, is segregated based on risk characteristics of the population to manage credit quality and measure impairment.
- Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.
- Investments in Government Securities are measured at amortized cost and Investments in unquoted instruments are valued at Fair value as on balance sheet date and effect has been routed through Other Comprehensive Income to be in line with Ind AS guideline
- Derivative instruments taken by the Company are from the same party (Parent company) from whom the Company has taken the underlying loan.
Hence, default risk from counterparty is also being a financial institution with high credit rating is limited.
- Company follows simplified approach for recognition of impairment loss allowance on trade receivables/other financial assets wherein Company uses a provision matrix to determine the impairment loss allowance on the portfolio of receivables.

Credit concentration risk

Credit concentration risk may arise from a single large exposure to a counterparty Credit concentration risk may arise from a single large exposure to a counterparty or a group of connected counterparties, or from multiple exposures across the portfolio that are closely correlated.

Large exposure concentration risk is managed through concentration limits set by a counterparty or a group of connected counterparties based on control and economic dependence criteria

For concentrations that are material at a Company level, breaches and potential breaches are monitored by the respective governance committees and reported to the Risk Committee and CRO.



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

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, 2022	1.36%	2.22%
March 31, 2021	1.66%	2.70%

The following tables gives credit risk / exposure concentration by client segment

Concentration by client portfolio segment

The following table sets out an analysis of risk concentration of loans to customers split by client segment

Portfolio segment	As at March 31,	As at March 31, 2021
Corporate - Secured	40.60	25.26
Corporate - Unsecured	59.26	40.92
Retail - Secured	299.70	290.99
Retail - Unsecured	30,881.81	24,756.66
Total	31,281.37	25,113.83

(b) Credit quality analysis

Credit grading

The Company classifies credit exposure basis risk characteristics into high/medium/low risk. The Company has in place a credit risk grading model (Internal rating model) which is supplemented by external data such as credit bureau scoring information, financial 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

Credit risk classification/ Staging	As at March 31, 2022	As at March 31, 2021
Strong (Stage 1)	27,931.49	20,720.59
Satisfactory (Stage 2)	2,656.46	3,138.96
High Risk (Stage 3)	693.42	1,254.28
Total	31,281.37	25,113.83

Impact of year-on-year increase is on account of portfolio growth.



Approach followed:

Stage 1	Includes borrowers that have not had a significant increase in credit risk (SICR) since initial recognition or have low credit risk at the reporting date. 12-month expected credit losses ('ECL') are recognized.
Stage 2	Includes borrowers that had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment. Lifetime ECL is calculated for such borrowers. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the card.
Stage 3	Includes borrowers that have objective evidence of impairment at the reporting that. Lifetime ECL is calculated for such borrowers.

Credit quality by client segment

An overall breakdown of loan portfolio by client segment is provided below differentiating between performing and non-performing loan book,

The Company segregates its credit risk exposure from loans & advances to customers as Stage 1 (Good), Stage 2 (Increased credit risk), Stage 3 (Impaired loans). The staging is done based on criteria specified in Ind AS 109 and other qualitative factors.

(c) Impairment

Collective measurement model (Retail and Corporate)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with the change in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to likelihood of defaults occurring, of the associated loss ratios, collaterals and coverage ratio etc.

The Company measures credit risk using Probability of Default (PD), Exposure of Default (EAD), Loss Given Default (LGD). Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition.

- A financial instrument that is not credit impaired on initial recognition is classified in 'Stage 1'
- 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 'Stage 3' category.

The Company defines default or significant increase in credit risk (SICR) based on the following quantitative and qualitative criteria.



[Handwritten signature]

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 borrower to be upgraded from Stage 3, the entire overdue balance on all accounts, must be cleared.

Definition of Significant increase in credit risk (SICR)

Quantitative criteria

The borrower is 30-90 past due on its contractual payments.

Qualitative criteria

When borrowers are classified as "high risk" or when the account is tagged as "over-limit" i.e. when borrowers are expected to/approach their credit limit it is considered as indicator of increased credit risk.

The default definition has been applied consistently to model the PD, LGD and EAD for measurement of ECL.

Measuring ECL- Explanation of inputs, assumptions and estimation techniques

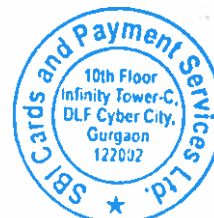
ECL is measured on either a 12 month or lifetime basis depending on whether there is an increase in SICR since initial recognition. ECL is the discounted product of PD, LGD and EAD.

Estimation for retail accounts

PD

Month on month (MOM) default rates were calculated for all vintages. Post calculating Mom default rates, cumulative yearly PDs being calculated till lifetime.

- For Stage 1 accounts 1- year marginal PD were calculated.
- For Stage 2 accounts - Lifetime PDs were calculated
- For Stage 3 accounts a 100% PD were taken



SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(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.

$EAD = \text{Balance Outstanding} + CCF * (\text{Credit Limit} - \text{Balance Outstanding})$, where CCF is proportion of unutilized credit limit which is expected to be utilized till the time of default. CCF is applicable only for stage 1 accounts, as stage 2 and stage 3 accounts cannot utilize the unused credit limit. $CCF \% = \frac{\text{Utilisation (t+12)} - \text{Utilisation (t)}}{\text{Utilisation (t)}}$ i.e. change of utilization rates over next 1 year, its being floored at 0%

Segment wise PD and LGD as at March 31, 2022, rates arrived at for all stages is given below

Portfolio Segment	PD			LGD		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate - Unsecured	1.53%	2.96%	100.00%	55.85%	55.85%	55.85%
Retail - Secured	3.29%	5.93%	100.00%	27.62%	27.62%	27.62%
Retail - Unsecured	2.29%	6.78%	100.00%	64.82%	64.82%	64.82%

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.



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

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 rating 2. LGD will be as applicable for the quarter 3. EAD will be point in time outstanding of the corporate
Stage 3	Rating of the corporate downgraded by 3 notches or current rating falls below investment grade or, NPA with SBI Card, any other group Company > INR 1 lakh	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. Accordingly, in anticipation of the expected economic fallout, the Company has identified specific segments prone to stress in the current situation. These have been identified on the basis of behaviour in the last 12 months as well as the efforts required to collect on these segments. The stress segments identified are customers who opted for RBI resolution package as per RBI circular dated August 6, 2020 and are in stage 2 or stage 3 on the reporting date. The Company has created additional management overlay on these segments. The Company is closely monitoring its asset quality and taking suitable actions to manage its exposures. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

The incremental provision created as management overlay is as follows:

Stage	Management Overlay
Stage 1	-
Stage 2	46.82
Stage 3	3.74
Total	50.56



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

Portfolio Segment	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	40.55	0.05	-	22.04	3.22	-
Corporate - Unsecured	59.11	0.15	-	40.82	0.10	-
Retail - Secured	291.37	6.47	1.86	278.34	6.77	5.88
Retail - Unsecured	27,540.46	2,649.79	691.56	20,379.39	3,128.87	1,248.40
Gross Exposure	27,931.49	2,656.46	693.42	20,720.59	3,138.96	1,254.28
Less : Impairment loss	455.91	185.69	452.52	331.71	346.35	976.63
Carrying Amount	27,475.58	2,470.77	240.90	20,388.88	2,792.61	277.66

Below table shows the breakup of Impairment loss provision

Portfolio Segment	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	-	-	-	-	-	-
Corporate - Unsecured	0.50	-	-	0.22	-	-
Retail - Secured	2.65	0.11	0.51	0.90	0.05	0.54
Retail - Unsecured *	452.76	185.58	452.01	330.59	346.30	976.09
Total Impairment loss	455.91	185.69	452.52	331.71	346.35	976.63

* Impairment loss provision of Stage 1 is calculated as $PD * LGD * EAD$, where EAD comprises of Balance outstanding + CCF amount. Calculation of ECL for Retail Unsecured is as below

Category	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Balance Outstanding	CCF Amt	Total EAD	ECL Amount	Balance Outstanding	CCF Amt	Total EAD	ECL Amount
Retail Unsecured	27,540.46	2,901.31	30,441.77	452.76	20,379.39	1,607.27	21,986.66	330.59

CCF amount for other portfolio is NIL for both the years

As of March 31, 2022, there is NIL specific loss provision for Corporate unsecured customers (NIL as of March 31, 2021)



ECL % as per collective measurement model

ECL percentage Segment wise exposure	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate - Unsecured	0.65%	1.65%	55.85%	0.53%	1.67%	57.92%
Retail - Secured	0.91%	1.64%	27.62%	0.32%	0.75%	9.19%
Retail - Unsecured	1.49%	4.39%	64.82%	1.50%	4.05%	65.90%

ECL % including individual measurement and management overlay

ECL percentage Segment wise exposure	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Corporate - Secured	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate - Unsecured	0.85%	1.65%	55.85%	0.54%	1.67%	57.92%
Retail - Secured	0.91%	1.70%	27.42%	0.32%	0.74%	9.18%
Retail - Unsecured	1.64%	7.00%	65.36%	1.62%	11.07%	78.19%



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

Movement of Impairment loss allowance:

Particulars	Stage 1	Stage 2	Stage 3
Impairment Loss Allowance as at March 31, 2021	331.71	346.35	976.64
<u>Movements during the year</u>			
Addition / Reduction during the year	14.65	(188.70)	1,224.60
Provision movement on account of asset sale	-	-	(4.31)
Write-offs during the period	-	-	(1,864.92)
New Addition during the year	109.54	28.04	120.52
Impairment Loss Allowance as at March 31, 2022	455.91	185.69	452.52

Particulars	Stage 1	Stage 2	Stage 3
Impairment Loss Allowance as at March 31, 2020	653.06	350.37	325.53
<u>Movements during the year</u>			
Addition / Reduction during the year	(392.28)	(238.04)	2,009.41
Provision movement on account of asset sale	-	-	(152.93)
Write-offs during the period	-	-	(1,411.23)
New Addition during the year	70.93	234.02	205.85
Impairment Loss Allowance as at March 31, 2021	331.71	346.35	976.64

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

For the year ended March 31, 2022

Particulars	Trade receivable	Other Financial asset	Other non Financial assets
Opening balance	0.34	1.91	113.74
Addition during the year	-	0.83	0.09
Reduction during the year	(0.30)	(0.34)	(108.41)
Closing Balance	0.04	2.39	5.42

For the year ended March 31, 2021

Particulars	Trade receivable	Other Financial asset	Other non Financial assets
Opening balance	0.16	3.69	114.20
Addition during the year	0.34	0.35	-
Reduction during the year	(0.16)	(2.13)	(0.46)
Closing Balance	0.34	1.91	113.74



SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(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, 2022

Non-Performing Loans	Retail Secured	Retail Unsecured
Loans	1.86	691.56
Loss reserve (ECL)	0.51	452.01
Coverage	27.42%	65.36%

As at March 31, 2021

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

38.1.3. Liquidity risk

Liquidity risk is the risk that the Company doesn't have sufficient financial resources to meet its obligations as and when they fall due or will have to do so at an excessive cost. This risk arises from the mismatches in the timing of the cash flows which is inherent in all financing operations and can be affected by a range of company specific and market wide events. Therefore, Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company has put in place an effective Asset Liability Management System, constituted an Asset Liability Management Committee ("ALCO") headed by Managing Director & CEO of the Company.

The Company manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations. ALCO is responsible for managing the Company's liquidity risk via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

Company's borrowing program is rated by CRISIL & ICRA. Short term rating is A1+ and long-term rating is AAA/Stable by both the agencies. There has been no change in ratings from last 10 years.

The maturity pattern of items of non-derivative financial assets and liabilities at undiscounted principal and interest cash flows are as under:



SBI Cards and Payment Services 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 March 31, 2022 :

Description	Upto 31 days	1-2 month	2-3 months	3-6 months	6-12 months	1 year to 3 years	3 year to 5 years	Over 5 years	Total
Financial Liabilities									
Payables	185.45	140.59	87.70	190.33	523.60	-	-	-	1,127.67
Debt securities	-	22.90	503.98	261.64	1,572.82	4,355.00	450.00	-	7,106.34
Borrowings other than debt securities	5,153.07	4,271.64	2,905.00	1,450.00	400.44	-	499.95	-	14,680.10
Subordinated liabilities	100.00	-	6.52	28.86	10.64	700.00	-	350.00	1,196.02
Other Financial Liabilities	947.34	51.27	49.79	148.90	31.43	102.97	71.50	169.49	1,572.69
Financial Liabilities Total	6,385.86	4,486.40	3,552.99	2,019.73	2,538.93	5,157.97	1,021.45	519.49	25,682.82
Financial Assets									
Cash and cash equivalents	653.23	-	104.93	-	-	-	-	-	758.16
Bank balance other than cash and cash equivalents	241.29	0.01	0.04	0.14	0.55	1.47	0.02	104.71	348.23
Trade receivables	34.92	18.82	104.73	9.87	0.03	-	-	-	168.47
Loans	10,371.40	4,627.62	3,004.20	4,719.35	3,276.31	3,947.47	-	240.90	30,187.25
Investments	-	230.31	53.06	402.30	195.68	211.68	180.24	17.92	1,297.19
Other Financial Assets	0.02	30.48	2.17	40.86	3.30	135.36	-	1.13	213.32
Financial Assets Total	11,300.86	4,907.34	3,269.13	5,172.52	3,475.87	4,301.98	180.26	364.66	32,972.92

Maturity Analysis of Non-Derivative financial assets & liabilities as at March 31, 2021 :

Description	Upto 31 days	1-2 month	2-3 months	3-6 months	6-12 months	1 year to 3 years	3 year to 5 years	Over 5 years	Total
Financial Liabilities									
Payables	89.85	64.41	53.43	185.18	499.85	-	-	-	892.72
Debt securities	-	613.66	416.43	449.84	918.00	2,785.00	750.00	-	5,932.93
Borrowings other than debt securities	5,001.42	2,910.71	1,701.36	800.36	249.47	-	-	-	10,663.32
Subordinated liabilities	-	-	6.46	28.56	113.31	800.00	-	350.00	1,298.33
Other Financial Liabilities	497.57	31.39	31.69	100.31	28.81	92.75	23.25	70.13	876.10
Financial Liabilities Total	5,688.84	3,620.16	2,202.67	1,864.28	1,809.84	3,677.75	773.26	420.14	19,683.61
Financial Assets									
Cash and cash equivalents	641.16	2.02	-	-	-	-	-	-	643.20
Bank balance other than cash and cash equivalents	5.25	0.01	-	0.14	0.50	0.33	1.05	69.62	76.90
Trade receivables	31.31	2.23	7.46	0.66	39.86	-	-	-	81.52
Loans	7,289.08	3,440.15	2,263.43	3,823.37	2,600.28	3,505.18	-	277.65	23,459.14
Investments	-	261.53	1.60	281.68	63.11	86.84	231.51	11.20	957.56
Other Financial Assets	0.82	21.82	3.18	23.72	122.05	18.79	0.26	1.23	194.87
Financial Assets Total	7,969.64	3,747.78	2,275.76	4,129.68	3,026.80	3,672.14	232.82	369.70	28,413.19

Maturity Analysis of Derivative financial assets & liabilities :

Description	Upto 31 days	1-2 month	2-3 months	3-6 months	6-12 months	1 year to 3 years	3 year to 5 years	Over 5 years	Total
As at March 31, 2022									
Foreign exchange forward contract Liabilities (Assets)	-	-	-	-	-	-	-	-	-
As at March 31, 2021									
Foreign exchange forward contract Liabilities (Assets)	-	-	-	-	(0.10)	-	-	-	(0.10)



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

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, 2022			
Less than 1 year	20,000.00	14,995.31	5,004.69
March 31, 2021			
Less than 1 year	19,000.00	12,875.66	6,124.34

Other price risks

The Company is exposed to equity price risks arising from equity investments. The Company's equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis

If equity prices had been 10% higher/lower other comprehensive income for the year ended March 31, 2022 would increase/decrease by Rs. 1.79 Crores (for the year ended March 31, 2021 increase/decrease by Rs. 1.12 Crores) as a result of the changes in fair value of equity investments measured at FVTOCI.

Description	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
10% Value	1.79	-1.79	1.12	-1.12

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

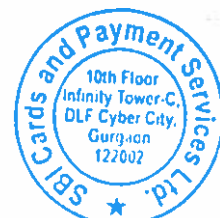
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fee	0.30	0.30
Quarterly Limited Review fee	0.06	0.06
Tax audit fee	0.03	0.03
Fee for other services	0.07	0.07
Reimbursement of expenses	0.02	0.02
Total	0.48	0.49

40. Reward Points Movement

Movement of provision for reward points redemption and legal cases in accordance with Ind AS 37, Provisions, contingent liabilities and contingent assets is as under:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Provision at the beginning of the year	342.10	367.69
b. Net addition during the year	601.90	333.21
c. Value of points redeemed during the year	(533.86)	(358.79)
d. Provision at the end of the year* (a+b-c)	410.14	342.10

* Provision for reward points as at March 31, 2022 provided as per actuarial valuation, Refer note 21



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

Legal Claims:

The below table provide the movement of the provision for cases filed against the Company in the ordinary course of business.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Provision at the beginning of the year	0.16	0.18
b. Additions / (Reduction) made during the year	(0.03)	(0.00)
c. Amount Paid during the year	0.03	0.02
d. Provision at the end of the year (a+b-c)	0.10	0.16

41. Related party disclosures

List of parties who have controlling interest or with whom transactions have taken place during the year.

List of related parties

i. Holding Entity

State Bank of India

ii. Entity having significant influence

CA Rover Holdings

iii. Fellow subsidiaries

SBI Capital Markets Ltd.
SBICAP Securities Ltd.
SBICAP Trustee Company Ltd.
SBICAP Ventures Ltd.
SBICAP (Singapore) Ltd.
SBICAP (UK) Ltd.
SBI DFHI Ltd.
SBI Global Factors Ltd.
SBI Infra Management Solutions Private Limited
SBI Mutual Fund Trustee Company Pvt Ltd.
SBI Payment Services Pvt. Ltd.
SBI Pension Funds Pvt Ltd.
SBI General Insurance Company Ltd.
SBI Life Insurance Company Ltd.
SBI-SG Global Securities Services Pvt. Ltd.
SBI Funds Management Pvt. Ltd.
SBI Funds Management (International) Private Ltd.
Commercial Indo Bank Llc , Moscow
Bank SBI Botswana Limited



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

Fellow subsidiaries contd..

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. Ashwini Kumar Tewari, Director (from 05th April 2021)
Mr. Hardayal Prasad, MD and CEO (till 31 July' 2020)
Mr. Nalin Negi, CFO
Ms. Payal Mittal Chhabra, Company Secretary
Mr. Sunil Kaul, Director (till 18th June 2021)
Mr. Mihir Narayan Prasad Mishra, Director (from 18th June 21)
Dr. Tejendra Mohan Bhasin, Director
Mr. Rajendra Kumar Saraf, Director
Mr. Dinesh Kumar Mehrotra, Director
Ms. Anuradha Shripad Nadkarni, Director
Mr. Shree Prakash Singh, Director (till 31 July'2020)
Mr. Devendra Kumar, Director (from 21st August 2020 till 8th June 2021)
Mr. Shriniwas Yeshwant Joshi, Director (from 04 December 2020)
Mr. Rajnish Kumar, Director (till 6th October'2020)
Mr. Nilesh Shivji Vikamsey, Director (till 5th November 2020)



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

41.1. Transactions/balances outstanding with related parties for the Year ended/as at March 31, 2022

Particulars	Holding Entity	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
a. Transactions during the period	For the year ended March 31, 2022.			
Advertisement, sales promotion & Collection	18.21	-	-	-
Cost allocations received*	3.12	-	-	-
Fees and Commission, bank charges	158.85	-	-	-
Commission Received	-	-	0.17	-
Personnel Cost (Managerial remuneration- Salaries & other Allowances)	-	-	-	4.35
Personnel Cost (Managerial remuneration- Post Employment Benefits)	-	-	-	0.05
Personnel Cost (Managerial remuneration- Share based payments)	-	-	-	0.66
Gratuity fund contribution	-	-	3.18	-
Interest Income on fixed deposit	0.15	-	-	-
Income on investments	-	-	0.01	-
Finance charges	250.26	-	24.89	-
Borrowings taken	51,993.60	-	-	-
Borrowings repaid	49,798.90	-	-	-
Fixed Deposit made	0.82	-	-	-
Fixed deposit matured	0.68	-	-	-
Investments made	-	-	125.00	-
Investments Matured	-	-	125.00	-
Royalty expenses	32.32	-	-	-
Loans and Advances given and other adjustments	0.50	-	2.99	0.80
Loans and Advances Repaid	0.53	-	2.92	0.76
Insurance Expenses	-	-	0.61	-
Contribution to Other Fund	0.95	-	-	-
Dividend	163.16	7.29	0.92	0.01



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

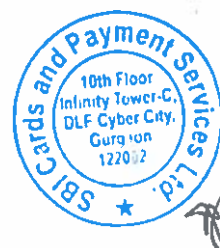
Particulars	Holding Company	Entity having significant influence	Fellow Subsidiaries	Key Managerial Personnel
b. Balances Outstanding at Period End	As at March 31, 2022			
Trade Payables and Other liabilities	42.01	-	0.00	-
Trade receivables	-	-	0.06	-
Borrowings (other than debt securities)	9,398.64	-	-	-
Debt Securities including interest payable	2,774.36	-	319.89	-
Cash and Bank Balances**	358.59	-	-	-
Loans and Advances***	14.30	-	1.77	0.06
Fixed deposit including Interest Accrued	2.75	-	-	-
Investments	-	-	0.001	-
Contribution to other fund	0.08	-	-	-
Dividend Payable	163.16	7.29	0.92	0.01

All transactions with the related parties are at Arm's length.

*The amounts are included/ adjusted in the respective expense line items of operating and other expenses.

** These amounts represent cash & bank balance, book overdraft, funds in transit & earmarked balances as at March 31, 2022.

*** These amounts represent year-end balances outstanding as at March 31, 2022, on credit cards issued.



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

41.2. Transactions/balances outstanding with related parties for the Year ended/as at March 31, 2021

Particulars	Holding Entity	Entity having significant Influence	Fellow Subsidiaries	Key Managerial Personnel
a. Transactions during the period	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 Employment Benefits)	-	-	-	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	-
Contribution to Other Fund	0.89	-	-	-
CSR Contribution	-	-	8.87	-
Dividend Paid	65.25	14.92	0.02	-



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

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 (other than security debt)	8,162.56	-	-	-
Debt Securities including interest payable	1,788.50	-	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.



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

42. Share based payments

a. SBI Card Employee Stock Option Plan 2019 (the Plan):

On February 22, 2019, pursuant to approval by the shareholders in the Extraordinary General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company under the Plan. The maximum number of shares under the plan shall not exceed 3% of the paid-up share capital of the Company when the Scheme becomes effective. The Plan shall be administered by the Nomination and Remuneration Committee of the Board working under the powers delegated by the Board. Options granted under the plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator.

Under the plan, two types of employee stock options are granted, performance-based options & goodwill options. During the year ended 31st March 2021, Performance based options (Performance Option-2) were granted on June 17, 2020. During the year ended 31st March 2020, Performance based options ((Performance Option-1) were granted on September 17, 2019 and Goodwill options were granted 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.

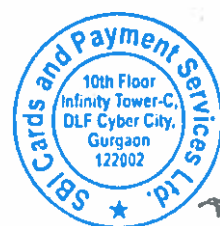


SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(Figure in Rupees Crores, unless otherwise stated)

i) Summary of options granted under plan:

Option movement	As at March 31, 2022									
	Type of arrangement									
	Goodwill Options	Performance Options-1 (given on September 17, 2019)				Performance Options-2 (given on June 17, 2020)				Total
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4	
Opening balance										
a) 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	152	152	152	-
Vesting Period	-	-	2 year	3 year	4 year	1 year	2 year	3 year	4 year	-
b) Number of Options Vested but not exercised	176,000	468,803	-	-	-	-	-	-	-	644,803
Options Granted during the year										
Number of Options	-	-	-	-	-	-	-	-	-	-
Avg. Exercise price per share option (in Rs.)	-	-	-	-	-	-	-	-	-	-
Vesting Period	-	-	-	-	-	-	-	-	-	-
Options Exercised during the year										
Number of Options	94,600	454,933	1,892,535	-	-	13,195	-	-	-	2,455,263
Avg. Exercise price per share option (in Rs.)	152.10	152.10	152.10	-	-	152	-	-	-	152.10
Options Forfeited during the year										
Number of Options	-	-	-	-	-	-	-	-	-	-
Options Expired during the year										
Number of Options	7,000	-	-	-	-	-	-	-	-	7,000
Options Vested but not exercised during the year										
Number of Options	74,400	13,870	496,565	-	-	-	-	-	-	584,835
Options Outstanding at the year end										
Number of Options	-	-	-	3,583,650	4,778,200	-	26,390	39,585	52,780	7,835,802
Avg. Exercise price per share option (in Rs.)	-	-	-	152.10	152.10	-	152.10	152.10	152.10	152.10

The weighted average market price of equity shares for options exercised during the year is Rs. 1025.83



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

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)				Total
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4	
Opening balance										
Number of Options	1,334,500	1,200,920	2,401,840	3,602,760	4,803,680	-	-	-	-	13,343,700
Avg. Exercise price per share option (in Rs.)	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

The weighted average market price of equity shares for options exercised during the year is Rs. 865.53



SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(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, 2022
Performance Option-1	Tranche 3 - September 17, 2020	16 September 2022	152.10	3,583,650
	Tranche 4 - September 17, 2020	16 September 2023	152.10	4,778,200
Performance Option-2	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				8,480,605
Weighted average remaining contractual life of options outstanding (In years)				1.08

iii) Options granted during the year ended March 31, 2022 – Nil.

Fair value at the grant date of options granted during the period 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

The fair value of the options is determined on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Particulars	Performance Options-2			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield	0%	0%	0%	0%
years to expiration	3.5	4.5	5.5	6.5
Risk free rates	5.9%	6.1%	6.2%	6.3%
Expected volatility	34.4%	33.4%	33.1%	32.8%

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the instant case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange.

b. Expense arising from share-based payment transactions

Particulars	March 31, 2022	March 31, 2021
Employee option plan	22.79	30.18
Total expense	22.79	30.18

43. Leases

I. Short Term lease payments

For the operating lease agreements entered into by the Company which are considered as short term leases (lease term of less than 12 months period) under IND AS 116, right of use asset and lease liability has not been recognized during the year. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise IT-equipment and small items of office furniture.



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

II. Variable lease payments

Under certain contracts, payments are variable in nature as it depends on number of man hours worked by non-full-time employee in a particular month. Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Maturity Analysis of lease liabilities:

Particulars	March 31, 2022	March 31, 2021
Not later than one year	62.38	57.34
Later than one year and not later than five years	174.46	115.36
Later than five years	65.61	0.56
Total minimum lease payments	302.45	173.26

44. Employee benefits

Defined contribution plans

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident Fund	19.00	18.02
Employee State Insurance Corporation (ESIC)	0.31	0.36
Contribution to National Pension Scheme	0.78	0.89
Labour Welfare Fund	0.14	0.14
Total	20.22	19.41

Defined benefit plans

The Company has a defined benefit gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.45%	6.30%
Future Salary Increase/Salary escalation	9.00%	9.00%
Expected return on plan assets	0.00%	0.00%
Retirement Age (years)	60 Years	60 Years
Mortality Tables*	2012 - 14	2012 - 14
<i>Employee turnover</i>		
From 21 to 30 years	33.00%	22.00%
From 31 to 40 years	26.00%	12.00%
From 41 to 50 years	15.00%	11.00%
From 51 to 59 years	5.00%	0.00%



SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(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.

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.

Statement of profit and loss

Net employee benefits expense recognized in the employee cost:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	7.97	8.16
Past service cost	-	-
Interest on net defined benefit liability / (asset)	(0.11)	0.08
Components of defined benefit costs recognised in profit or loss*	7.86	8.24
Remeasurement on the net defined benefit liability:		
Changes in financial assumptions	(0.53)	(1.75)
Changes in demographic assumptions	(5.35)	(1.56)
Experience adjustments	(1.49)	(4.24)
Return on plan assets (excluding amounts included in net interest expense)	0.49	0.13
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs/(Income) recognised in other comprehensive income	(6.89)	(7.42)

*For the year ended March 31, 2022, contribution of Rs. 0.13 Crores has been made by trust maintained with SBI Life insurance Company limited.

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows ;

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of funded defined benefit obligation	56.46	56.28
Fair value of plan assets	(57.98)	(55.47)
Net obligation status	(1.52)	0.81
Restrictions on asset recognised		-
Net liability/(asset) arising from defined benefit obligation	(1.52)	0.81



SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(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, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	56.28	53.85
Current service cost	7.97	8.16
Past service cost	-	-
Interest cost	3.38	3.59
Remeasurement (gains)/losses due to:		
Actuarial gains and losses arising from changes in financial assumptions	(0.53)	(1.75)
Actuarial gains and losses arising from changes in demographic assumptions	(5.35)	(1.56)
Actuarial gains and losses arising from experience adjustments	(1.49)	(4.24)
Benefits paid	(3.79)	(1.77)
Closing defined benefit obligation	56.46	56.28

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	55.47	50.22
Employer contributions	3.30	3.64
Interest on plan assets	3.49	3.51
Administration expenses	-	-
Remeasurement due to:		
Actual return on plan assets less interest on plan assets	(0.49)	(0.13)
Benefits Paid	(3.79)	(1.77)
Assets acquired/(settled)*	-	-
Assets distributed on settlements	-	-
Closing defined benefit obligation	57.98	55.47

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points



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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate		
Impact of increase 50 bps on Defined benefit obligation	-3.04%	-4.52%
Impact of Decrease 50 bps on Defined benefit obligation	3.22%	4.88%
Salary Escalation rate		
Impact of increase 50 bps on Defined benefit obligation	3.12%	4.73%
Impact of Decrease 50 bps on Defined benefit obligation	-2.98%	-4.43%

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

Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity Profile	For the year ended March 31, 2022	For the year ended March 31, 2021
Expected Benefits for 1 year	9.79	5.19
Expected Benefits for 2 year	8.24	5.07
Expected Benefits for 3 year	7.25	4.87
Expected Benefits for 4 year	6.06	4.79
Expected Benefits for 5 year	5.72	4.38
Expected Benefits for 6 year	4.39	4.73
Expected Benefits for 7 year	4.38	3.70
Expected Benefits for 8 year	3.90	4.15
Expected Benefits for 9 year	3.42	4.00
Expected Benefits for 10 year and Above	38.54	74.36
weighted average duration to the payment of these cash flows (in Years)	6.25	9.39



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

Compensated absences

An actuarial valuation of compensated absences has been carried out by an independent actuary based on the following assumption:

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.45%	6.30%
Future Salary Increase/Salary escalation	9.00%	9.00%
Retirement Age (years)	60 Years	60 Years
Mortality Tables*	2012-14	2012-14
Employee turnover		
From 21 to 30 years	33.00%	22.00%
From 31 to 40 years	26.00%	12.00%
From 41 to 50 years	15.00%	11.00%
From 51 to 59 years	5.00%	0.00%

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

* Based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Defined Benefit Obligation of compensated absence in respect of the employees of the Company are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Defined benefit obligation	15.50	16.94
Closing defined benefit obligation	15.50	16.94

Long service award

An actuarial valuation for Long Service Awards to employee has been carried out by an independent actuary based on the following assumption:

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.45%	6.30%
Increase in Cost of Award	0.00%	0.00%
Retirement Age (years)	60 Years	60 Years
Mortality Tables*	2012-14	2012-14
Employee turnover		
From 21 to 30 years	33.00%	22.00%
From 31 to 40 years	26.00%	12.00%
From 41 to 50 years	15.00%	11.00%
From 51 to 59 years	5.00%	0.00%



Handwritten signature/initials.

SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(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 long service award in respect of the employees of the Company are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Defined benefit obligation	6.10	8.83
Closing defined benefit obligation	6.10	8.83

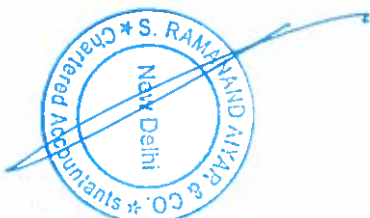
45. Contingent liabilities and Commitments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Claims against the Company not acknowledged as debt		
(a) Demand notices from Service tax department	26.03	53.74
(b) Claims against the company in the ordinary course of business	24.94	19.36
(c) Guarantees	8.17	110.13
(d) Demand notice from Income tax department	1.98	5.45
(e) Contribution notice from ESIC & EPFO	7.08	7.08
Total	68.20	195.76
Pre-deposit against claims	2.49	2.47

- i. Certain show cause notices relating to indirect taxes matters amounting to Rs. 0.42 Crores (March 31, 2021 Rs. 0.42 Crores) and interest as applicable, have neither been acknowledged as claims nor acknowledged as contingent liabilities. Based on internal assessment and discussion with tax advisors, the Company is of the view that the possibility of any of these tax demands materializing is remote.
 - ii. In absence of any specific entry in the Indian Stamp Act, 1899 for amalgamation, which is open to interpretation of the stamp collector, the Company has filed an application dated June 30, 2019 for adjudication of the stamp duty in Delhi. During the pendency of the adjudication application, it is difficult to provide an estimate of the actual stamp duty that would be leviable on the Company and therefore no provision has been made in the financial statements for the year ended March 31, 2022.
 - iii. Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounted to Rs. 10.22 Crores as at March 31, 2022, (Rs. 22.07 Crores as at March 31, 2021).
- 46.** As per the best available information on records, Company does not have any transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the financial year 2021-22.

47. SEGMENT INFORMATION

There is only reportable segment ("Credit cards") as envisaged by Ind AS 108 Segment reporting, specified under section 133 of the Companies act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. Further, the economic environment in which the Company operates is significantly similar and not subject to materially different risk and rewards.



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

Accordingly, as the Company operates in a single business and geographical segment, the reporting requirement for primary and secondary disclosures prescribed by Ind AS 108 are not required to be given.

48. In respect of accounts receivables, the Company is regularly generating and dispatching customer statements on periodic interval wherever transactions or outstanding are there. In case of disputes with regard to billing, there is a process of resolution and adjustments are carried out on regular basis. Moreover, in respect of accounts payable, the Company has a process of receiving regular balance confirmation from its vendors.

For the year end balances of account receivables and account payables, the management is of the opinion that adjustments, if any required through the above-mentioned process, will not have any material impact on the financials of the Company.

49. The Company deposited Goods and Service Tax [GST] on Interchange received by it in respect of VISA International transactions. However, in February 2019, Company has received a declaration from VISA that Settlement of International Interchange is being done in INR as per approval of RBI obtained by VISA in 1995. On the basis of said declaration, the Company has obtained opinion from legal firm confirming that the same can be treated as receipt of consideration in convertible foreign exchange and consequently as export of service and therefore not chargeable to GST. The Company has accordingly decided to stop paying GST on International Interchange henceforth and decided to file a refund application for 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 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.

The refund claim under Section 77 of the CGST Act of Rs. 108.41 crore was allowed during the year ended March 31, 2022, and subsequently refund amount was received on January 04, 2022. In view of the above, impairment loss against the refund claim has been reversed and effect thereof has been recognised in the Statement of Profit and Loss, under Other Income, during the year ended March 31, 2022.



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

51. During the year ended March 31, 2022, the Company has sold a portion of Stage 3 assets to an Asset Restructuring Company. Details of such transaction is as below,

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Number of accounts	:	825	31671
Aggregate value (net of provisions) of accounts sold to ARC	:	Rs 2.23 Crores	Rs 79.88 Crores
Aggregate consideration	:	Rs 0.52 Crores	Rs 18.43 Crores
Additional consideration realized in respect of accounts transferred in earlier years	:	NIL	NIL
Aggregate gain / (loss) over net book value	:	(Rs 1.71 Crores)	(Rs 61.45 Crores)

The consideration on sales of asset [Stage 3] has been settled in cash as of March 31, 2022.

52. The Company has made following changes in estimates during the year ended March 31, 2022

- During the year ended March 31, 2022, the Company has triggered an early write off of loan balances of Rs 304.73 Crores [40983 accounts] on account of change in estimation of recovery expectation of certain category of retail accounts in Stage 3. There is no impact of this change in the statement of Profit and Loss account as the same was fully provided under Expected Credit Loss [ECL] model including management overlay.
- The Company has classified all the linked accounts of written off accounts (having balances > 0) as Stage 3 instead of their independent staging. This has resulted in higher Stage 3 balance by Rs 26.19 crore with a corresponding increase in ECL by Rs 15.11 crore during the quarter and year ended March 31, 2022, in the statement of profit and loss account.

53. Analytical ratios

Ratio	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	Total capital employed	Total Risk weighted asset	23.83%	24.75%	-0.92%	NA
Tier I CRAR	Total equity reduced by Deferred Tax, Intangible assets and Unamortised card acquisition cost	Total Risk weighted asset	21.03%	20.86%	0.17%	NA
Tier II CRAR	Provision on standard asset to the extent of 1.25% of total risk weighted asset and Sub-ordinated debts with original maturity above 5 years	Total Risk weighted asset	2.80%	3.89%	-1.09%	NA
Liquidity Coverage Ratio	Stock of High Quality Liquid Asset	Total net cash outflows over the next 30 calendar days	79.06%	61.55%	17.51%	NA



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

54. During the financial year ended March 31, 2022, the Company has reclassified following comparative figures which do not have material impact on the Balance Sheet

Note No	Note Description	Previously reported amount	Current revised numbers	Change
Asset				
Note No 6	Bank balance other than cash and cash equivalent	74.90	76.90	2.00
Note No 8	Trade receivable	56.82	81.52	24.70
Note No 11	Other financial assets	221.57	194.87	(26.70)
Note No 12	Current tax liabilities/assets (net)	21.69	52.47	30.78
Note No 15	Other non financial assets	864.62	833.84	(30.78)
Total				-
Liabilities				
Note No 16	Payables	760.15	892.72	132.57
Note No 18	Borrowings (other than debt securities)	10,836.78	10,663.52	(173.26)
Note No 20	Other financial liabilities	702.84	876.10	173.26
Note No 21	Provisions	542.22	409.65	(132.57)
Total				-

55. SEBI circular no SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

SR. NO.	PARTICULARS	DETAILS
1	Name of the company	SBI Cards and Payment Services Limited
2	CIN	L65999DL1998PLC093849
3	Outstanding borrowing of company as on March 31, 2022 (in Rs cr)	Rs. 22,982.46
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



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

56. **SEBI circular no SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021**

S. No.	Particulars	Details
1	2-year block period (specify financial years)	FY 2022 and FY 2023
2	Incremental borrowing done in FY 2022 (a)	Rs 3,105.00
3	Mandatory borrowing to be done through debt securities in FY 2022 (b) = (25% of a)	Rs 776.25
4	Actual borrowing done through debt securities in FY 2022 (c)	Rs 2,605.00
5	Shortfall in the borrowing through debt securities, if any, for FY 2021 carried forward to FY 2022. (d)	Nil
6	Quantum of (d), which has been met from (c) (e)	Nil

57. Disclosure in terms of RBI Circular (RBI/2019-20/88) No: DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019.

57.1.1. Public disclosure on liquidity risk:

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Quarter ended	Number of Significant Counterparties	Amount (Rs. crore)	% of Total deposits	% of Total Liabilities
1	Jun'21	11 (Eleven)	14,923.74	N.A.	74.64%
2	Sep'21	10 (Ten)	16,472.68	N.A.	74.27%
3	Dec'21	11 (Eleven)	18,868.57	N.A.	76.37%
4	Mar'22	09 (Nine)	20,744.46	N.A.	77.13%



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

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

Company is registered as Non-Deposit taking Systemically 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'21	14,842.33	87.14%
2	Sep'21	16,362.66	87.02%
3	Dec'21	18,571.63	89.06%
4	Mar'22	20,789.65	91.10%

iv) Funding Concentration based on significant instrument/product

Sr. No.	Quarter ended	Bank Lines		Debentures		Term Loan		Commercial Papers	
		Total Amount (Rs. crore)	% of Total Liabilities	Total Amount (Rs. crore)	% of Total Liabilities	Total Amount (Rs. crore)	% of Total Liabilities	Total Amount (Rs. crore)	% of Total Liabilities
1	Jun'21	9,942.83	49.73%	5,913.35	29.58%	-	-	1,334.01	6.67%
2	Sep'21	11,363.16	51.23%	6,463.80	29.14%	-	-	1,196.21	5.39%
3	Dec'21	12,661.90	51.25%	7,506.54	30.38%	-	-	881.02	3.57%
4	Mar'22	14,180.15	52.72%	7,487.20	27.84%	499.95	1.86%	815.16	3.03%

v) Stock Ratios :

Sr. No.	Quarter ended	Name of the instrument/product	% of Total Public Funds	% of Total Liabilities	% of Total Assets
a	Jun'21	Commercial Papers	N.A.	6.67%	5.01%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	63.41%	47.64%
b	Sep'21	Commercial Papers	N.A.	5.39%	4.10%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	65.27%	49.63%
c	Dec'21	Commercial Papers	N.A.	3.57%	2.74%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	65.48%	50.39%
d	Mar'22	Commercial Papers	N.A.	3.03%	2.35%
		Non-convertible debentures (original maturity <1 year)	N.A.	N.A.	N.A.
		Other short-term liabilities	N.A.	66.52%	51.64%

vi) Institutional set-up for liquidity risk management
Refer note no 38.1.3 for details



57.1.2. Disclosure on Liquidity Coverage Ratio

Reserve Bank of India, through the Liquidity Risk Management Framework for Non-Banking Financial Companies, introduced Liquidity Coverage Ratio (LCR) with the objective that NBFC shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. HQLA means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios.

Liquidity management in the Company is driven by the Board approved Asset Liability Management (ALM) Policy. The Asset Liability Committee (ALCO) is a decision-making unit responsible for implementing the liquidity risk management strategy of the Company, formulating the Company's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Company and ensures adherence to the risk tolerance/limits set by the Board.

The LCR requirement were effective December 1, 2020, with the minimum HQLAs to be held being 50% of the LCR, progressively increase it by 10% annually, to reach up to the required level of 100% by December 1, 2024. From December 1, 2021, the minimum HQLAs to be held are at 60% of the LCR.

The LCR is calculated by dividing Stock of HQLA by total net cash outflows over the next 30 calendar days. Total net cash outflows over the next 30 days are equal to stressed outflows minus Minimum of (stressed inflows or 75% of stressed outflows), wherein stressed outflows are 115% of outflows and stressed inflows are 75% of inflows.

The following table sets out the average of unweighted and weighted value of the LCR components of the Company calculated in accordance with RBI circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019. The average weighted and unweighted amounts are calculated taking simple averages of daily observations over the respective quarter.



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

		Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021	
Sr. No.	Particulars	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Asset									
1	Total High Quality Liquid Assets (HQLA)		1,311.17		1,188.68		1,011.13		1,038.66
Cash Outflows									
2	Deposits (For Deposit taking Companies)	-	-	-	-	-	-	-	-
3	Unsecured Wholesale Funding	-	-	-	-	-	-	-	-
4	Secured Wholesale Funding	4,279.67	4,921.62	4,218.80	4,851.62	3,433.13	3,948.10	3,555.52	4,088.84
5	Additional Requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	440.96	507.10	421.15	484.33	393.02	451.98	173.41	199.43
6	Other contractual funding obligations	1,047.72	1,204.88	1,036.93	1,192.46	948.52	1,090.80	866.58	996.56
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total Cash Outflows	5,768.34	6,633.59	5,676.88	6,528.41	4,774.68	5,490.88	4,595.51	5,284.83
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
	Inflows from fully performing								



SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(Figures in Rupees Crores, unless otherwise stated)

10	exposures	9,610.82	7,208.11	9,077.13	6,807.85	7,381.52	5,536.14	6,895.86	5,171.89
11	Other Cash Inflows	142.52	106.89	130.10	97.57	133.05	99.79	234.29	175.72
12	Total Cash Inflows	9,753.34	7,315.00	9,207.23	6,905.42	7,514.58	5,635.93	7,130.15	5,347.62
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		1,311.17		1,188.68		1,011.13		1,038.66
14	Total Net Cash Outflows		1,658.40		1,632.10		1,372.72		1,321.21
15	Liquidity Coverage Ratio (%)		79.06%		72.83%		73.66%		78.61%



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

The main drivers of the LCR calculation in outflow over 30 days period is contractual borrowing obligations of the company in the form of commercial papers, bank lines, debentures. Other contractual funding obligations consist of liabilities towards network partners, vendor payments, other liabilities. Further company has used the behavioural study to take the impact of unused credit and liquidity facilities that Company has provided to its cardholders. Main driver of inflows is the repayments from the cardholders which are taken basis the past behavioural pattern observed. Other cash inflows consist of incomes accruals which company expects to receive in next 30 days.

The average LCR of the Company for the three months ended March 31, 2022 was 79.06% as against 72.83% for the quarter ended December 31, 2021. The LCR remains above the regulatory minimum requirement of 60%.

The average HQLA for the quarter ended March 31, 2022 was 1,311.17 Crores as against 1,188.68 Crores for the quarter ended December 31, 2021. The net cash outflow position has gone up by Rs. 26.30 Crores and HQLA level has up by Rs 122.49 Crores. Increase in HQLA level has been done to increase the overall LCR percentage. HQLA comprises of balances in current account with Scheduled Commercial Banks (6.26%), Investments in Treasury Bills (63.33%) and Investment in Government Securities (30.41%).

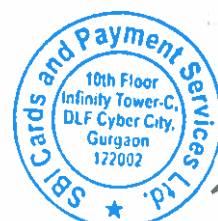
The company takes forward cover to hedge the foreign exchange liabilities and hence does not foresee any material impact of derivative exposure/potential collateral calls/ currency mismatch in the LCR.

Management is of the view that the Company has sufficient liquidity cover to meet its likely future short-term requirements.

58. Schedule to Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 13 of Non- Banking Financial Companies (non-deposit accepting or holding) Prudential Norms (Reserve Bank) Directions, 2016:

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side:				
1 Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:				
(a) Debentures - Secured				
Unsecured	7,487.20	-	5,019.12	-
(Other than falling within the meaning of public deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	499.95	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	815.16	-	2,212.14	-
(f) Other Loans	-	-	-	-
- External commercial borrowings	-	-	-	-
- Cash/Credit Loans*	14,180.15	-	10,663.52	-
- Finance lease obligation	-	-	-	-
- lease obligation	302.45	-	173.26	-

* It includes working capital demand loan.



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

	Assets side:	Amount outstanding	Amount outstanding
		As at March 31, 2022	As at March 31, 2021
2	Break-up of Loans and Advances including bills receivables [other than those included in (4)]		
	(a) Secured*	340.30	316.25
	(b) Unsecured	30,941.07	24,797.58
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	-	-
	i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	Nil	Nil
	(b) Operating lease	Nil	Nil
	ii) Stock on hire including hire charges under sundry debtors:		
	(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.



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

	Assets side:	Amount outstanding	Amount outstanding
		As at March 31, 2022	As at March 31, 2021
	Break-up of Investments:		
	<i>Current Investments:</i>		
	1. Quoted:		
	(i) Shares: (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	878.31	623.25
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares: (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
4	(v) Others	Nil	Nil
	<i>Long Term investments:</i>		
	1. Quoted:		
	(i) Shares: (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	400.96	323.11
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares: (a) Equity	17.92	11.2
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil

5 Borrower group-wise classification of assets financed as in (2) and (3) above:						
Category	Amount net of provisions					
	As at March 31, 2022			As at March 31, 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	0.27	0.27	-	0.24	0.24
(c) Other related parties	-	0.06	0.06	-	0.02	0.02
2. Other than related parties	340.30	30,940.74	31,281.04	314.76	23,144.13	23,458.89
Total	340.30	30,941.07	31,281.37	314.76	23,144.39	23,459.14



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

Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):					
	Category	As at March 31, 2022		As at March 31, 2021	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or	Book Value (Net of Provisions)
6	1. Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group *	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties	1,297.19	1,297.19	957.56	957.56
	Total	1,297.19	1,297.19	957.56	957.56

* Refer note 10

7	Other Information	As at March 31, 2022	As at March 31, 2021
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	693.42	1,254.28
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	240.90	277.65
(iii)	Assets acquired in satisfaction of debt	-	-



59. Disclosure of Restructured Accounts

S. No.	Type of Restructuring	Under CDR Mechanism					Under SME Debt					Others				
		A	B	C	D	Total	A	B	C	D	Total	A	B	C	D	Total
		#	#	#	#		#	#	#	#		#	#	#	#	
1	Restructured accounts as on 1 April 2021	No. of borrowers	-	-	-	-	-	-	-	-	-	1,635	-	-	-	1,635
		Amount outstanding	-	-	-	-	-	-	-	-	-	14.42	-	-	-	14.42
		Provision thereon	-	-	-	-	-	-	-	-	-	9.50	-	-	-	9.50
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	63	-	-	-	63
		Amount outstanding	-	-	-	-	-	-	-	-	-	0.71	-	-	-	0.71
		Provision thereon	-	-	-	-	-	-	-	-	-	0.46	-	-	-	0.46
3	Upgradations to restructured standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	275	-	-	-	275
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	812	-	-	-	812
		Amount outstanding	-	-	-	-	-	-	-	-	-	6.50	-	-	-	6.50
		Provision thereon	-	-	-	-	-	-	-	-	-	4.21	-	-	-	4.21
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	8	-	-	-	8
		Amount outstanding	-	-	-	-	-	-	-	-	-	0.09	-	-	-	0.09
		Provision thereon	-	-	-	-	-	-	-	-	-	0.06	-	-	-	0.06
7	Adjustments as on 31st Mar'22 for payment/provision*	No. of borrowers	-	-	-	-	-	-	-	-	-	5.38	-	-	-	5.38
		Amount received	-	-	-	-	-	-	-	-	-	3.05	-	-	-	3.05
		Provision adjustments	-	-	-	-	-	-	-	-	-	603	-	-	-	603
8	Restructured Accounts as on 31st March 2022 (S No 1+2-3-4-5-6-7)	No. of borrowers	-	-	-	-	-	-	-	-	-	3.16	-	-	-	3.16
		Amount outstanding	-	-	-	-	-	-	-	-	-	2.04	-	-	-	2.04
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* 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



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

60. Additional Disclosures

60.1. Capital

Particulars	As at March 31, 2022	As at March 31, 2021
i) CRAR (%)	23.83%	24.75%
ii) CRAR - Tier I Capital (%)	21.03%	20.86%
iii) CRAR - Tier II Capital (%)	2.80%	3.89%
iv) Amount of subordinated debt raised as Tier-II capital*	1,150	1,250
v) Amount raised by issue of Perpetual Debt Instruments	-	-

*Qualifying amount as Tier II Capital as at March 31, 2022 is Rs 490 crore (March 31, 2021 Rs. 650 crore). Fresh subordinated debt raised as Tier II during Financial Year 2021-22 is NIL (March 31, 2021 Rs NIL crore).

60.2. Investments

Particulars	As at March 31, 2022	As at March 31, 2021
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,297.19	957.56
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,297.19	957.56
(b) Outside India	-	-
2 Movement of Provisions held towards		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess	-	-
(iv) Closing balance	-	-

60.3. Derivatives

Forward Rate Agreement / Interest Rate Swap

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	Nil	Nil



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

60.4. Exchange Traded Interest Rate (IR) Derivatives

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil

60.5. Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

S. No.	Particulars	As at March 31, 2022		As at March 31, 2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate
(i)	Derivatives (Notional Principal Amount)				
	Hedged Assets	Nil	Nil	25.73 (USD 0.35)	Nil
	Hedged Liabilities- Loan	Nil	Nil	Nil	Nil
	Hedged Liabilities- Interests	Nil	Nil	Nil	Nil
(ii)	Marked to Market Positions				
	a) Asset (+)	Nil	Nil	0.10	Nil
	b) Liability (-)	Nil	Nil	Nil	Nil
(iii)	Credit Exposure	Nil	Nil	Nil	Nil
(iv)	Unhedged Exposures	158.09	Nil	110.11	Nil

Refer note 38.1.1 to the financial statements for details



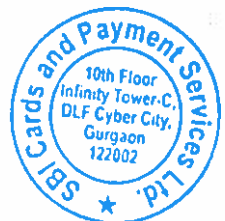
SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(Figure in Rupees Crores, unless otherwise stated)

60.6. Disclosures relating to Securitisation

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	No of SPVs sponsored by the NBFC for securitisation transactions	Nil	Nil
2	Total amount of securitised assets as per books of the SPVs sponsored	Nil	Nil
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	Nil	Nil
	a) Off-balance sheet exposures	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
	b) On-balance sheet exposures	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
4	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	Nil	Nil
	Others	Nil	Nil
	ii) Exposure to third party securitisations		
	First loss	Nil	Nil
	Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own securitisations	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
	ii) Exposure to third party securitisations		
	First loss	Nil	Nil
	Others	Nil	Nil

60.7. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	No. of accounts	825	31671
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	Rs 2.23 Crores	Rs 79.88 Crores
(iii)	Aggregate consideration	Rs 0.52 Crores	Rs 18.43 Crores
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v)	Aggregate gain / (loss) over net book value	(Rs 1.71 Crores)	(Rs 61.45 Crores)



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

60.8. Details of Assignment transactions undertaken by NBFCs

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

60.9. Details of non-performing financial assets purchased/sold from/to other NBFC

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	(a) No. of accounts purchased during the year	Nil	Nil
	(b) Aggregate outstanding	Nil	Nil
2	(a) Of these, number of accounts restructured during the year	Nil	Nil
	(b) Aggregate outstanding	Nil	Nil



A

SBI Cards and Payment Services Limited
Notes forming part of the financial statements
(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, 2022

Particulars	Upto 7 days	8-14 Days	15-30/31 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	3,778.62	2,768.07	3,824.71	4,627.62	3,004.20	4,719.35	3,276.31	3,947.47	-	240.90	30,167.25
Investments	-	-	-	230.31	53.06	402.30	195.68	217.68	180.24	17.92	1,297.19
Borrowings	1,602.00	1,050.00	2,601.07	4,294.54	3,415.50	1,680.50	1,983.90	5,055.00	949.95	350.00	22,982.48
Foreign Currency assets	-	-	-	-	4.11	-	71.41	-	-	-	75.52
Foreign Currency liabilities	-	-	17.81	64.76	-	-	-	-	-	-	82.57

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

Particulars	Upto 7 days	8-14 Days	15-30/31 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	2,768.14	1,771.10	2,750.84	3,440.15	2,263.43	3,623.37	2,800.28	3,568.18	-	277.65	23,459.14
Investments	-	-	-	281.53	1.69	281.68	63.11	86.84	231.51	11.20	957.56
Borrowings	1,314.36	1,630.35	2,056.71	3,524.37	2,124.25	1,278.78	1,260.98	3,565.00	750.00	350.00	17,894.78
Foreign Currency assets	-	-	-	-	3.96	-	69.13	-	-	-	73.11
Foreign Currency liabilities	-	-	13.53	49.20	-	-	-	-	-	-	62.73



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

60.11. Exposure to Real Estate

Category	As at March 31, 2022	As at March 31, 2021
a) Direct Exposure		
(i) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	Nil	Nil
(ii) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits.	Nil	Nil
(iii) Investments in Mortgage Backed Securities (MBS) and other		
a. Residential	Nil	Nil
b. Commercial real Estate	Nil	Nil

60.12. Exposure to Capital Market

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances';	Nil	Nil
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers,	Nil	Nil
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii) Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market	Nil	Nil

60.13. Details of financing of parent company products

The Company has not financed any of the products of its parent company during the financial year 2021-22.

60.14. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits during the year ended March 31, 2022.



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

60.15. Miscellaneous

60.15.1. Registration obtained from other financial sector regulators

The Company has also obtained registration from the following Regulators.

Registration Authority	Registration No.
Certificate of Incorporation under Companies Act 2013	L65999DL1998PLC093849
Insurance Regulatory and Development Authority of India	CA0075
NBFC Registration	14.01328

60.15.2. Disclosure of Penalties imposed by RBI and other regulators

No penalties have been imposed by any regulators during financial year 2021-22.

60.15.3. Related Party Transactions

For related party transaction refer note no.41

60.15.4. Ratings assigned by credit rating agencies and migration of ratings during the year

The short-term debt rating of the Company is A1+ by CRISIL and ICRA. Long-term debt rating is AAA / Stable by CRISIL and ICRA. There is no change in the rating during financial year 2021-22.

60.15.5. Revenue Recognition

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

60.15.6. Remuneration to Directors

During the year the Company has paid Rs 1.17 Crores towards Directors fees, allowances and expenses.

Refer note 33

60.15.7. Net Profit or loss for the period, prior period items and change in accounting policies

There has been no change in the Significant Accounting policies followed during the financial year 2021-22 in comparison to the financial Year 2020-21. Further, there are no adjustment of prior period items during the financial year 2021-22.



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

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, 2022	As at March 31, 2021
Provision towards stage 3 assets *	452.52	976.63
Provision for stage 1 and stage 2 assets *	641.60	678.06
Provision for Long Service Awards	6.10	8.83
Provision for reward points redemption	410.14	342.10
Provision for Gratuity	-	0.81
Provision for Compensated absences	15.50	16.94
Provision on Trade Receivable	0.04	0.34
Provision on Financial assets	2.39	1.91
Provision on Non Financial assets	5.42	113.74
Provision for Bonus & Incentive Payable	45.65	40.97

* Includes management overlay.

61.2. Draw Down from reserves

There is no draw down from the reserves during the financial year ended March 31, 2022.

61.3. Concentration of Deposits, Advances, Exposures and NPAs #

Concentration of Advances

Particulars	As at March 31, 2022	As at March 31, 2021
Total Advances to twenty largest borrowers*	50.55	49.95
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.16%	0.20%

61.4. Concentration of Exposures

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers/customers**	264.63	217.08
Percentage of Exposures to twenty largest borrowers/customers to Total Exposures of the NBFC on borrowers/customers	0.21%	0.16%

**In case of Corporate Cards, the exposure includes all the credit cards exposure to that Corporate in total. The exposure here denotes the total credit card limit against the top twenty borrowers.

61.5. Concentration of NPAs #

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts*	0.70	0.75

*All four NPA accounts has been blocked for transactions.

refers to Stage 3 asset



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

61.6. Sector wise NPAs #

Sl No.	Sector	% of NPAs to Total Advances in that sector	As at March 31, 2022	As at March 31, 2021
1	Agriculture & allied activities	0.00%	-	-
2	MSME	0.00%	-	-
3	Corporate borrowers - Credit Cards*	0.00%	0.00	-
4	Services	0.00%	-	-
5	Unsecured personal loans	0.00%	-	-
6	Auto loans	0.00%	-	-
7	Other personal loans - Credit Cards	2.22%	693.42	1,254.28

*In case of Corporate Cards, the NPA includes all the credit cards exposure to that corporate in total. % of NPA is for FY 2021-22.

61.7. Movement of NPAs #

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net NPAs to Net Advances (%)	0.78%	1.15%
Movement of NPAs (Gross)		
(a) Opening balance	1,254.28	484.39
(b) Additions during the year *	2,256.43	3,162.24
(c) Reductions during the year	(2,811.26)	(2,159.54)
(d) Derecognised during the year	(6.03)	(232.81)
(e) Closing balance	693.42	1,254.28
(ii) Movement of NPAs (Net)		
(a) Opening balance	277.65	158.86
(b) Additions during the year	911.30	946.98
(c) Reductions during the year	(948.05)	(828.19)
(d) Closing balance	240.90	277.65
(iii) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	976.63	325.53
(b) Provisions made during the year	1,345.12	2,215.26
(c) Write-off / write-back of excess	(1,864.92)	(1,411.23)
(d) Derecognised during the year	(4.31)	(152.93)
(e) Closing balance	452.52	976.63

* Addition during the year is net of repayment

refers to Stage 3 asset



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

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 (1)	Asset Classification as per Ind AS (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions as required under (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms			Difference between Ind AS 109 provisions (7)=(4)-(6)
					(6.1)	(6.2)*	(6) = (6.1)+(6.2)	
Performing Assets								
Standard	Stage 1	27,931.49	455.92	27,475.57	122.35	84.93	207.28	434.32
	Stage 2	2,656.47	185.69	2,470.78				
Subtotal of Performing Assets		30,587.95	641.60	29,946.35	122.35	84.93	207.28	434.32
Non-Performing Assets (NPA)								
Substandard	Stage 3	693.36	452.48	240.90	52.73	-	52.73	399.75
Doubtful- up to 1 year	Stage 3	-	-	-	-	-	-	-
1-3 years	Stage 3	-	-	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-	-	-
Subtotal of doubtful		-	-	-	-	-	-	-
Loss	Stage 3	0.04	0.04	-	0.04	-	0.04	-
Subtotal of NPA		693.42	452.52	240.90	52.77	-	52.77	399.75
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-
Total	Stage 1	27,931.49	455.92	27,475.57	122.35	84.93	207.28	434.32
	Stage 2	2,656.47	185.69	2,470.77				
	Stage 3	693.42	452.52	240.90	52.77	-	52.77	399.75
	Total	31,281.37	1,094.12	30,187.25	175.12	84.93	260.05	634.07

* Substandard assets provision as per IRACP norms is based on principal balance. Income which would have been derecognized in IRACP on substandard assets is Rs. 165.70 Crores.

** Represents additional provision created in line RBI Circular, RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2020-21 dated April 17, 2020.

61.9. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There is no overseas asset as at March 31, 2022.

61.10. Off-balance Sheet SPVs sponsored

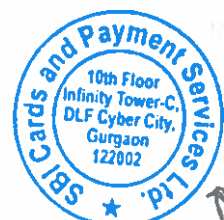
There is no off-balance sheet SPVs sponsored by the Company during the year ended March 31, 2022.

61.11. Disclosures pursuant to RBI Notification – RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020, and RBI/2021-22/31/DOR.STR.REC. 11/21.04.048/2021-22 dated May 05, 2021.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) #	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans *	843.72	182.71	258.52	386.24	282.19
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	843.72	182.71	258.52	386.24	282.19

* Represent Credit Card advances for RBI RE 1.0 and RBI RE 2.0

Status as of September 30, 2021



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

61.12. Disclosures of Customers Complaints

S.no	Particulars	Gross Inflows		Previously reported numbers
		As at March 31, 2022	As at March 31, 2021 *	As at March 31, 2021
(a)	No. of cases pending at the beginning of the year	12,150	5,943	304
(b)	No. of cases received during the year	7,33,546	9,22,000	11,477
(c)	No. of cases redressed during the year	7,36,713	9,15,908	15,290
(d)	No. of Cases pending at the end of the year	9,483	12,150	90

* The number of complaints reported by the Company in the Annual Report for FY2020-2021 comprised of Net Internal Complaints and Gross Banking Ombudsman Complaints. The organization has moved towards reporting of Gross Inflow and Net complaints, from above mentioned internal and external channels, derived as per defined processes. Numbers reported in the annual report for FY 2020-21 are not comparable with FY2021-22 numbers. Further numbers for FY2020-21 have been revised as per the revised methodology.

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

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

R. Balasubramanian
Partner
Membership No.: 080432

Rama Mohan Rao Amara
Managing Director & CEO
DIN: 08951394

Shrinivas Yeshwant Joshi
Director
DIN: 05189697

Chief Financial Officer

Company Secretary

Date: Gurugram
Place: April 29, 2022

Date: Gurugram / Mumbai
Place: April 29, 2022

