

Private Placement Offer Letter Series – 23 Dated: February 22, 2021

Serial No 002

Addressed to: State Bank of India



**SBI CARDS AND PAYMENT SERVICES LIMITED**

**Formerly known as SBI Cards and Payment Services Private Limited**

**(A subsidiary of State Bank of India)**

**Regd. Office:** Unit 401 & 402, 4th Floor, Aggarwal Millennium, Tower, E 1,2,3, Netaji Subhash Place,  
Wazirpur, New Delhi-110034, India

**Corporate Office:** 2nd Floor, Tower-B, Infinity Towers, DLF Cyber City, Block 2 Building 3, DLF Phase 2,  
Gurugram, Haryana 122 002, India

**Tel.:** +91-124-4589803; **E-mail:** investor.relations@sbicard.com

**Website:** [www.sbicard.com](http://www.sbicard.com), **CIN** – L65999DL1998PLC093849

**Compliance Officer for the Issue:** Ms. Payal Mittal Chhabra, Tel: +91 124-4589803

**E-mail:** investor.relations@sbicard.com

This Private Placement Offer Letter is issued in conformity with Companies Act, 2013, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, Form PAS-4 prescribed under Section 42 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended. This issuance would be under the electronic book mechanism for issuance of debt securities on private placement basis as per SEBI circular dated January 05, 2018 bearing reference number SEBI/HO/DDHS/CIR/P/2018/05, and SEBI circular dated August 16, 2018 bearing reference number SEBI/HO/DDHS/CIR/P/2018/122, each as amended (“SEBI EBP Circulars”), read with the Updated Operational Guidelines “for issuance of Securities on Private Placement basis through an Electronic Book Mechanism” issued by BSE vide their notice number 20180424-45 dated April 24 2018 (“BSE EBP Guidelines”) or the “Electronic Bidding Platform for Issuance of Debt Securities on Private Placement Basis” issued by the NSE vide their circular number 15/2018 dated April 24 2018 (“NSE EBP Guidelines”), as applicable. The SEBI EBP Circulars and the BSE EBP Guidelines / NSE EBP Guidelines shall hereinafter be referred to as the “Operational Guidelines”. The Issuer intends to use the NSEs electronic debt bidding platform for this Issue.

**PRIVATE PLACEMENT OFFER LETTER DATED FEBRUARY 22, 2021**

**PRIVATE PLACEMENT OFFER LETTER FOR PRIVATE PLACEMENT OF FIXED RATE, UNSECURED, RATED, TAXABLE, REDEEMABLE, SENIOR, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 10,00,000 EACH UNDER SERIES 23 FOR AN ISSUE SIZE OF ₹ 550 CRORE**

**NEITHER THE ISSUER NOR ANY OF THE CURRENT DIRECTORS OF THE ISSUER HAS BEEN DECLARED AS WILFUL DEFAULTER. FOR DETAILS OF THE SAME PLEASE REFER TO PAGE 94 OF THIS PRIVATE PLACEMENT OFFER LETTER.**

<b>TRUSTEE FOR THE DEBENTUREHOLDERS AXIS TRUSTEE SERVICES LIMITED</b>	<b>REGISTRAR TO THE ISSUE ZUARI FINSERV LIMITED</b>
<b>Corporate Office:</b> The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai- 400 028 Tel: 022 – 62300431, Facsimile: 022 – 24254200 Contact Person: Chief Operating Officer Email: debenturetrustee@axistrustee.com Website: <a href="http://www.axistrustee.com">www.axistrustee.com</a> SEBI Registration No.: IN000000494	<b>Registered Office:</b> Corporate One, 1 <sup>st</sup> Floor, 5 Commercial Centre, Jasola, New Delhi – 110025, India Tel: 011-41697900, Facsimile: 011-40638679 Contact Person: Sh. Krishna Kant, Sr. Manager Email: rta@adventz.zuarimoney.com Website: <a href="http://www.zuarimoney.com">www.zuarimoney.com</a> SEBI Registration No.: INR000003902
<b>ISSUE PROGRAMME</b>	
<b>Bid Opening &amp; Closing: February 22, 2021</b> <b>Issue opening &amp; Closing: February 22, 2021</b>	<b>Pay-In: February 23, 2021</b> <b>Deemed Date of Allotment: February 23, 2021</b>
<b>LISTING</b>	

The Debentures are proposed to be listed on Wholesale Debt Market segment of the BSE Ltd. The BSE have granted the in-principal approval vide letter dated February 18, 2021

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## SECTION I DEFINITIONS/ABBREVIATIONS

AY	Assessment Year
Articles/Articles of Association/AoA	Articles of Association of our Company as amended from time to time.
Allotment/Allot	The issue and allotment of the Debentures to the successful Applicants pursuant to this Issue.
Applicant/ Investor	A person who makes an offer to subscribe to the Debentures pursuant to the terms of this Private Placement Offer Letter and the Application Form.
Auditing Standards	Standards of auditing or any addendum thereto for companies or class of companies referred to in sub-section (10) of Section 143 of the Companies Act, 2013.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Debentures and which will be considered as the application for Allotment of Debentures for Series 23
Arrangers to the Issue	Arrangers to the issue are the entities as listed in this Private Placement Offer Letter.
Board/ Board of Directors	The Board of Directors of SBI Cards and Payment Services Limited or any committee of the Board thereof.
Debentures	Fixed rate Unsecured, Rated, Taxable, Redeemable, Senior, Non-convertible Debentures of face value of ₹ 10 Lakh each offered through private placement route under the terms of this Private Placement Offer Letter.
Debenture holder(s)	Any person holding the Debentures and whose name appears in the list of Beneficial Owners provided by the Depositories or whose name appears in the Register of Debenture holders maintained by the Issuer/Registrar.
Beneficial Owner(s)	Debentureholder(s) holding Debenture(s) in dematerialized form (Beneficial Owner of the Debenture(s) as defined in clause (a) of sub-section of Section 2 of the Depositories Act, 1996).
Book Closure/Record Date	Record date of interest shall be 15 days prior to each interest payment date and 15 days prior to the date of Maturity. Interest shall be paid to the person whose name appears as sole/first in the Register of Debentureholders/Beneficial Owners position of the Depositories on Record Date or to the Debentureholders who have converted the Debentures to physical form and their name is registered on the registers maintained by Company/Registrar. In the event of SBICPSL not receiving any notice of transfer at least 15 days before the respective due date of payment of interest and at least 15 days prior to the maturity date, the transferees for the Debenture shall not have any claim against SBICPSL in respect of interest so paid to the registered Debentureholder.
BSE	BSE Limited
CAG	Comptroller and Auditor General of India
CAGR	Compounded Annual Growth Rate
CAR	Capital Adequacy Ratio
CARE	Credit Analysis & Research Limited
CARH	CA Rover Holdings
CDSL	Central Depository Services (India) Limited
CRISIL	CRISIL Limited
CSR	Corporate Social Responsibility
CWPPL	Capita world Platform Private Limited
The Companies Act	The Companies Act, 2013, as amended from time to time
Debt Securities	Non-Convertible debt securities which create or acknowledge indebtedness and include debenture, Debentures and such other securities of the Issuer,

	whether constituting a charge on the assets of the Issuer or not but excludes security receipts and securitized debt instruments.
Deemed Date of Allotment	The cut-off date on which the Board/ duly authorized committee or officials authorized - approves the Allotment of the Debentures i.e. the date from which all benefits under the Debentures including interest on the Debentures shall be available to the Debenture holders. The actual allotment of Debentures (i.e. approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act, 1996
Designated Stock Exchange	BSE Limited
DER	Debt Equity Ratio
DP	Depository Participant
DRR	Debenture Redemption Reserve
EBP	"Electronic Book Provider" or "EBP" means a recognized stock exchange or a recognised depository, which pursuant to obtaining approval from SEBI, provides an electronic platform for private placement of securities.
EPS	Earnings Per Share
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995) and registered with the SEBI under applicable laws in India.
FPI	Foreign Portfolio Investors as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014 registered with SEBI.
Financial Year/ FY/ Fiscal	Period of twelve months ending on March 31, of that particular year
GECMOI	GE Capital (Mauritius) Overseas Investment
GE	General Electric, USA
ICRA	ICRA Limited
GoI	Government of India/Central Government
HUF	Hindu Undivided Family
Trustee	Axis Trustee Company Limited
Independent Director	An independent director referred to in sub-section (6) of Section 149 of the Companies Act, 2013
Issuer/ SBICPSL/Company/SBI Card	SBI Cards and Payment Services Limited. (Formerly known as SBI Cards and Payment Services Private Limited) A Company incorporated under Companies Act, 1956 and having its registered office at Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower, E 1,2,3, Netaji Subhash Place, Wazirpur, New Delhi-110034 and bearing CIN: L65999DL1998PLC093849.
“our”/” we”/”us”	Our Company on standalone basis
Issue/ Offer	Private Placement of Debentures of ₹ 550 Crore under this Private Placement Offer Letter.
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
IT Department/IT Dept.	Income Tax Department
IT	Income Tax
Key Managerial Personnel	Key managerial personnel, in relation to the Company, shall mean: i. Managing Director & Chief Executive Officer ii. Company Secretary iii. Chief Financial Officer iv. Or any such other officer as may be prescribed under the Companies

	Act, 2013.
Listing Agreement	Listing Agreement under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015
MD & CEO	Managing Director & Chief Executive Officer of SBICPSL
Memorandum/Memorandum of Association	Memorandum of Association of the Company as originally framed or as altered from time to time in pursuance of any previous Company law or of the Companies Act, 2013.
MF	Mutual Fund
NCLT	National Company Law Tribunal
NRI	Non-Resident Indians
NSE	National Stock Exchange of India Ltd.
NSDL	National Securities Depository Ltd.
PAN	Permanent Account Number
Private Placement	Offer of Debentures or invitation to subscribe to the Debentures of the Issuer (other than by way of public offer) through issue of this Private Placement Offer Letter investors on such conditions including the form and manner of private placement as prescribed under the Companies Act, 2013 and RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended
Private Placement Offer Letter /PPOL	Private Placement Offer Letter shall mean this Private Placement Offer Letter
GIR	General Index Registration Number
₹ /INR/Rupee/Rs.	Indian National Rupee
RBI	Reserve Bank of India
RBI Act, 1934	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
ROC	Registrar of Companies, National Capital Territory of Delhi & Haryana
Registrar to the Issue	Zuari Finserv Limited.
RBI Guidelines	Any rule, regulations, guideline, or amendment as may be issued by RBI from time to time.
SBIBPMSL	SBI Business Process Management Services Private Limited
SBI	State Bank of India
SEBI	Securities and Exchange Board established under Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	Any rule, regulation or amendment as may be issued by SEBI from time to time.
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2012 as amended from time to time.
SFE	Sales Force Effectiveness
TDS	Tax Deducted at Source

## SECTION II DISCLAIMERS

### DISCLAIMER OF THE ISSUER

This Private Placement Offer Letter is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in conformity with Companies Act, 2013, Form PAS-4 prescribed under Section 42 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI Guidelines and RBI Guidelines and the relevant rules and regulations therein. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by SBICPSL. This document is for the exclusive use of the investors to whom it has been specifically addressed and it should not be circulated or distributed to third party (s). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Debentures issued by the Issuer. This Debenture issue is made strictly on private placement basis. Apart from this Private Placement Offer Letter, no offer document or prospectus is being prepared in connection with the offering of this Issue or in relation to Issuer.

This Private Placement Offer Letter is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the Debentures issued by SBICPSL. This Private Placement Offer Letter has been prepared to give general information regarding SBICPSL to parties proposing to invest in this issue of Debentures and it does not purport to contain all the information that any such party may require. SBICPSL believes that the information contained in this Private Placement Offer Letter is true and correct as of the date hereof. SBICPSL does not undertake to update this Private Placement Offer Letter to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with SBICPSL. However, SBICPSL reserves its right for providing the information at its absolute discretion. SBICPSL accepts no responsibility for statements made in any advertisement or another material and anyone placing reliance on any other source of information would be doing so at their own risk and responsibility.

Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Debentures. It is the responsibility of the prospective subscribers to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for and purchase the Debentures. It is the responsibility of the prospective subscribers to verify if they have necessary power and competence to apply for the Debentures under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Debentures. Nothing in this Private Placement Offer Letter should be construed as advice or recommendation by the Issuer or by the Arrangers to the Issue to subscribers to the Debentures. The prospective subscribers also acknowledge that the Arrangers to the Issue do not owe the subscribers any duty of care in respect of this private placement offer to subscribe to the Debentures. Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Debentures and matters incidental thereto.

This Private Placement Offer Letter is not intended for distribution and as per sub-section (7) of section 42 of the Companies Act, 2013, the Issuer shall not release any public advertisements or utilise any media, marketing or distribution channels or agents to inform the public at large in relation to this Issue. It is meant for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The securities mentioned herein are being issued on private placement basis and this offer does not constitute a public offer/ invitation.

The Issuer reserves the right to withdraw the private placement of the Debenture issue prior to the issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any. The Investors confirm that they are aware of and understand the contents as set out under this section.

### DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Private Placement Offer Letter has not been filed with SEBI. The debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood that this Private Placement Offer Letter should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the



financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Private Placement Offer Letter. The Issue of Debentures being made on private placement basis, this Private Placement Offer Letter is not required to be filed with SEBI.

#### **DISCLAIMER OF THE ARRANGERS**

It is advised that SBICPSL has exercised self-due diligence to ensure complete compliance of prescribed disclosure norms in this Private Placement Offer Letter. The role of the Arrangers to the Issue in the assignment is confined to marketing and placement of the Debentures based on this Private Placement Offer Letter as prepared by SBICPSL. The Arrangers to the Issue have neither scrutinized/vetted nor have they done any due diligence for verification of the contents of this Private Placement Offer Letter. The Arrangers to the Issue shall use this Private Placement Offer Letter for the purpose of soliciting subscription from qualified institutional investors in the Debentures to be issued by SBICPSL on private placement basis. It is to be distinctly understood that the aforesaid use of this Private Placement Offer Letter by the Arrangers to the Issue shall neither in any way be deemed or construed that this Private Placement Offer Letter has been prepared, cleared, approved or vetted by the Arrangers to the Issue, nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Private Placement Offer Letter; nor do they take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of SBICPSL. The Arrangers to the Issue or any of its directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this Private Placement Offer Letter.

#### **DISCLAIMER OF THE STOCK EXCHANGE**

As required, a copy of this Private Placement Offer Letter has been submitted to BSE for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that this Private Placement Offer Letter has been cleared or approved by the BSE; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor do they warrant that the Issuer's Debentures will be listed or continue to be listed on the BSE; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any project of SBICPSL. Every person who desires to apply for or otherwise acquire any Debentures of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

A draft copy of this document was also submitted to NSE for hosting the same on electronic bidding platform of NSE. It is to be distinctly understood that such submission of the document with NSE for hosting the same on its electronic bidding platform of NSE shall not be not in any way be deemed or construed that this Private Placement Offer Letter has been cleared or approved by the NSE; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor do it warrants that the Issuer's Debentures will be listed or continue to be listed on any exchange.; nor do it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any project of SBICPSL. Every person who desires to apply for or otherwise acquire any Debentures of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER OF THE RESERVE BANK OF INDIA**

The Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood that this Private Placement Offer Letter should not, in any way, be deemed or construed that the Debentures have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the Debentures being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Private Placement Offer Letter. The potential investors may make investment decision in respect of the Debentures offered in terms of this Private Placement Offer Letter solely based on their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment.

### SECTION III GENERAL INFORMATION

#### 3.1. ISSUER

Name of the Issuer	: SBI Cards and Payment Services Limited (Formerly known as SBI Cards and Payment Services Private Limited)
Registered Office	: Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower E1,2,3 Netaji Subhash Place, Wazirpur, New Delhi-110034
Corporate Office	: 2nd Floor, Tower B, Infinity Towers, DLF Cyber City, Block 2, Building 3, DLF Phase 2, Gurugram, Haryana-122002, India
Website	: www.sbicard.com
E-mail	: investor.relations@sbicard.com
Telephone Number	: +91-124-4589803
CIN	: L65999DL1998PLC093849
Company Registration Number	: 093849
Date of Incorporation	: May 15, 1998

SBI Cards and Payment Services Limited, formerly known as SBI Cards and Payment Services Private Limited, (“the Company” or “SBI Card”) was incorporated on May 15, 1998 and is engaged in the business of issuing credit cards to consumers in India. The Company was incorporated as a joint venture between State Bank of India (60%) and GE Capital Mauritius Overseas Investment (40%). 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 the Registrar of Companies issued a fresh certificate of incorporation dated August 20, 2019. In March 2020, the Company came up with an Initial Public Offering, wherein, State Bank of India and CA Rover Holdings diluted their shareholding in the Company to 69.51% and 15.89% respectively, through offer for sale and the Company also raised capital of Rs 499.32 crores through issuance of fresh equity shares. The equity shares of the Company got listed with effect from March 16, 2020 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Bonds and commercial papers of the Company are listed on BSE Limited (BSE).

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 is also registered with the Insurance Regulatory and Development Authority of India (“IRDAI”) to act as a “corporate agent (composite)”.

#### 3.2. COMPLIANCE/NODAL OFFICER AND CHIEF FINANCIAL OFFICER

COMPLIANCE/NODAL OFFICER FOR THE ISSUE	CHIEF FINANCIAL OFFICER
<b>Ms. Payal Mittal Chhabra</b> Company Secretary DLF Infinity Towers, Tower B 2nd Floor, Block 2 Building No.3, DLF Cyber City, DLF Phase 2 Gurugram, Haryana - 122002 Tel: +91 124-4589803 E-mail: payal.m.chhabra@sbicard.com	<b>Mr. Nalin Negi</b> Chief Financial Officer DLF Infinity Towers, Tower B 2nd Floor, Block 2 Building No.3, DLF Cyber City, DLF Phase 2 Gurugram, Haryana - 122002 Tel: +91 124-4589386 E-mail: Nalin.negi@sbicard.com



**3.3. ARRANGERS TO THE ISSUE**

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**3.4. CREDIT RATING AGENCIES**

CRISIL LIMITED	ICRA LIMITED
CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076 Tel: + 91 22 3342 3000 Fax: +91 22 3342 3050 Website: www.crisil.com	1105, Kailash Building, 11 <sup>th</sup> Floor, 26, Kasturba Gandhi Marg, New Delhi – 110001 Tel: +91 11 23357940/50 Fax: +91 11 23357014 Website: www.icra.in

**3.5. TRUSTEE FOR THE DEBENTURE HOLDERS**

AXIS TRUSTEE SERVICES LIMITED
<b>Corporate Office:</b> The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai- 400 028 Tel: 022 – 62300431 Facsimile: +91; 022 – 24254200 Contact Person: Chief Operating Officer Email: debenturetrustee@axistrustee.com Website: www.axistrustee.com SEBI Registration No.: IN000000494

**3.6. REGISTRAR TO THE ISSUE**

ZUARI FINSERV LIMITED
<b>Registered Office:</b> Corporate One, First Floor, 5 Commercial Centre, Jasola, New Delhi – 110025, India Tel: +91 011-41697900,46581300 Facsimile: +91 011-40638679 Contact Person: Sh. Krishna Kant, Sr. Manager Email: <a href="mailto:rta@adventz.zuarimoney.com">rta@adventz.zuarimoney.com</a> Website: www.zuarimoney.com SEBI Registration No.: INR000003902

**3.7. STATUTORY AUDITORS OF THE ISSUER**

S. No.	Name	Address	Auditors of the Company since
1	M/s S Ramanand Aiyar & Co., Firm Registration: 000990N	708, Surya Kiran 19, Kasturba Gandhi Marg New Delhi-110001 Tel: +91 (11) 2335 272 Email: bala@sraco.in Contact Person: Mr. R Balasubramanian	August 10, 2020

Statutory auditors of the Company are appointed by the Comptroller and Auditor General of India ("CAG"). Annual accounts of the company are reviewed every year by CAG.

**3.8. Details of change in Auditors of the Company since last three years:**

S. No	Financial Year	Name	Address	Date of Appointment / Resignation	Remark (if any)
1	2020-21	M/s S Ramanand Aiyar & Co., Firm Registration: 000990N	708, Surya Kiran Building 19, K G Marg New Delhi-110001	Appointed on August 10,2020	Reappointed by CAG
2	2019-20	M/s S Ramanand Aiyar & Co., Firm Registration: 000990N	708, Surya Kiran Building 19, K G Marg New Delhi-110001	Appointed on July 31, 2019	Reappointed by CAG
3	2018-19	M/s S Ramanand Aiyar & Co., Firm Registration: 000990N	708, Surya Kiran Building 19, K G Marg New Delhi-110001	Appointed on July 16, 2018	Reappointed by CAG
4	2017-18	M/s S Ramanand Aiyar & Co., Firm Registration: 000990N	708, Surya Kiran Building 19, K G Marg New Delhi-110001	Appointed on July 11, 2017	Appointment as Statutory Auditors due to completion of term of the previous auditor

**3.9. LEGAL COUNSEL TO THE ISSUE**

LINK LEGAL INDIA LAW SERVICES
Thapar House Central Wing, First Floor 124, Janpath New Delhi 110 001 Tel: +91 11 46511000 Facsimile: +91 11 46511099 Website: <a href="http://www.linklegal.in">www.linklegal.in</a>

## SECTION IV

### BRIEF HISTORY OF ISSUER SINCE INCORPORATION, DETAILS OF ACTIVITIES UNDERTAKEN, ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION

#### 4.1. CONSTITUTION

The Company was incorporated as “SBI Cards and Payment Services Private Limited” on May 15, 1998, as a private limited company under the Companies Act, 1956, at New Delhi, with a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi (“RoC”). On the conversion of our Company to a public limited company pursuant to a special resolution passed by our shareholders on August 2, 2019, our name was changed to “SBI Cards and Payment Services Limited” and a fresh certificate of incorporation dated August 20, 2019 was issued by the RoC.

Our Company was registered as a non-public deposit taking NBFC pursuant to a certificate of registration (bearing number No. 14.01328) dated October 6, 1998, issued by the RBI. Pursuant to a change in name of the Company and conversion from a private company to a public company, a certificate of registration (bearing number No. 14.01328) dated November 13, 2019 was issued by the RBI. The Company is engaged in issuing credit cards to customers in India. The Company is also registered with the Insurance Regulatory and Development Authority of India (“IRDAI”) to act as a “corporate agent (composite)”.

Further, on March 12, 2020 fresh equity shares were allotted pursuant to Initial Public Offer (IPO) and equity shares of Company got listed with effect from March 16, 2020 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Bonds and commercial papers of the Company are listed on BSE Limited (BSE).

#### 4.2. CHANGES IN THE REGISTERED AND CORPORATE OFFICE

Registered office of the Company is currently situated at Unit 401 & 402, 04<sup>th</sup> Floor, Aggarwal Millennium Tower E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi -110034, India. The Corporate office of our Company is at 2nd Floor, Tower B, Infinity Towers, DLF Cyber City, Block 2, Building 3, DLF Phase 2, Gurugram, Haryana-122002, India.

The table below encapsulates changes in our registered office since our incorporation.

Date of shareholders' resolution	Change in address of the Registered Office
March 15, 2013	<p>The Registered Office was changed to:</p> <p>Unit 401 &amp; 402, 04<sup>th</sup> Floor, Aggarwal Millennium Tower E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi -110034, India</p> <p>From</p> <p>11 , Sansad Marg Parliament Street, New Delhi -110001, India</p>

#### 4.3. MAJOR EVENTS AND MILESTONES

Calendar Year	Events and Milestones
1998	<ul style="list-style-type: none"> <li>▪ Incorporation of our Company and registration to act as a non-public deposit taking NBFC by RBI</li> </ul>
1999	<ul style="list-style-type: none"> <li>▪ Launch of our website</li> </ul>
2005	<ul style="list-style-type: none"> <li>▪ Registration to act as a corporate agent (composite) by IRDAI</li> </ul>
2006	<ul style="list-style-type: none"> <li>▪ Launch of our white label card with Tata Sons Limited</li> </ul>

Calendar Year	Events and Milestones
	<ul style="list-style-type: none"> <li>Launch of our co-branded credit card with IRCTC</li> </ul>
2013	<ul style="list-style-type: none"> <li>Launch of our co-branded card with Air India</li> <li>Launch of our EMV chip and pin enabled card</li> </ul>
2014	<ul style="list-style-type: none"> <li>Launch of our co-branded card with FBB</li> <li>Launch of our mobile application</li> </ul>
2016	<ul style="list-style-type: none"> <li>Launch of our “SBI unnati” card</li> </ul>
2017	<ul style="list-style-type: none"> <li>Launch of “Project Shikhar” to introduce our credit cards to SBI customers</li> <li>Exit of GE Capital from our Company and acquisition of its stake by both, SBI and CA Rover</li> <li>Launch of our co-branded card with BPCL</li> </ul>
2018	<ul style="list-style-type: none"> <li>Launch of our virtual assistant chatbot, ‘Ask ILA’</li> <li>Launch of our co-branded card with Apollo Hospitals Enterprise Limited</li> </ul>
2019	<ul style="list-style-type: none"> <li>Amalgamation of SBIBPMSL with our Company</li> <li>Application for registration of our new logo under the Trademarks Act</li> <li>Launch of our co-branded card with Etihad</li> <li>Launch of our co-branded card with Allahabad Bank</li> <li>Launch of our co-branded card with OLA Money</li> <li>Conversion to a public limited company</li> <li>Launch of our “shaurya” card for defence personnel on the Rupay Network</li> </ul>
2020	<ul style="list-style-type: none"> <li>Grant of registration for our new logo under certain classes with the Registrar of Trademarks under the Trademarks Act</li> <li>Launch of our co-branded card with Landmark</li> <li>Initial Public Offering (IPO) in March, 2020</li> <li>Launch of “Video-KYC” for customer acquisition</li> <li>Ties up with American Express to augment the Premium Portfolio</li> <li>Ties up with Rupay and IRCTC to launch IRCTC Card on Rupay platform</li> <li>Associates with Google Pay to enable credit cards on G Pay platform</li> </ul>

#### 4.4. DETAILS REGARDING ACQUISITION OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATIONS, REVALUATION OF ASSETS

Our Company has not made any acquisition of business/undertaking, merger in last one year. The Company, amalgamated SBIBPMSL effective from April 1, 2018 in line with the order dated June 4, 2019, passed by the Hon’ble National Company Law Tribunal (“NCLT”). Upon amalgamation the entire business, including all assets and liabilities of SBIBPMSL stand transferred to and vested in SBICPSL. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values or recognise any new assets or liabilities. The only adjustments were made to harmonize accounting policies.

#### 4.5. HOLDING ENTITY- OUR PROMOTER

Our Promoter is State Bank of India, holding 69.39% of our equity share capital as on 31<sup>st</sup> December 2020 . Following are the details of shares held:

Name of Shareholders	Total No. of Equity Shares	No. of Shares in Demat form	Total Shareholding as a % of total no. of equity shares	Number of Shares pledged	% of Shares pledged to shares owned
State Bank of India	652,633,992*	652,633,992	69.39%	Nil	Nil

\* This includes one share each of Shree Prakash Singh, K. Pradeep, Usha Gautam, P.M. Mohan Patro and Sanjay Kumar Tiwari as nominee shareholders of SBI. SBI is the beneficial owner of such shares

#### 4.6. JOINT VENTURES

Nil

**4.7. ENTITIES IN WHICH WE HAVE EQUITY INVESTMENT****SBI Foundation**

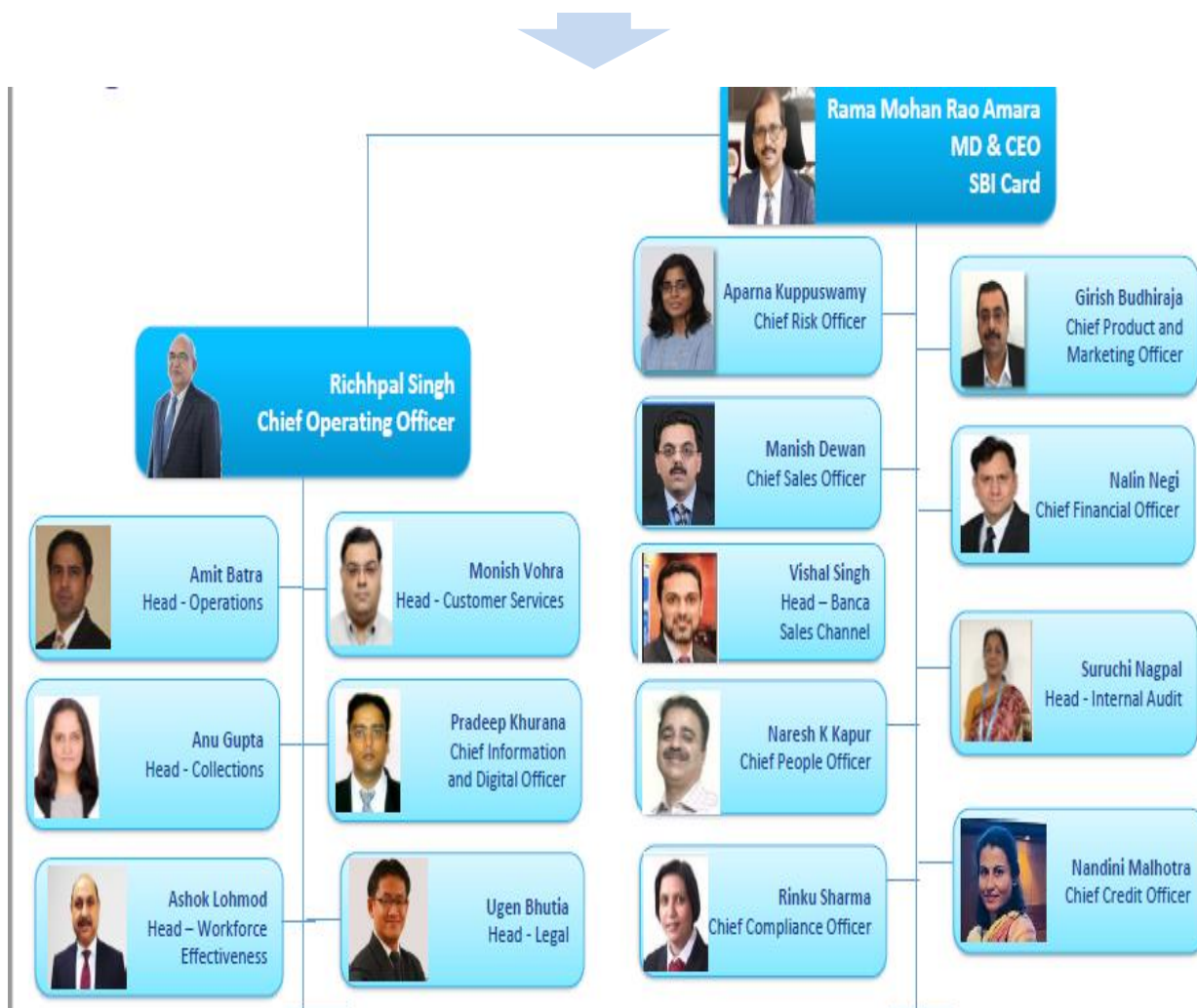
Pursuant to the approval of Board of Directors in year 2016, our Company acquired 1,001 equity shares of face value of ₹10 each (Total Investment - ₹10,010). SBI Foundation has been set up as subsidiary of State Bank of India for carrying out corporate social responsibility (CSR) activities for the State Bank Group.

**Online PSB Loans Limited (Formerly known as Capita world Platform Private Limited – “CWPPL”)**

Pursuant to the approval of Board of Directors in year 2018, our Company acquired 112,996 equity shares of face value of ₹10 each in CWPPL (Total Investment - ₹1.46 Crores and fair valued at ₹11.20 Crores as at December 31,2020). CWPPL is a fintech start-up incorporated in March 2015 with an objective to leverage technology for easier credit delivery to small businesses and entrepreneurs by the formal banking system. Our Company owns less than 5% stake in this Company.

## SECTION V EXISTING CORPORATE ORGANOGRAM (CORPORATE STRCUTURE) AS ON DATE OF THIS DOCUMENT

**Board of Directors Headed by Chairman, Shri Dinesh Kumar Khara**





## SECTION VI BRIEF SUMMARY OF BUSINESS/ACTIVITIES OF ISSUER AND ITS LINE OF BUSINESS

### 6.1. OVERVIEW

SBI Cards and Payment Services Limited, formerly known as SBI Cards and Payment Services Private Limited, (“the Company” or “SBI Card”) was incorporated on May 15, 1998 and is engaged in the business of issuing credit cards to consumers in India. The Company’s registered office is at Netaji Subhash Place, Wazirpur, New Delhi – 110034 and its principal place of business is at DLF Infinity Towers, Gurugram, Haryana, 122002 and is domiciled in India. The Company was incorporated as a joint venture between State Bank of India (60%) and GE Capital Mauritius Overseas Investment (40%). 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 the Registrar of Companies issued a fresh certificate of incorporation dated August 20, 2019. In March 2020, the Company came up with an Initial Public Offering, wherein, State Bank of India and CA Rover Holdings diluted their shareholding in the Company to 69.51% and 15.89% respectively, through offer for sale and the Company also raised capital of Rs 499.32 crores through issuance of fresh equity shares. The equity shares of the Company got listed with effect from March 16, 2020 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Bonds and commercial papers of the Company are listed on BSE Limited (BSE).

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 is also registered with the Insurance Regulatory and Development Authority of India (“IRDAI”) to act as a “corporate agent (composite)”.

Having its corporate office in Gurugram, the Company is a leading credit card issuer in India and offers an extensive credit card portfolio to individual and corporate clients covering all major cardholder segments in terms of income profiles and lifestyles. The Company is the second largest credit card provider in the country, with a card base of 11.5 million as of December 31, 2020. Beside Corporate Office & Registered Office, there are 22 office locations of SBI Card pan India.

#### **Brief on Promotor:**

##### **State Bank of India**

The Bank of Calcutta was established in the year 1806 and was renamed as the Bank of Bengal in the year 1809. The Bank of Bombay and the Bank of Madras were opened for business in the year 1840 and 1843, respectively. In the year 1921, the Bank of Bengal, the Bank of Bombay and the Bank of Madras were merged by an act of the legislature to form the Imperial Bank of India. Thereafter, on July 1, 1955, the Imperial Bank of India was nationalised and SBI was incorporated as a body corporate pursuant to the State Bank of India Act, 1955 (“State Bank Act”). Subsequently, in April 2017, certain associate banks of SBI being, State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore and one non-associate bank of SBI being, Bhartiya Mahila Bank, were merged with SBI. SBI provides a wide range of banking and financial services including commercial banking and treasury operations and its primary place of business is located at State Bank Bhavan, Madame Cama Road, Mumbai 400 021, Maharashtra, India. SBI’s shares and Debentures are listed for trading on all the major Indian recognized stock exchanges. Its global depository receipts are listed on the Luxembourg Stock Exchange.

SBI owns 69.39% of our total outstanding equity share capital as on December 31, 2020. SBI is India’s largest commercial bank in terms of deposits, advances and number of branches as of September 30, 2020. SBI is a public sector bank, with the President of the Republic of India (acting through the Ministry of Finance of the Government of India) owning 57.64% of SBI’s equity shares as of December 31, 2020.

**Vision:**

A *trusted* brand and a market leader committed to meet customer aspirations through payment and credit solutions.

**Mission:**

SBI Cards is a customer centric organisation. Company products and services continuously evolve to deliver high quality and superior value. Company strives to provide prompt and convenient customer experience at every touchpoint, enabled by cutting edge Technology and employees that are motivated and empowered.

## 6.2. BUSINESS DETAILS OF SUBSIDIARIES AND SPECIAL PURPOSE VEHICLES (SPV) as on 31<sup>st</sup> December 2020

There is no subsidiary or SPV of the Company as on 31<sup>st</sup> December 2020

























## 6.3. PRODUCTS

We have a comprehensive and diverse portfolio of credit card products that we continuously adapt to the evolving needs of our cardholders and changing industry dynamics.

Our credit card portfolio caters to individual cardholders and corporate clients, and includes lifestyle, rewards, travel and fuel, shopping, banking partnership cards and corporate credit cards. We offer four primary SBI-branded credit cards: Simply Save, Simply Click, Prime and Elite, each catering to a varying set of cardholder needs. In addition, we are also the largest co-brand credit card issuer in India according to the CRISIL Report, and we offer a wide portfolio of co-brand credit cards in partnership with several major players in the travel, fuel, fashion, healthcare and mobility industries, including Air India, Apollo Hospitals, BPCL, Etihad Guest, FBB, the IRCTC, OLA Money, Landmark and Yatra among others.

Our credit cards portfolio is tailored to meet the particular needs of our cardholders across all major cardholder segments, from the “premium” cardholder category to the “affluent”, “mass affluent”, “mass” and “new to credit” categories. By catering to specialized cardholder needs, we are able to offer customized benefits, such as reward programs and discount programs, that are tailored for each target demographic and thus offer them a higher value proposition. For example, we offer a co-brand credit card that is specifically targeted at medical doctors, which offers specialized medical professional liability insurance to its cardholders. In addition, we also offer highly customizable corporate cards to our corporate clients that can be tailored for specific types of purchases and functionalities. In our experience, our ability to provide such specialized credit card products across several cardholder segments allows us to deliver a more compelling value proposition, tap into several specialized consumer segments and strengthen our long-term relationships with our cardholders.

Brief snapshot of the products portfolio offered to its card holders is as follows:

Core Cards		Banking Cobrands	Retail Cobrands	Travel & Fuel Cards	
					
SBI Card Elite	SBI Card PRIME	Central Bank SBI Card	Lifestyle Home Centre SBI Card	Club Vistara SBI Card PRIME	OLA Money SBI Card
					
SimplyCLICK SBI Card	SimplySAVE SBI Card	Allahabad Bank SBI Card	fbb Style Up SBI Card	Air India SBI Signature Card	Mumbai Metro SBI Card
					
Doctor's SBI Card	SBI Card Elite Business	Federal Bank SBI Card	Tata Card	BPCL SBI Card	Yatra SBI Card
					
Shaurya Select SBI Card	SBI Card Unnati	South Indian Bank SBI Card	Apollo SBI Card	IRCTC SBI Card Premier	IRCTC SBI Card on Rupay

## 6.4. STRENGTH & STRATEGY

We are one of the leading credit card issuers in India, which is one of the fastest growing economies in the world with an expanding and under-penetrated credit card market. We believe the following competitive strengths will enable us to capitalize on the future growth in India's credit card market.

### *Our Strengths:*

- Second largest credit card issuer in India with deep industry expertise and a demonstrated track record of growth and profitability
- Diversified customer acquisition capabilities
- Supported by a strong brand and pre-eminent Promoter
- Diversified portfolio of credit card offerings
- Advanced risk management and data analytics capabilities
- Modern and scalable technology infrastructure
- Highly experienced and professional management team

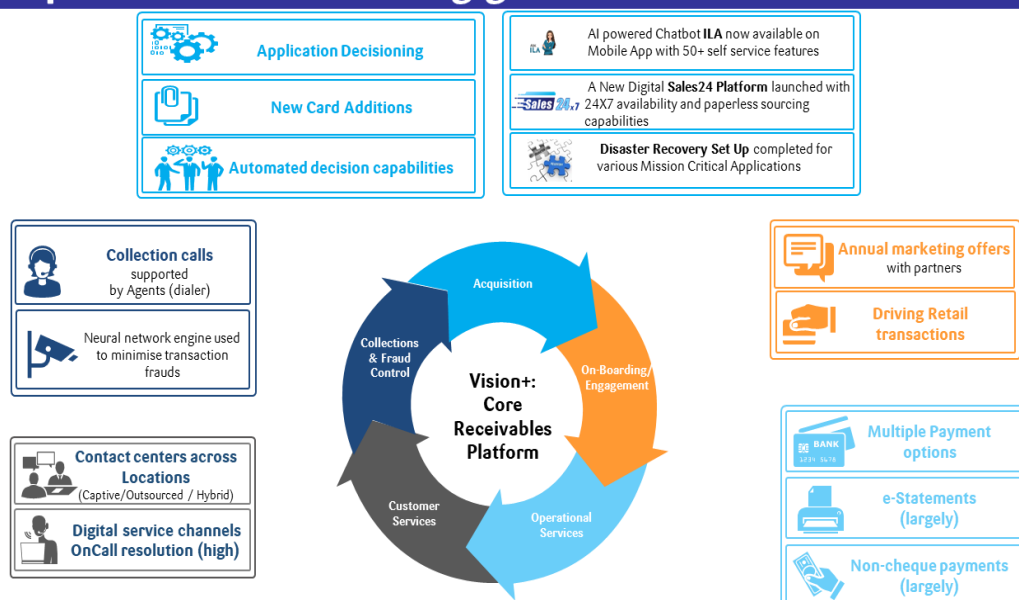
### *Our Strategy:*

- Expand our customer acquisition capabilities to grow our cardholder base
- Tap into new cardholder segments by broadening our portfolio of credit card products
- Stimulate growth in credit card transaction volumes
- Continue to optimize our risk management processes
- Enhance cardholder experience
- Continue leveraging technology across our operations

## 6.5. ROBUST PROCESSES

The Company has invested across its card processing life cycle starting from acquisition of customers to onboarding, operations, servicing, fraud prevention and collections to eliminate bottlenecks and improve service quality. The Company has best in class processes which are capable of handling scale and are well supported by digitization and strong IT infrastructure at each step to achieve efficiency and better customer satisfaction, which also facilitated in growth and profitability. The chart below depicts the scale and use of IT infrastructure at each part of credit card lifecycle:

### Robust processes . . . Enabling growth



## 6.6. PAN INDIA REACH & DISTRIBUTION

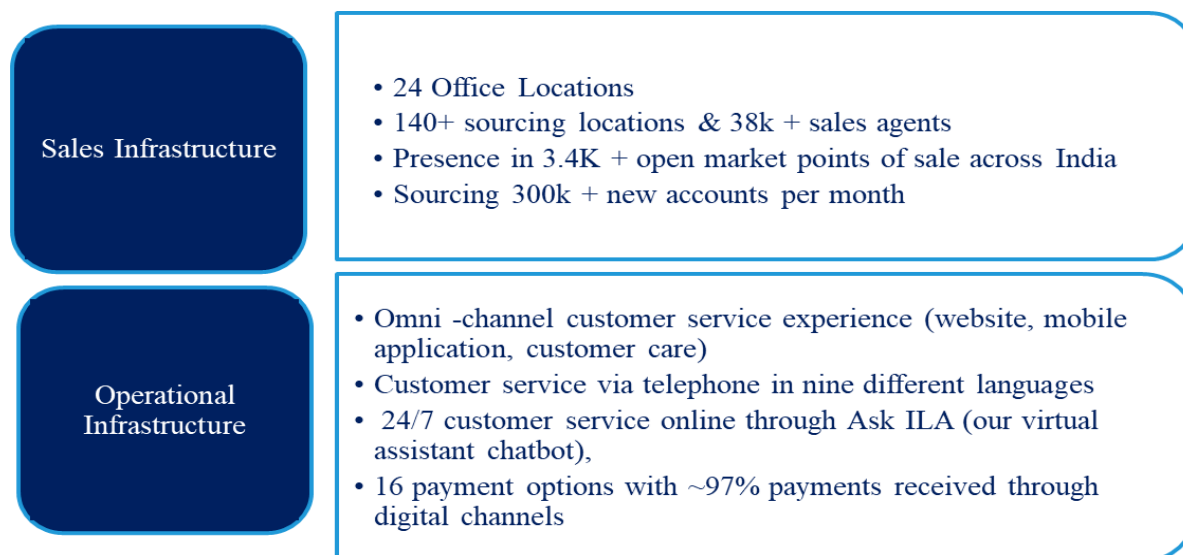
An effective distribution channel can be source of strategic advantage for the companies, specially catering to the needs of retail segment. With this philosophy in mind, SBICPSL has effectively used the traditional and the digital channels not only to penetrate deeper into the market but also to provide quality service to earn loyalty. The Company has emphasized on the distribution channels to address the ever-changing needs to each group of the credit card holders. Company also boasts of a distribution network that caters fully to customers across segments:

1. A widespread branch network for those who prefer brick and mortar.
2. Digital channels for youth who are tech savvy and do not have time to visit branches
3. A mix of physical and digital channels for the affluent and upwardly mobile who generally prefer to self-serve but also have a need for personalized service.
4. Web service platform for corporate clients

The primary sourcing channels used by SBICPSL for customer acquisition are as follows:

Channel	Strategy
<b>SBI Branches</b>	<ul style="list-style-type: none"> <li>• Preapproved program on SBI customer base</li> <li>• SBI branch network</li> </ul>
<b>Direct to customer</b>	<ul style="list-style-type: none"> <li>• Presence in malls, stores, airports and all other high traffic locations</li> <li>• Large corporates</li> <li>• Tele calling on acquired databases</li> </ul>
<b>Digital &amp; Alternate Channel</b>	<ul style="list-style-type: none"> <li>• Customers acquired through digital marketing</li> <li>• Customers acquired through SBI's digital assets</li> </ul>
<b>Co-brand partners</b>	<ul style="list-style-type: none"> <li>• Walk-in through partner stores</li> <li>• Tele calling on leads generated by partners</li> </ul>

A mix of physical and digital infrastructure has led to seamless onboarding and servicing of the credit card holders at SBICPSL. The Company values each class of customers and is committed to **“Make Life Simple”** for all its cardholders by investing in technologies and processes to create value for all stakeholders. Following is the snapshot of Company's infrastructure:



## 6.7. DIGITISATION

We are focused on investing in our digital and mobile capabilities, bringing to market new features, channels and experiences for our cardholders and enhancing our existing digital design and user experience. Our approach continues to be cardholder and partner-centric to reach our cardholders in unique ways at home, in store, online or wherever they prefer.

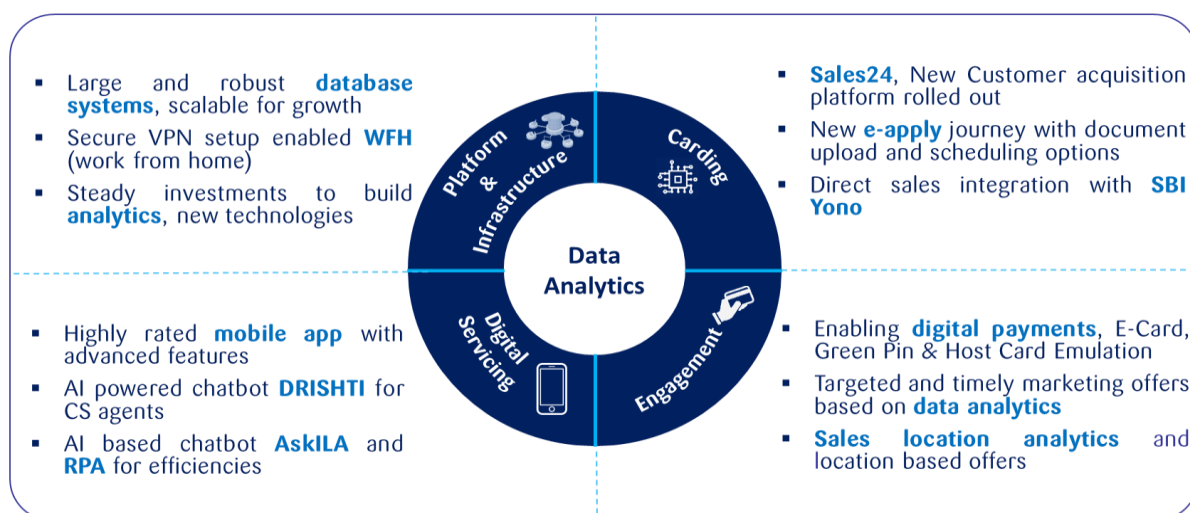
The Company's website provides a platform for prospective customers to apply for a credit card online. We also use our website to provide an effective self-service channel our cardholders, to cross-sell our credit cards and other value-added services and to promote offers to our existing cardholders.

Our mobile application has the following features: (i) contactless payment at NFC enabled point-of-sale machines; (ii) Bharat QR-based payments; (iii) instant self-service option with ILA, our virtual assistant chatbot; (iv) rewards points redemption; (v) Multiple self-service options such as viewing card statements, raising a transaction dispute and fraud reporting; and (vi) promotion of cross-sell products

Some of our key digital initiatives include:

- we have developed our own proprietary instant e-credit card which enables us to immediately send an e-card to our new cardholders, generate an electronic PIN and conduct on-boarding processes. This enables cardholders to perform online transactions without waiting for the physical card delivery. We are focused on increasing such digital card issuances in the near future.
- we have invested significant resources in our digitally integrated Sales24 customer acquisition platform, which has digitized our credit card application process at the point of sale and is fully integrated with our customer onboarding and credit decision platform. This has enhanced our ability to digitally carry out our credit process and provide a real time in-principle approval at the point of sale.
- On an average ~92% of our statements in fiscal 2020 and ~93% of our statements in fiscal 2021 were issued as e-statements.
- On an average ~97% of our bill payments in fiscal 2020 and ~98% of our bill payments in fiscal 2021 were handled as digital payments.
- Project Turbine (Data Lake) – an end to end platform for data analytics and facilitating the provision of real-time, location based customized offers for our cardholders
- In fiscal 2018, we launched our new Bharat QR payments system, which processes a large number of electronic transactions at various merchants each month
- We have also significantly expanded the reach of Ask ILA, our chatbot, across our digital platforms and deepened its knowledge and ability to respond to the questions that our cardholders may ask and perform certain tasks that they may require.

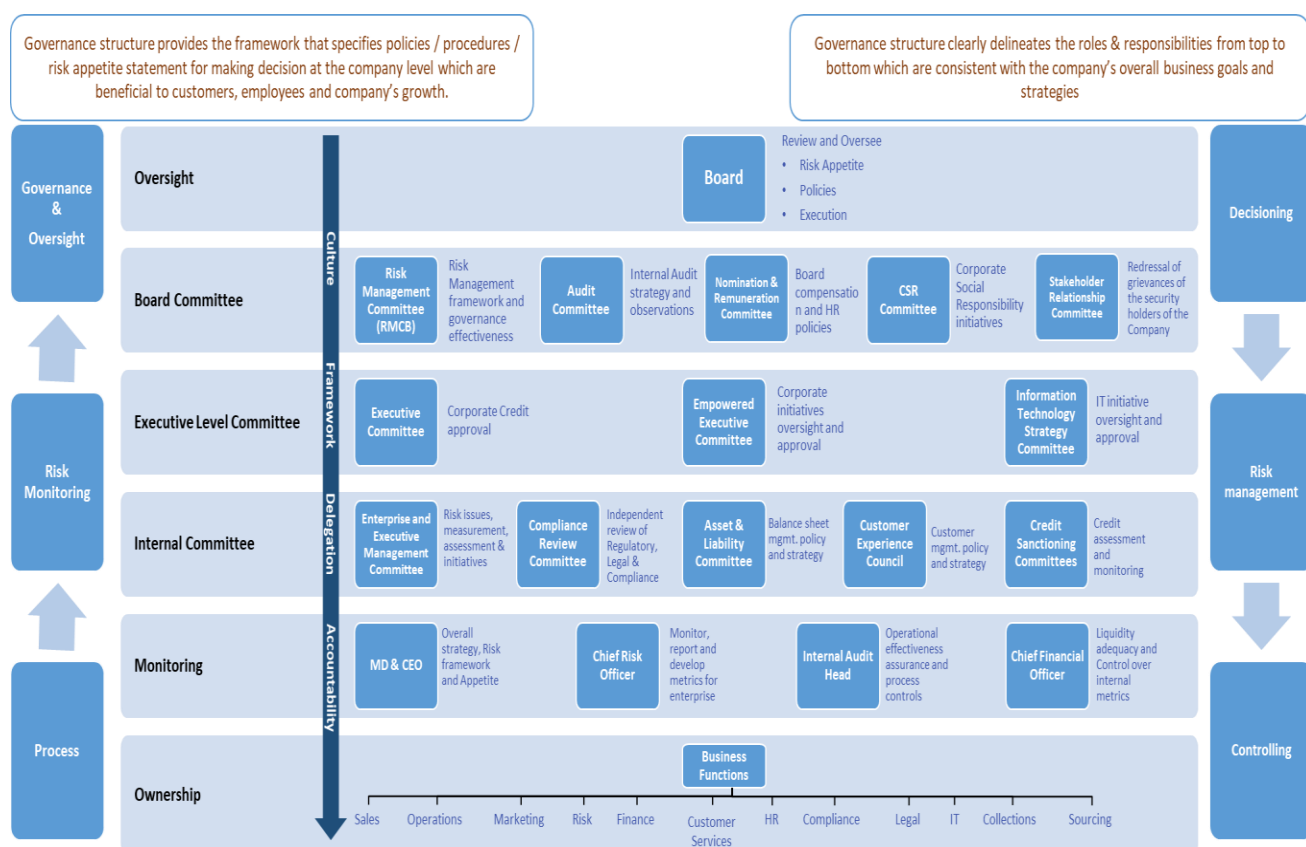
## Key Digital Initiatives



## 6.8. GOOD CORPORATE GOVERNANCE

The Company imbibes its good corporate governance culture from its promoter – State Bank of India. The Board along with its various committees is responsible for overall corporate governance. The Board through its various committees plays a vital role in the matters relating to policy formulation, implementation and strategic issues which are crucial for the organization's overall growth and development and achievement of its strategic and business goals.

Board level committees are Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee which provide direction and guidance to the Company's Leadership Team and further directs, supervises as well as reviews the Company's performance on a periodic basis.



## 6.9. RISK MANAGEMENT

Our risk management framework is a collection of day-to-day tools, processes and methodologies that support us in defining risk appetite, documenting the governance of risk and identifying risk processes and methodologies to assess, monitor and control the risks.

Our Risk Management policy is governed and approved by the Board. We have an Enterprise Risk Management team that is responsible for monitoring approved risk limits and escalation triggers to ensure that our business is operating within the approved risk appetite. Risk limits are monitored and reported on to various risk sub-committees, the Risk Committee and our Board of Directors, as appropriate. Through ongoing monitoring of risk exposures, management seeks to be able to identify appropriate risk response and mitigation strategies in order to react dynamically to changing conditions. Further, the Enterprise Risk Management team liaises with sales and operations functions to ensure that sourcing policies are followed as expected. Early identification indicators, fraud reviews and approval funnel performance are integral part of this risk identification process. Based on performance review of applications and booked accounts, corrective actions are taken in high risk segments.



***Risk Measurement***

We have a robust and varied risk measurement system which spans across the credit card life cycle. We have a dedicated Risk analytics team to developed machine learning based models as well as leverage state-of-the-art tools to deliver data, information and insights, as predictors of risk and volatility. These include scores (internal and external), change in cardholder behavior with other institutions as reported by the bureaus, score migration to identify any deteriorating trend, delinquency and flows at various stages. We also do a segment measurement of risks to align with benchmarks and targeted policy and process changes are made to contain the risk. We keep refining the risk parameters to align with changing business environment and cardholder behavior. We measure the risk both at a cross section and a time series view of the portfolio along with trended bureau data to identify any build of stress. Risk is also measured across processes with respect to alignment with defined policies and guidelines.

***Risk Management***

Risk management processes and methodologies are central to our risk management framework, allowing for the identification, measurement, monitoring and control of risk.

We have specific risk triggers in place, and we monitor our cardholder's behavior and credit scores proactively using available sources of information (including transaction patterns, credit bureau data and cardholder footprint captured across our systems) on a nearly real time basis. These processes and methodologies include qualitative and quantitative measures.

***Risk Reporting***

Our ongoing risk monitoring processes are periodically compiled onto our Portfolio Risk Review Report, which covers sourcing, portfolio performance, delinquency, frauds and audits. Our Portfolio Risk Review Report are presented to our management team, board of directors and the RBI as per regulatory requirements. In addition, the status of each account is reported to all four of our credit bureaus. Internal reporting tracks the performance of various sourcing segments by count and amount delinquency and suitable policy changes are made to address them.

***Risk and Controls Governance***

Our board of directors is ultimately accountable for our risk management and oversight functions. The Board considers the appropriateness of the risk management framework in line with our risk appetite and our strategy. The Enterprise Risk Management Committee of our board of directors reviews and discusses the performance of the risk appetite triggers on monthly basis.

***Fraud Prevention***

We regularly monitor our cardholders' accounts to help prevent, detect, investigate and resolve fraud. Our fraud prevention processes are designed to protect the security of cards, applications and accounts in a manner consistent with our cardholders' needs to easily acquire and use our products. Prevention systems monitor the authorization of application information, verification of cardholder identity, sales, processing of convenience and balance transfer checks, and electronic transactions. Each card transaction is subject to screening, authorization and approval through externally developed and proprietary point-of-sale decision systems. We use a variety of techniques that help identify and halt fraudulent transactions, including adaptive models, rules-based decision-making logic, report analysis, data integrity checks and manual account reviews. We manage accounts identified by the fraud detection system through technology that integrates fraud prevention and customer service. Our strategies are subject to regular review and enhancement to enable us to respond quickly to changing conditions as well as to protect our cardholders and our business from emerging fraud activity.

Our fraud loss prevention program, which consist of neural network and internally developed dynamic rules, attempts to detect transactions that are unusual or inconsistent with prior usage history and calls are made to the relevant cardholders to confirm their purchases. The parameters and number of these rules are periodically reviewed as per emerging fraud trends. We have an anti-fraud team which is dedicated to investigating fraud losses. Fault may also lie with delivery companies that fail to deliver credit cards to the right person. In such instances, we attempt to recover fraud losses from the responsible party. To prevent misuse of a card and minimize

credit risk, our fraud management system will automatically suspend the use of a card based on certain pre-set triggers and parameters, and we also have an automated card unblocking process to increase cardholder convenience.

Our achievements in fraud management and prevention have earned us multiple national and international awards, such as the Champion Security Award- South East Asia for Excellence in Fraud Risk Management from Visa received for years 2019, 2016 and the Visa Global Service Quality Award for the years 2018, and 2015.

**Additional steps taken during Covid-19 pandemic:**

Company has been focusing on business growth since the first lockdown and has been continuously scaling up business operations since then. The company has undertaken a detailed scenario analysis of the unprecedented economic situation caused by the COVID crisis and have developed strategies to manage its business impact. This includes entire spectrum of its business model encompassing customer acquisition, generating spends, portfolio monitoring and collections, customer servicing, cost optimization etc.

Risk is constantly monitoring the customer performance and have taken steps to identify higher risk and vulnerable segments and limiting Company's exposures. Company has also tightened the cross-sell criterion and working on refining credit underwriting and revamped the collections segmentation in light of social distancing norms.

On Information security front, Company is cognizant of heightened risk of cyber-attacks in these times especially when most of the workforce working from home. The Security Operation Centre continues to monitor all IT systems and all advisories from CERT-IN, RBI, SBI, our own threat intel partners have been implemented.

***Internal Audit Framework***

Our internal audit function reports to the Audit Committee of our board of directors on the effectiveness of our risk management and regulatory compliance functions. Our internal audit team works together with our external auditors in an effort to ensure that internal audits are adequately conducted across our various different departments and functions. The results of our internal audit are presented to the Audit Committee of our board of directors on quarterly basis.

We are a licensed systematically important non-deposit taking non-banking financial company. Accordingly, we are subject to annual stringent and robust inspection by the RBI. We are also subject to audit by the Comptroller and Auditor General of India ("CAG"). Following the inspection, the RBI and the CAG will provide us with their inspection reports which may include observations and recommendations, and they will monitor our compliance with any such recommendations. These RBI and CAG reports are presented in the Audit Committee of our board of directors and followed up to ensure that agreed actions have been carried out.

***Data Security***

We have adopted a holistic cyber security framework with a comprehensive information systems security and cyber security policy and standards based on industry best practices with compliance to regulatory guidelines. Our cyber security framework is designed to protect the confidentiality, integrity and availability of information and information systems from unauthorized access, use, disclosure, disruption, modification or destruction.

Our cybersecurity framework consists of controls designed to identify, protect, detect, respond and recover from information and cyber security incidents. The framework defines risks and associated controls which are embedded in our processes and technology. Those controls are measured and monitored by a combination of subject matter experts and a security operations center with our integrated cyber detection, response and recovery capabilities.

## 6.10. ACHIEVEMENTS & AWARDS

In the span of two decades, SBICPSL has been accorded with numerous awards for excellence in various categories, some the latest rewards received are as follows

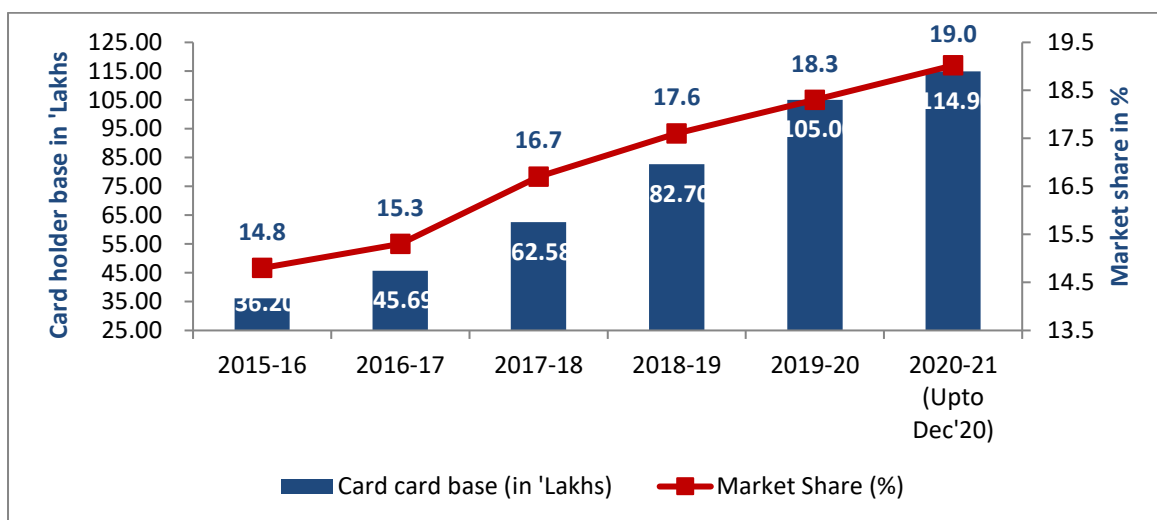
Calendar Year	Awards and accreditations
2018	Awarded “ <i>Best Loyalty Program in Financial Sector: Non-Banking – 2018</i> ” under Customer Loyalty Awards
	Awarded “ <i>Best Data Quality Awards- Consumer Bureau (NBFC)</i> ”, 2018 as part of CIBIL Data Quality Awards 2018
	Awarded “ <i>Corporate Excellence Gold Award for Compliance Innovation</i> ” as a part of SKOCH Summit 2018
	Awarded “ <i>VISA Global Service Quality Award for Pursuit of Excellence Global Fraud Rates 2018</i> ” by VISA
	Awarded “ <i>Financial Crime Compliance Team of the Year, Regulated Industries</i> ” by Global Women in Compliance Awards London
	Awarded “ <i>Learning Innovator Award</i> ,” as part of GP Strategies Awards, 2018
	Awarded “ <i>Corporate Excellence Gold Award</i> ” for Compliance Innovation by Skoch Awards
	Awarded “ <i>Order of Merit</i> ” for Corporate Governance by Skoch Awards
	Awarded “ <i>Order of Merit</i> ” for Compliance by Skoch Awards
2019	Awarded “ <i>Best Loyalty Program in Financial Sector: Non-Banking – 2019</i> ” under Customer Loyalty Awards
	Awarded VISA Recognition “ <i>Champion Security Award</i> ”, South East Asia for Excellence in Fraud Risk Management, 2019 as part of VISA Security Summit
	Awarded “ <i>Gold Winner: Customer Service Department of the Year</i> ” as part of Golden Bridge Awards, 2019
	Awarded “ <i>Gold Winner: Customer Service Team of the Year</i> ” as part of Golden Bridge Awards, 2019
	Awarded “ <i>Silver Winner: Customer Service Outstanding Performance of the Year</i> ” as part of Golden Bridge Awards, 2019
	Awarded “ <i>Best Data Quality- Consumer Bureau amongst NBFCs 2019</i> ” as part of Data Quality Awards 2019
	Awarded “ <i>ACAMS AML Professional of the Month</i> ” for January 2019 by ACAMS, US (Association of Certified Anti Money Laundering Specialists)
	Awarded “ <i>Gold Stevie Winner: Customer Service Executive of the Year</i> ” as part of Stevie Awards 2019
	Awarded “ <i>Sliver Stevie Winner: Customer Service Department of The Year</i> ” as part of Stevie Awards 2019
	Awarded “ <i>Compliance Professional of the Year Award</i> ” as a part of GRCI Compliance Professional Awards, 2019
	Awarded “ <i>Most Effective Arrangements - Financial Crime and Sanctions Compliance</i> ” as a part of the Compliance Register Platinum Awards for Exemplary Service to Compliance and Regulation, 2019
2020	Economic Times Most Promising Business Leaders of Asia, 2019-20 Award to Mr. Hardayal Prasad -MD & CEO during Economic Times Asian business leader conclave at Singapore
	Awarded in the category of “ <i>Analytics/Big Data</i> ” as part of the DELL Technologies BFSI Technology Conclave, 2020
	Awarded for "Project Shikhar in category of “ <i>Sales Distinction of the Year - Financial Services in Silver Category</i> ” as part of the Stevie Award
	Awarded Bronze in the category of “ <i>Best in Class Contact Centre (Over 100 seats)</i> ” - Customer Contact Week Asia Excellence Awards 2020
	SBI Card Pay won “ <i>InnTech2020 Award</i> ” jointly with Mahindra Comviva .

### 6.11. SBICPSL MARKET SHARE

We are the second-largest credit card issuer in India, with a 98.0% and 18.3% market share of the Indian credit card market in terms of the number of credit cards outstanding as of December 31, 2020 and March 31, 2020 respectively, according to the RBI.

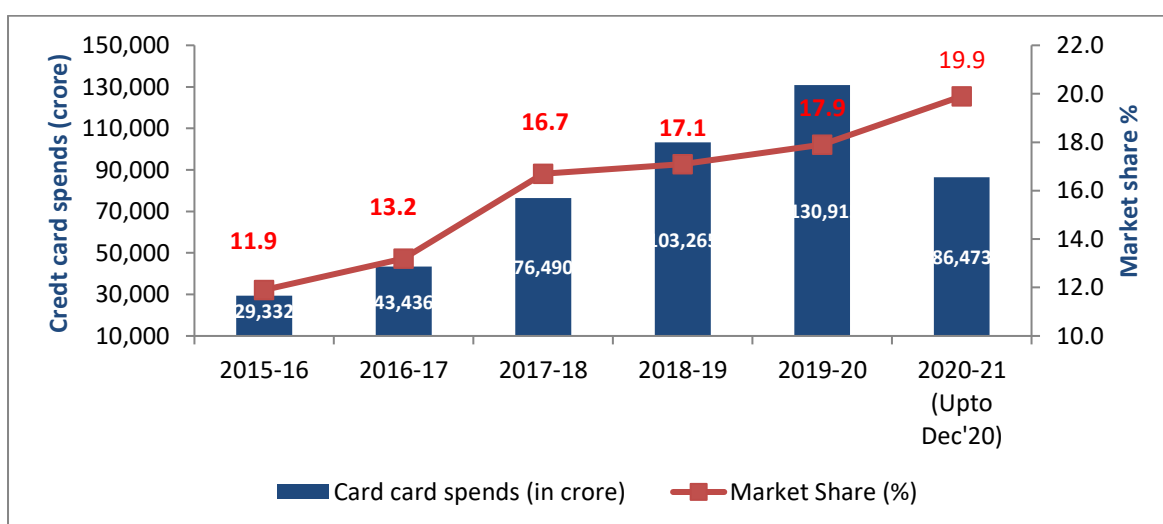
#### Credit Card base:

The Company has shown a healthy track record and clocked the year -on -year growth with the credit card base of 11.5 million as on December 31, 2020 as compared to 10.5 million as on March 31, 2020.



#### Credit Card Spends:

The Company has shown a healthy track record in spends and recorded market share of 19.9% as on December 31, 2020 as compared to 17.9% as on March 31, 2020.



**6.12. RESOURCE MOBILISATION**

Company has Board approved Asset Liability Management (ALM), Resource Planning, Investment, Foreign exchange risk management policies. Borrowing and liquidity management is governed by these policies. The Borrowing mix includes bank lines, commercial paper, foreign currency non-resident loans (FCNR-B) and privately placed Debentures (senior as well as subordinate). Borrowing program of the Company is rated by CRISIL & ICRA. Following is the snapshot of ratings received. **There has been no change in ratings from last 10 years.**

Instrument	Rating	Rating Agency	Comments
Debentures	<b>AAA/Stable</b>	CRISIL & ICRA	This is the highest level of ratings and instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligation.
Short Term Ratings (Bank Lines/Commercial Paper)	<b>A1+</b>	CRISIL & ICRA	Such instrument carries lowest credit risk

The following table sets forth our indebtedness classified by Rupee-denominated and foreign currency-denominated sources and the percentages such resources constituted of the total indebtedness as on March 31, 2018, 2019 and 2020. The Rupee equivalents of foreign currency-denominated debt are translated with reference to rates of exchange prevailing as at the end of the period indicated.

(All figures are in (INR) crores, except percentages)

Resource Denomination	As on March 31					
	2018 (Merged-IND AS)		2019 (Merged-IND AS)		2020 (Merged-IND AS)	
	Amount	%	Amount	%	Amount	%
Rupee	10,331.98	91.40%	12,232.51	90.28%	17,364.93	100%
FCNR-B	972.01	8.60%	1,316.87	9.72%	-	-
<b>Total</b>	<b>11,303.99</b>	<b>100.00</b>	<b>13,549.38</b>	<b>100.00</b>	<b>17,364.93</b>	<b>100%</b>

**Domestic Borrowings**

Rupee denominated funds is raised through commercial papers, working capital demand loans, cash credit limit, privately placed Debenture issuances. Company's short-term borrowing program is always backed up with bank lines. As a matter of corporate governance, commercial papers are always issued within the overall sanctioned bank limits.

The following table sets forth the outstanding Rupee-denominated indebtedness by type and the percentage such indebtedness constituted of Company's total Rupee-denominated indebtedness as of March 31 for last three years:

(All figures are in (INR) crores, except in percentages)

Rupee Denominated	As on March 31					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Taxable Non-Convertible Debentures	1,607.86	15.56	3,156.27	25.80	4,390.15	25.28
Commercial Paper- Mutual Funds/Banks	2,339.10	22.64	2,119.84	17.33	2,541.96	14.64
Working Capital Demand Loan/ Cash Credit	6,330.26	61.27	6,880.65	56.25	10,256.09	59.06
Lease liabilities	54.76	0.53	75.74	0.62	176.73	1.02
<b>Total</b>	<b>10,280.3</b>	<b>100.00</b>	<b>12,232.51</b>	<b>100.00</b>	<b>17,364.93</b>	<b>100.00</b>

**Foreign Currency Resources**

Company has taken Foreign Currency Non-Resident Bank Loan (FCNR-B) from State bank of India, in India, carved out of the overall bank line limit. The principal as well interest payments on these loans are fully hedged at the start of the loan. Principal outstanding as year ends was:

March 31, 2020 is “NIL”

March 31, 2019 is \$ 190.38 MM (INR 1,316.87 crores)



## SECTION VII OUR MANAGEMENT

### 7.1. DETAILS OF THE BOARD

Pursuant to the Articles of Association of the Company, the Board of the Company shall consist of maximum of 10 (ten) Directors.

Currently Company has Nine (09) directors out of which (3) are SBI Nominee Directors, (1) is investor's shareholder Director and (5) are Independent Directors. Out of 9 directors, 8 directors on the Board of the Company are Non-Executive Directors which includes 5 Independent Directors. 1 Director is an Executive director holding the position of Managing Director & CEO.

The following table sets forth details regarding our Board as on date of making Private Placement offer:

Name, Father's/Husband's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
<b>Shri Dinesh Kumar Khara</b>  S/o Shri Prem Nath Khara  Non-executive Chairman (Nominee of SBI)  Occupation: Service DIN: 06737041 Age: 59 years Nationality: Indian	M-2, Kinellan Tower, 100-A, Nepean Sea Road, Mumbai 400 006	November 1, 2016	<u>Indian Entities:</u> <ul style="list-style-type: none"> <li>SBI</li> <li>SBI Capital Markets limited</li> <li>SBICAP Securities limited</li> <li>SBICAP Ventures Limited</li> <li>SBI Foundation</li> <li>SBI DFHI Limited</li> <li>SBI Global factors Limited</li> <li>SBI Funds Management Private Limited</li> <li>SBI Pension funds Private Limited</li> <li>SBI Life Insurance Company Limited</li> <li>SBI General Insurance Company limited</li> </ul> <u>Foreign entities:</u> <ul style="list-style-type: none"> <li>SBICAP (Singapore) Limited</li> </ul>	Appointment
<b>Shri Rama Mohan Rao Amara</b>  S/o Ranganayakula Amara  Managing Director and Chief Executive Officer  (Nominee of SBI) Occupation: Service  DIN: 08951394  Age: 52 years Nationality: Indian	Flat No. 803, Rashi Heights, Plot No. 210, Sector 10, Kharghar, Navi Mumbai, Maharashtra- 410210	January 30, 2021	<ul style="list-style-type: none"> <li>Nil</li> </ul>	Appointment
<b>Shri Sunil Kaul</b>	2A Lincoln Road, 29-09, Park	December 15, 2017	<u>Indian Entities:</u>	Appointment

Name, Father's/Husband's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
<p>S/o Shri Omkar Nath Kaul</p> <p>Non-executive (Nominee of CA Rover Holdings)</p> <p>Occupation: Managing Director, Investing Services</p> <p>DIN:05102910</p> <p>Age: 60 years Nationality: USA</p>	<p>Infinia, Singapore 308364</p>		<ul style="list-style-type: none"> <li>PNB Housing Finance Limited</li> </ul> <p><u>Foreign entities:</u></p> <ul style="list-style-type: none"> <li>Carlyle Singapore Investments Advisors Pte Ltd., Singapore</li> <li>Sunil DRU LLC, Delaware, USA</li> </ul>	
<p><b>Dr. Tejendra Mohan Bhasin</b></p> <p>S/o Shri Madan Lal Bhasin Independent Director</p> <p>Occupation: Chairman, Advisory Board for Banking Frauds (constituted by the Central Vigilance Commission, in consultation with RBI)</p> <p>DIN: 03091429</p> <p>Age: 64 Years Nationality: Indian</p>	<p>331, Bhera Enclave, Pashchim Vihar, Sunder Vihar, Delhi – 110 087</p>	<p>June 28, 2019</p>	<ul style="list-style-type: none"> <li>PNB Gilt Limited</li> <li>IDBI Intech Limited</li> <li>TMB Associates Private Limited</li> <li>PNB Housing Finance Limited</li> <li>Ruchi Soya Industries Limited</li> </ul>	<p>Appointment</p>
<p><b>Shri Devendra Kumar</b></p> <p>S/o Shri Kanta Prasad Singh</p> <p>Non-Executive (Nominee of SBI)</p> <p>Occupation: Service</p> <p>DIN:08828056</p> <p>Age:57 Years Nationality : Indian</p>	<p>B-16, Sterling Apartments Pedder Road, Mumbai 400026</p>	<p>August 21, 2020</p>	<ul style="list-style-type: none"> <li>SBI SG Global Securities Services Private Limited</li> <li>C-Edge Technologies Limited</li> <li>SBI Payment Services Private Limited</li> </ul>	<p>Appointment</p>
<p><b>Shri Rajendra Kumar Saraf</b></p> <p>S/o-Late Shri Madan Lal Saraf</p> <p>Independent Director Occupation: Independent Finance Professional</p>	<p>Flat no. B/1302, Gundecha Altura, Opposite St. Xaviers School, L.B.S. Marg, Kanjur Marg (West), Mumbai – 400 078</p>	<p>August 14, 2019</p>	<ul style="list-style-type: none"> <li>Hitech Insurance Broking Services Limited</li> <li>JIO Payments Bank Limited</li> <li>Mynd Solutions Private Limited</li> </ul>	<p>Appointment</p>

Name, Father's/Husband's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
DIN: 02730755  Age: 66 Nationality: Indian				
<b>Shri Dinesh Kumar Mehrotra</b>  S/o Late Dr. Jagdish Narain Mehrotra  Independent Director Occupation: Professional  DIN: 00142711  Age: 67 Nationality: Indian	3A, Harmony, Dr. E. Moses Road, Behind Petrol Pump, Worli Naka, Worli, Mumbai – 400 018	November 14, 2019	<ul style="list-style-type: none"> <li>• VLS Finance Limited</li> <li>• UTI Asset Management Company Limited</li> <li>• Metropolitan Stock Exchange of India Limited</li> <li>• Tata AIA Life Insurance Company Limited</li> <li>• Computer Age Management Services Limited</li> <li>• Aidia Technovations Private Limited</li> <li>• Vardan Cequebe Advisors Private Limited</li> </ul>	Appointment
<b>Smt Anuradha Shripad Nadkarni</b> <b>D/o Shri Vasant Herlekar</b> Independent Director Occupation: Financial Services Professional  DIN: 05338647  Age: 58 Nationality: Indian	2401, A-Tower, Beau Monde, a. Marathe Marg, Prabhadevi, Mumbai – 400 025	November 14, 2019	<ul style="list-style-type: none"> <li>• Svakarma Finance Private Limited</li> </ul>	Appointment
<b>Shri Shriniwas Yeshwant Joshi</b> S/o Shri Yeshwant Joshi  Independent Director  Occupation: Practicing Chartered Accountant  DIN: 05189697  Age: 64 years Nationality: Indian	104, Sampada CHS, Arunodaya Nagar, Mulund (East), Mumbai-400081 Maharashtra	December 04, 2020	<ul style="list-style-type: none"> <li>• L&amp;T Mutual Fund Trustee Limited</li> <li>• ICAI Accounting Research Foundation</li> <li>• Extensible Business Reporting Language (XBRL) India</li> </ul>	Appointment

### Confirmation

None of the current Directors of the Issuer appear in the RBI's defaulter list and/or ECGC default list.

### Corporate Governance

Our Company has been complying with the requirements of Corporate Governance as prescribed under RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Companies Act, 2013 and *SEBI (LODR) Regulations, 2015*.

**Details of Changes in Directors in last 3 years:**

Name	DIN	Designation	Date of Appointment	Date of Completion of tenure/ Resignation Date	Reason
Shri Rajnish Kumar	05328267	Chairman	December 13, 2017	October 06,2020	Ceased to be a Director pursuant to resignation.
Shri Ashwini Kumar Sharma	00157371	Nominee Director	August 28, 2014	August 05, 2019	Ceased to be a Director pursuant to resignation
Shri Vijay Jasuja	07924822	Managing Director & Nominee Director & CEO	December 15, 2017 (Appointed as Managing director and Nominee Director) continued as CEO	January 31, 2018 (Resignation as Managing Director and Nominee Director & CEO)	Ceased to be a Director pursuant to resignation.
Shri Sunil Kaul	05102910	Nominee Director	December 15, 2017	Continuing	Appointment as Director
Shri Devnjit Singh	02275778	Nominee Director	December 15, 2017	September 04, 2018	Ceased to be a Director pursuant to resignation
Shri Hardayal Prasad	08024303	Managing Director & CEO	February 01, 2018	July 31, 2020 (Resignation as Managing Director and Nominee Director & CEO)	Ceased to be a Director pursuant to resignation
Shri Ashwini Kumar Tewari	08797991	Managing Director & CEO	August 01, 2020	January 27, 2021	Ceased to be a Director pursuant to resignation.
Shri Rama Mohan Rao Amara	08951394	Managing Director & CEO	January 30, 2021	Continuing	Appointed as SBI Nominee Director holding the position of Managing Director and CEO w.e.f. January 30, 2021
Shri Neeraj Vyas	07053788	Nominee Director	January 31, 2017	June 30, 2018	Ceased to be a Director pursuant to resignation
Shri S P Singh	08026039	Nominee Director	July 06, 2018	July 31, 2020	Ceased to be a Director pursuant to resignation
Smt. Saraswathy Athmanathan	06798837	Nominee Director	September 12, 2016	August 3, 2019	Ceased to be a Director pursuant to resignation.
Shri Anil Jaggia	00317490	Nominee Director	September 18, 2018	January 29, 2019	Ceased to be a Director pursuant to resignation
Shri Devendra Kumar	08828056	Nominee Director	August 21, 2020	Continuing	Appointment as Director
Dr. Tejendra Mohan Bhasin	03091429	Independent Director	June 28, 2019	Continuing	Appointment as Independent Director
Shri Nilesh S. Vikamsey	00031213	Independent Director	August 14, 2019	November 05,2020	Ceased to be a Independent Director pursuant to resignation
Shri Rajendra Kumar Saraf	02730755	Independent Director	August 14, 2019	Continuing	Appointment as Independent Director
Shri Dinesh Kumar Mehrotra	00142711	Independent Director	November 14, 2019	Continuing	Appointment as Independent Director
Smt Anuradha Shripad Nadkarni	05338647	Independent Director	November 14, 2019	Continuing	Appointment as Independent Director
Shri Shriniwas Yeshwant Joshi	05189697	Independent Director	December 04, 2020	Continuing	Appointment as Independent Director

## SECTION VIII

### DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION, ETC.

#### 8.1. INTERESTS OF OUR DIRECTORS

Except as otherwise stated in “Financial Statements – Related Party Transactions” our Company has not entered into any contract, agreements and arrangement during the three financial years preceding the date of this Private Placement Offer Letter in which the directors are interested directly or indirectly, and no payments have been made to them in respect of such contracts or agreements.

All directors, including independent director, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them and in view of their employment/nomination by SBI/Investor Shareholder Director, if any and in view of their shareholding in the Company, if any

#### 8.2. INTEREST OF DIRECTORS, KEY MANAGERIAL PERSONS/PROMOTERS IN THE OFFER

There is no financial or other material interest of the directors, promoters or key managerial personnel in the offer. Company has availed credit facilities from SBI in the normal course of business. The present issue of private placement of debenture will be uploaded on the EBP platform, and hence all QIBs including SBI can participate in the bidding process. The Debentures allotment will be made to the successful participants as per EBP. There are no contributions which are being made by the directors either as part of the offer or separately in furtherance of such objects.

#### 8.3. DETAILS OF LITIGATION OR LEGAL ACTION PENDING OR TAKEN BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST PROMOTER OF THE OFFEROR COMPANY DURING LAST 3 YEARS IMMEDIATELY PRECEEDING THE YEAR OF ISSUE AND DIRECTONS ISSUED THEREOF

Our promoter, State Bank of India is involved in legal proceedings including taxation related proceedings before various courts (civil and criminal) and other forums in the ordinary course of business and may have received directions in this regard. The details of contingent liability with respect to claims against the State Bank of India, which is not acknowledged as debt, however as disclosed by State Bank of India in their audited balance sheets for last three years is as under:

Contingent Liability (In Cr)	31.03.20	31.03.19	31.03.18
Claims against the Bank not acknowledged as debts	71,642	43,358	35,153

Regulatory matters against State Bank of Travancore which has merged with the State Bank of India (“SBT”):

Certain complaints have been filed by Assistant Director, Directorate of Enforcement, Ministry of Finance, Department of Revenue under Section 16(3) of FEMA before the Special Director, Directorate of Enforcement, Ministry of Finance, Department of Revenue (the “ED”) in relation to inter alia, unauthorized remitting amounts equivalent to ₹ 2,430 million, ₹ 470 million, ₹ 420 million and ₹ 880 million for the Board of Control for Cricket in India (“BCCI”) in violation of the provisions of FEMA including Section 10(4), 10(5) and 11(1) of FEMA and the rules and circulars issued thereunder. It was alleged that SBT did not obtain adequate information / declarations to reasonably satisfy itself, inter alia, (i) about the genuineness of foreign exchange transactions and (ii) that the said transactions entered into by the BCCI do not involve any contravention or evasion of the provisions of FEMA. The ED vide its order dated May 31, 2018 imposed a penalty of approximately ₹ 70 million on SBT. The Appellate Tribunal, FEMA at New Delhi (“Appellate Tribunal”), waived off the precondition of depositing the penalty amount of approximately ₹ 70 million vide its order dated May 17, 2019. The matter is currently pending before the Appellate Tribunal

In addition to the aforementioned, SBI from time to time, in its normal course of business and due to the nature of the business it undertakes and its expansive area of operation, may have received notices from certain regulatory or statutory authorities, inter alia, seeking clarification and information. SBI does not believe that any action taken or initiated, has not and will not result in any material action against SBI.

**8.4. REMUNERATION OF DIRECTORS****8.4.1. Managing Director and CEO (Whole Time Director)/ Manager**

The following table sets forth the details of remuneration paid to the Managing Director & CEO:

Financial Year	Name of the Director	Salary & allowances, performance incentive/ex-gratia linked including perquisites, other benefits (₹)
2020-21 (August 01, 2020 to December 31, 2020)	Mr Ashwini Kumar Tewari, Managing Director & CEO**	23,03,233
2020-21 (April 01, 2020 to July 31, 2020)	Shri. Hardayal Prasad, Managing Director & CEO **	35,08,538
2019-20	Shri. Hardayal Prasad, Managing Director & CEO	77,73,915
2018-19	Shri. Hardayal Prasad, Managing Director & CEO	66,12,389
2017-18	Shri. Hardayal Prasad, Managing Director & CEO (Joined as MD & CEO w.e.f. 01 <sup>st</sup> February 2018)	9,44,972
2017-18	Shri Vijay Jasuja, Managing Director & CEO w.e.f. 15 <sup>th</sup> December 2017, prior to this working in the capacity of Manager & CEO	61,74,917

The above-mentioned remuneration has been paid in capacity of CEO designation held by the person and not for his position as director till March 2019.

\*\*Shri Hardayal Prasad, ceased to be a Managing Director & CEO w.e.f July 31, 2020 and Shri Ashwini Kumar Tewari had been appointed as Managing Director & CEO of the Company/ SBICPSL w.e.f August 01, 2020.

\*\*Shri Ashwini Kumar Tewari ceased to be a Managing Director & CEO w.e.f. January 27, 2021 and Shri Rama Mohan Rao Amara has been appointed as Managing Director & CEO of the Company w.e.f January 30, 2021.

No remuneration is being paid to other directors of the Company, except to a Director of the Company not being an officer of the Government or Reserve Bank of India or the State Bank of India or any subsidiary of the State Bank of India or Investor Shareholder is entitled to be paid out of the funds of the Company by way of remuneration for his services, by way of sitting fee.

**8.4.2. Remuneration in terms of Sitting Fee**

Set forth below are the details of the sitting fees paid to directors during last three financial years:

Financial Year	Sitting Fees: Board Meeting & Committee Meeting
2020-21 upto Dec'20	70,95,000
2019-20	15,75,000
2018-19	6,25,000
2017-18	4,00,000

**8.5. RELATIONSHIP WITH OTHER DIRECTORS**

None of the directors of the company is, in any way, related to each other. However, the Company has 3 (Three) SBI Nominee Directors, including MD & CEO, on the Board of the Company and 1 (One) Investor Shareholder Director.

**8.6. RELATED PARTY TRANSACTIONS**

Related party transactions entered during the last 3 financial years immediately preceding the year of circulation of this private placement offer letter are as follows:



Details of balances outstanding:

(₹ in Crores)

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
<b>Trade Payables and Other liabilities</b>			
Holding Company	32.24	23.76	16.65
Entity having significant influence	4.01	0.00	0.00
Fellow Subsidiaries and entities / Entity under common significant influence	10.41	0.05	0.04
<b>Trade Receivables</b>			
Holding Company	0.60	0.96	1.06
<b>Dividend Payable</b>			
Holding Company	0.00	61.95	0.00
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	21.77	0.00
Entity having significant influence	0.00	0.00	0.00
<b>Borrowings</b>			
Holding Company	9,804.95	8,747.55	9,027.42
Fellow Subsidiaries and entities	315.00	26.00	0.00
<b>Interest Payable</b>			
Holding Company	112.37	0.09	0.00
Fellow Subsidiaries and entities	4.93	0.00	0.00
<b>Cash and Bank Balances*</b>			
Holding Company	395.90	43.78	194.49
Fellow Subsidiaries and entities	0.00	0.00	0.00
<b>Loans and Advances**</b>			
Holding Company	8.85	0.10	0.20
Fellow Subsidiaries and entities / Entity under common significant influence	0.12	0.59	0.15
Key Management Personnel	0.01	0.00	0.00
<b>Other non- current assets</b>			
Holding Company			
<b>Fixed Deposits</b>			
Holding Company	5.09	2.31	10.85
<b>Investments</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.00	0.00
<b>Other Recoverable including Interest accrued</b>			
Holding Company	0.00	0.01	11.64
Fellow Subsidiaries and entities / Entity under common significant influence	0.02	0.00	0.00
<b>Contribution to Other Fund</b>			
Fellow Subsidiaries and entities	0.07	0.04	0.00
<b>Interest Accrued</b>			
Holding Company	0.17	0.08	13.41

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

\*These amounts represent cash & bank balance, book overdraft, funds in transit & earmarked balances as at March 31, 2020

\*\*These amounts represent year-end balances outstanding as at March 31, 2020 on credit cards issued

Details of Transactions with the related parties:

(₹ in Crores)

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
<b>Advertisement and sales promotion (incentives)</b>			
Holding Company	24.79	26.01	129.64
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.00	0.00
<b>Services Rendered</b>			
Holding Company	0.00	2.80	1.65
<b>Cost allocations received*</b>			

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Holding Company	2.47	4.80	3.47
Joint Venture	0.00	0.00	0.03
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.10	6.50
<b>Processing charges paid</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.00	441.64
<b>Cost allocations made</b>			
Joint Venture	0.00	0.00	0.00
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.00	0.95
<b>Right Issue Shares</b>			
Holding Company	0.00	347.80	0.00
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	122.20	0.00
<b>Bank charges, fees and Commission Paid</b>			
Holding Company	172.80	163.61	3.90
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.19	1.41
<b>Commission Received</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	0.04	0.03	0.00
<b>Personnel Cost (Managerial – Salaries &amp; Other Allowances)</b>			
Key Management Personnel	3.34	4.08	2.32
<b>Personnel Cost (Managerial remuneration – Post Employment Benefits)</b>			
Key Management Personnel	0.12	0.48	0.09
<b>Personnel Cost (Managerial Remuneration-Share based Payments)</b>			
Key Management Personnel	0.5	0.00	0.00
<b>Gratuity fund contribution</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	11.49	21.41	0.30
<b>Interest Income on fixed deposit</b>			
Holding Company	0.82	0.55	0.19
<b>Finance charges</b>			
Holding Company	662.82	645.30	447.35
Fellow Subsidiaries and entities / Entity under common significant influence	7.98	0.59	0.00
<b>Borrowings taken</b>			
Holding Company	74,120.64	50,114.06	48,764.36
Fellow Subsidiaries and entities / Entity under common significant influence	825.00	0.00	0.00
<b>Fixed Asset Insurance</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.02	0.01
<b>Borrowings repaid</b>			
Holding Company	73,206.38	50,211.49	47,172.17
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	5.00	0.00
<b>Income on investments</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	0.02	0.06	0.07
<b>Investments purchased</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	60.00	195.00	190.00
<b>Investments sold</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	60.00	195.00	190.00
<b>CSR Contribution</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	2.04	0.75	1.99
<b>Dividend Paid/Declared</b>			
Holding Company	0.00	61.95	47.10
Joint Venture	0.00	0.00	31.40
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	21.77	0.00
<b>Fixed Deposit made</b>			
Holding Company	367.91	12.04	2.26
<b>Fixed deposit matured</b>			
Holding Company	365.24	20.57	23.00
<b>Royalty expenses</b>			
Holding Company	24.90	15.78	10.29
<b>Loans and Advances given and other adjustments</b>			
Holding Company	2.65	2.18	3.32
Fellow Subsidiaries and entities / Entity under common significant influence	3.99	3.41	85.31
Key Management Personnel	0.37	0.57	0.32
<b>Employee Insurance</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	1.53	0.68	0.00

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
<b>Loans and Advances Repaid</b>			
Holding Company	2.70	2.29	3.28
Fellow Subsidiaries and entities / Entity under common significant influence	4.09	3.37	85.38
Key Management Personnel	0.42	0.57	0.32
<b>Contribution to Other Fund</b>			
Holding Company	0.74	0.40	0.00
<b>IPO Expenses (Our Share) **</b>			
Fellow Subsidiaries and entities / Entity under common significant influence	0.30	0.00	0.00

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.

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

**8.7. DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF PRIVATE PLACEMENT OFFER LETTER AGAINST THE COMPANY AND ITS SUBSIDIARIES**

Nil

**8.8. DETAILS OF ANY PROSECUTION FILED, FINES IMPOSED, COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF PRIVATE PLACEMENT OFFER LETTER AGAINST THE COMPANY AND ITS SUBSIDIARIES**

Nil

**8.9. DETAILS OF DEFAULT, IF ANY, INCLUDING THEREIN THE AMOUNT INVOLVED, DURATION OF DEFAULT AND PRESENT STATUS, IN REPAYMENT OF STATUTORY DUES/ DEBENTURES AND INTEREST THEREON/ DEPOSITS AND INTEREST THEREON, LOAN FROM ANY BANK OR FINANCIAL INSTITUTION AND INTEREST THEREON AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY.**

8.9.1 The Issuer **has not defaulted** on payment of any kind of statutory dues to the Government of India (except and other than the disclosure made under serial no 2 of Section XIII pertaining to Material Event , development or change at the time of issue) , State Government(s), statutory/ regulatory bodies, authorities, departments etc. (b) debentures and interest thereon (c) deposits and interest thereon (d) loan from any bank or financial institution and interest thereon.

8.9.2 The main constituents of the Issuer's borrowings are generally in form of debentures/debt securities, commercial paper, loans from banks and financial institutions etc. In respect of such borrowings, the Issuer certifies that:

- (i) it has **serviced all the principal and interest liabilities** on all its borrowings on time and there has been **no instance of default**; and
- (ii) it **has not affected any kind of roll over or restructuring against any of its borrowings in the past.**

8.9.3 The issuer has not defaulted on any of its payment obligations arising out of any corporate guarantee issued by it to any counterparty including group companies etc. in the past.

**8.10. DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE COMPANY IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE COMPANY**

There was no material fraud committed against the Company. However, there are some instances of the customer frauds on the Company which primarily relates to fraudulent usage of credit cards issued by the Company. The net amount involved in these frauds was Rs 3.90 crores in 2019-20, Rs 3.16 crores in 2018-19 and Rs 3.48 crores in 2017-18. The Company has internal Fraud Control Unit to monitor and prevent frauds.

**8.11. OUTSTANDING BORROWINGS/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, AT A PREMIUM OR DISCOUNT, OR IN PURSUANCE OF AN OPTION**

Company generally issues Commercial papers which by nature are discounted instruments and bonds which may have call/put option embedded in them. As at December end, Company had no bonds outstanding which had put/call option embedded in them. Following are the details of the CP issued at discount/ which are outstanding as on 31<sup>st</sup> December 2020

Details of Commercial papers issued at discount:

S.No.	Date of issue/ Value date	Number of Commercial Papers (CP/s) issued	Face value per CP (₹)	Discount per CP (₹)
1	20-Jan-20	5,000.00	5,00,000	31,334.50
2	26-May-20	6,000.00	5,00,000	28,228.50
3	29-May-20	4,000.00	5,00,000	26,905.00
4	26-Jun-20	2,000.00	5,00,000	25,391.50
5	23-July-20	4,500.00	5,00,000	12,823.50
6	06-Aug-20	8,000.00	5,00,000	12,518.00
7	29-Sep-20	6,000.00	5,00,000	21,531.00
8	12-Oct-20	4,000.00	5,00,000	20,851.50
9	22-Oct-20	4,000.00	5,00,000	19,632.50
10	27-Oct-20	5,000.00	5,00,000	19,144.50
11	29-Oct-20	6,000.00	5,00,000	11,983.00
12	2-Nov-20	3,000.00	5,00,000	4,141.50
13	17-Nov-20	3,000.00	5,00,000	4,055.50
14	20-Nov-20	3,000.00	5,00,000	15,980.00
15	23-Nov-20	5,000.00	5,00,000	3,749.50
16	27-Nov-20	5,000.00	5,00,000	19,537.00

**8.12. AUDITORS' QUALIFICATIONS**

Details with respect to qualifications, reservations and adverse remarks of the auditors of the Company in the last five financial years immediately preceding the year of circulation of private placement offer letter and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said qualifications, reservations and adverse remarks are given as under:

Financial Year	Auditors' qualifications, reservations and adverse remarks
2019-20	Nil
2018-19	Nil
2017-18	Nil
2016-17	Nil
2015-16	Nil

**8.13. DEFAULT IN ANNUAL FILING OF THE COMPANY**

The Company confirms that it has not defaulted in annual filings under Companies Act, 2013 or the rules made thereafter.

**8.14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS**

The Company confirms that there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations.

## SECTION IX MANAGEMENT'S PERCEPTION OF RISK FACTORS

### MANAGEMENT PERCEPTION OF RISK FACTOR

The Investor should carefully consider all the information in this private placement offer letter, including the risks and uncertainties described below before making an investment in the Debentures. The risks and uncertainties described in this section are not the only risks that Company currently faces. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, prospects, results of operations and financial condition.

### RISK RELATING TO BUSINESS OR INDUSTRY

- 1. We use the "SBI" brand of our Promoter and are exposed to the risk that the "SBI" brand may be affected by events beyond our control and that our Promoter may prevent us from using it in the future.*

We do not own the "SBI" name, brand or trademark. The "SBI" name, brand and trademark, as well as the associated logo as displayed in our SBI Card brand are owned by our Promoter. We currently use the "SBI" logo pursuant to a license agreement entered into between us and our Promoter, under which our Promoter has granted to us the non-exclusive right to use the name, brand and trademark "SBI" and the associated logo in consideration for our payment of royalty fees to our Promoter. Under this license agreement, our Promoter has the right to terminate the license on occurrence of certain events, which include, among other things, our Promoter's shareholding in us falling below 26.00% of our outstanding equity share capital, if we undergo a change of control event pursuant to any change occurring in the composition of our board of directors or our shareholding pattern, or if we fail to pay royalty fees to our Promoter. There can be no assurance that our Promoter will not exercise its rights to terminate this license in the event that its shareholding falls below 26.00%, or for other reasons. Should this license be terminated, we would be required to change our name and brand, which could require us to expend significant resources to establish new branding and name recognition in the market, as well as undertake efforts to rebrand our branches and our digital presence, which could result in a material adverse effect on our reputation, business, financial condition and results of operations.

In addition, there can be no assurance that our Promoter's "SBI" brand, which we believe is a well-recognized brand in India due to its long presence in the Indian financial services markets, will not be adversely affected in the future by events or actions that are beyond our control, including cardholder complaints, developments in other businesses that use the "SBI" brand or adverse publicity. Any damage to the "SBI" brand, if not immediately and sufficiently remedied, could have an adverse effect on our business, financial condition and results of operations.

- 2. We derive substantial benefits from our existing relationship with our Promoter, and a loss or reduction in the level of support we receive from our Promoter could adversely affect us.*

Our Promoter, SBI, was India's largest commercial bank in terms of deposits, advances and number of branches as of March 31, 2020. We have derived, and continue to derive, substantial benefits from our relationship with our Promoter. Our credit cards portfolio consists primarily of SBI-branded credit cards, and we take advantage of our Promoter's large branch and customer networks in order to market our credit cards. Our Promoter is our largest customer referral partner, and our referral arrangements with SBI allow us to market our products and services to SBI customers by utilizing our Promoter's vast branch network. For example, our Promoter provides space for our outsourced sales workforce to be present at select SBI branches, and we also carry out joint marketing efforts with our Promoter.

In fiscals 2021, 2020 and 2019 new accounts acquired from our Promoter's customer base accounted for 57.3%, 50% and 55% respectively, of our total new accounts. Our Promoter has also granted us a non-exclusive license to use the "SBI" brand and trademark. If our rights to the "SBI" brand and trademark are discontinued for any reason, our reputation, business, financial condition, results of operations and prospects could be adversely affected. In the past, in the ordinary course of business and in its capacity as a commercial banking institution, our Promoter has extended working capital loans and non-convertible debentures to us. Our Promoter has contributed several members of our key management personnel, and we have also leveraged our Promoter's existing infrastructure and management expertise

to support some of our business functions such as IT infrastructure, compliance and risk management, human resources and support for certain information systems. We also benefit from certain pricing advantages derived from our Promoter's size and scale in negotiating third-party vendor contracts, where we may in certain instances obtain more attractive group rate discounts than we could have obtained otherwise. Finally, our Promoter is also the sponsor bank for one of our payment network agreements, and withdrawal of our Promoter's support from this arrangement and our inability to find another sponsor bank, may result in a disruption of that payment network agreement.

Our arrangements with our Promoter are not exclusive. As a result, our Promoter could enter into similar or competing relationships with third parties, including our competitors. In addition, the agreements governing our arrangements with our Promoter allow our Promoter to terminate such agreements upon notice without cause. The termination of any of such arrangements could have a material adverse effect on our results of operations and financial condition. Our Promoter is selling a partial equity stake in us through this offering. Although our Promoter would require the RBI's approval to relinquish control in us, we cannot assure you that our Promoter would not divest additional equity stakes in us in the future. Therefore, we cannot assure you that we will continue to enjoy the same level of support from our Promoter in the future, which could significantly impact our business model and materially adversely affect us. This could also hamper certain of our decision-making processes and could result in sudden or unexpected changes in our management, corporate policy and strategic direction, each of which could adversely affect us.

3. ***Substantially all of our credit card portfolio is unsupported by any collateral that could help ensure repayment, and in the event of non-payment by a cardholder of their credit card receivables, we may be unable to collect the unpaid balance.***

We extend revolving unsecured credit to our cardholders as part of our business operations. As of March 31, 2018, 2019, 2020 and September 30, 2020 98.2%, 98.7%, 98.7% and 98.7% respectively, of our credit card portfolio was unsecured. As of March 31, 2020, and March 31, 2019, our gross NPAs as a percentage of gross advances was 2.01% and 2.44%, respectively, as compared to 2.83% as of March 31, 2018 and 2.34% as of March 31, 2017. The gross NPA for period ending September 30, 2020 were 4.29%. Unsecured credit card receivables present a greater credit risk for us than a portfolio of secured loans because they are not supported by realizable collateral that could help ensure an adequate source of repayment for the credit card receivables. Although we may obtain direct debit instructions from our cardholders for such unsecured credit card receivables, we may still be unable to collect in part or at all in the event of non-payment by a cardholder. Further, any expansion in our unsecured credit card receivables portfolio could require us to increase our provision for credit losses, which would decrease our profitability.

4. ***We face competition in the credit card market from other credit card issuers and payment solutions providers, and we may not be able to compete effectively, which could result in fewer cardholders and lower account balances and could materially adversely affect our financial condition, cash flows and results of operations.***

The credit cards business is highly competitive. This increasingly competitive environment is primarily a result of changes in technology, product delivery systems and regulation, as well as the emergence of new or significantly larger credit card issuers or payment solutions providers, all of which may affect our cardholders' expectations and demands. The table below sets forth the market position information for the top-five players in the credit-card industry for the previous three fiscals in terms of number of credit cards in force, number of credit card transactions, and total credit card spends:

<b><i>As of and for the year ended September 30, 2020</i></b>			
<i>Competitor</i>	<i>Number of credit cards in force</i>	<i>Number of credit card transactions</i>	<i>Total credit card spends</i>
<i>(percentage of overall market)</i>			
HDFC Bank	26%	29%	31%
SBI Card	19%	20%	20%
ICICI Bank	16%	16%	14%
Axis Bank	12%	8%	8%
Citi Bank	5%	8%	6%

Source: RBI



<i>As of and for the year ended March 31, 2020</i>			
<i>Competitor</i>	<i>Number of credit cards in force</i>	<i>Number of credit card transactions</i>	<i>Total credit card spends</i>
<i>(percentage of overall market)</i>			
HDFC Bank	25%	28%	29%
SBI Card	18%	18%	18%
ICICI Bank	16%	15%	12%
Axis Bank	12%	9%	10%
Citi Bank	5%	10%	7%

Source: RBI

<i>As of and for the year ended March 31, 2019</i>			
<i>Competitor</i>	<i>Number of credit cards in force</i>	<i>Number of credit card transactions</i>	<i>Total credit card spends</i>
<i>(percentage of overall market)</i>			
HDFC Bank	27%	27%	28%
SBI Card	18%	16%	17%
ICICI Bank	14%	14%	11%
Axis Bank	13%	9%	10%
Citi Bank	6%	13%	9%

Source: RBI, Company filings, CRISIL Research

We compete with other credit card issuers and payment solutions providers such as banks, payment banks, NBFCs and financial technology enterprises on the basis of a number of factors, including brand, reputation, customer service, product offerings, incentives, pricing, technology and other terms. In particular, mobile, e-wallet and tokenization platforms, including the increasingly prevalent unified payments interface platform, present formidable competition as they are able to attract large payment volumes at low or no payment processing fees to merchants. Competition in credit cards is also based on merchant acceptance and the value provided to the customer by rewards programs. Many credit card issuers have instituted rewards programs that are similar to ours, and, in some cases, could be viewed by customers as more attractive than our programs, which could lead such cardholders to prefer spending using our competitors' credit cards over our credit cards. As competitive pressures intensify, we may be required to expend additional resources to offer a more attractive value proposition to our cardholders, which could negatively impact our profit margins. These competitive factors may also affect our ability to attract and retain cardholders, slow down our credit card receivables growth and reduce revenue growth from our core business.

Some of our competitors operate out of large, well-established banks and may have greater operational efficiencies, better local distribution capabilities and lower-cost funding than us, among other things, which may give those competitors certain advantages over us. For example, banks in India have access to a broader set of their customers' transactional information than we do, and banks are not required to perform additional KYC procedures in order to provide credit cards to their customers. Banks also have the ability to take deposits from the public, which provides them with funding advantages, while under existing RBI regulations non-deposit taking NBFCs, like us, are not allowed to take deposits from the public. Many of our competitors are also focusing on cross selling their products and developing new products or technologies, which could affect our ability to maintain or grow existing cardholder relationships. Some of our competitors have developed, or may develop, substantially greater financial and other resources than we have, may offer higher value propositions or a wider range of programs and services than we offer or may use more effective advertising, marketing or cross-selling strategies to acquire and retain more cardholders, capture a greater share of credit card transactions, attain and develop more attractive partnership programs than we have. We may not be able to compete effectively against these threats or respond or adapt to changes in consumer spending habits as effectively as our competitors. If we are unable to compete successfully, or if competing successfully requires us to take aggressive actions in response to competitors' actions, our financial condition, cash flows and results of operations could be materially adversely affected.

**5. *Fraudulent activity associated with our products or our networks could cause our brand to suffer reputational damage, the use of our products to decrease and our fraud losses to be materially adversely affected.***

We are subject to the risk of fraudulent activity associated with merchants, cardholders and other third parties handling cardholder information. Credit card fraud, identity theft and related crimes are prevalent, and perpetrators are growing ever more sophisticated. Our resources, cardholder authentication methods and fraud prevention tools may be insufficient to accurately predict or prevent fraud. Additionally, as we expand our business, our reliance of third parties increases who may process our confidential customer information as a part of the services provided by them, thereby increasing our risk of fraud and security breaches by such third parties. An increase in fraudulent and other illegal activity involving us could lead to reputational damage, damage our brand, and could reduce the use and acceptance of our credit cards. In addition, significant increases in fraudulent activity could lead to regulatory intervention (such as mandatory card reissuance) and reputational and financial damage to our brand. Each of these factors could negatively impact the use of our credit cards, the level of our fraud charge-offs, our financial condition, and other results of operations and thereby have a material adverse effect on our business. Although we have not yet been subject to a material incidence of frauds, we cannot assure you that material frauds will not occur in future.

**6. *We rely on third parties for customer acquisitions, technology, platforms and other services integral to the operations of our businesses.***

We rely on third-party service providers, merchants, cardholder acquisition channels, processors, aggregators, payment networks and other third parties for services that are integral to our operations, such as call center services, fraud control, payment processing, collections, logistical services and certain other services that we provide to our cardholders. We also rely in part on third party co-brand partners for new cardholder acquisitions. As of September 30, 2020, we had a total of 3,911 employees as compared to 3,967 employees as of March 31, 2020 and 3,701 employees as of March 31, 2019. Our outsourced workforce as of September 30, 2020 was 38,355 most of which were engaged in our sales, customer service, collections and operations functions. As outsourcing, specialization of functions, third-party digital services and technology innovation within the credit card industry increase (including with respect to mobile technologies, tokenization, big data and cloud storage solutions), additional third parties may become involved in processing card transactions and handling our data, among other activities.

We are subject to the risk that activities of such third parties may adversely affect our business. If a service provider or other third party ceases to provide the services upon which we rely, whether as a result of natural disaster, operational disruptions or errors, terrorism, information or cyber security incidents, or any other reason, such failure could interrupt or compromise the quality of our services to cardholders or impact our ability to grow our business. We are also exposed to the risk that a disruption or other event at a third party affecting one of our service providers or co-brand partners could impede their ability to provide to us services or data on which we rely to operate our business. Service providers or other third parties could also cease providing data to us if we are unable to negotiate for data use rights or use our data for purposes that do not benefit us.

Our fraud control and collection teams work regularly with third party customer verification agencies, to conduct credit appraisals, to verify customer details and to collect overdue payments from customers. We also engage third party service providers, for engaging manpower for undertaking sales and related activities, as a part of our open market marketing channel. Accordingly, we are exposed to the risk that third-party service providers may be unable to fulfil their contractual obligations to us (or will be subject to the risk of fraud or operational errors by their respective employees) and to the risk that their (or their vendors') business continuity and data security systems prove to be inadequate. Further, under RBI regulations, we are required to regulate and monitor the actions of the third parties engaged by us. For instance, we are required to ensure that the third parties appointed by us do not transfer or misuse any customer information during marketing of credit card products. Any defaults or lapses by our third-party service providers could result in a material adverse effect on our business, reputation, financial condition and results of operations.

Additionally, we are dependent on certain external vendors or service providers for the implementation and maintenance of our systems. We are exposed to the risk that these external vendors or service providers may be unable to fulfil their contractual obligations to us (or will be subject to the risk of fraud

or operational errors by their respective employees) and to the risk that their (or their vendors') business continuity and data security systems prove to be inadequate.

The management of multiple vendors also tends to increase our operational complexity. A failure to exercise adequate oversight over service providers, including compliance with service level agreements or regulatory or legal requirements, could result in regulatory actions, fines, sanctions or economic and reputational harm to us. In addition, we may not be able to effectively monitor or mitigate operational risks relating to our vendors' service providers. Although we may have the benefit of contractual indemnities in certain of our third-party service agreements, such indemnities may not always cover all types of liabilities we may incur and, even if they are within the scope of coverage, the amounts we recover under such indemnities may not be sufficient to cover all of our losses.

**7. *Cyber-attacks or other security breaches could have a material adverse effect on our business, results of operation or financial condition.***

In the normal course of business, we collect, process and retain sensitive and confidential information regarding our partners and our cardholders. Our operations therefore rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Although we devote significant resources and management focus to ensuring the integrity of our computer systems and networks through information security and business continuity programs, our systems and network are vulnerable to external or internal security breaches, acts of vandalism, computer viruses or other malicious code, misplaced or lost data, programming or human errors, or other similar events. Deficiencies in our internal management of information systems and data security practices also expose us to heightened risks which could cause damage to our reputation and adversely impact our business and financial results. Such vulnerabilities could result in a compromise or breach of the technology that we use to protect our cardholders' personal information and transaction data that we receive and store, which could lead to unauthorized use of our and our cardholders' data or to fraudulent transactions on our cards, as well as costs associated with responding to such an incident.

We also face risks related to cyber-attacks and other security breaches in connection with credit card transactions that typically involve the transmission of sensitive information regarding our cardholders through various third parties, including our co-brand partners, merchant acquiring banks, payment processors, card networks (e.g., Visa and MasterCard) and our processors (e.g., Fiserv). Some of these parties have in the past been the target of security breaches and cyber-attacks, and because the transactions involve third parties and environments such as the point of sale that we do not control or secure, future security breaches or cyber-attacks affecting any of these third parties could impact us through no fault of our own, and in some cases, we may have exposure and suffer losses for breaches or attacks relating to them. We also rely on numerous other third-party service providers to conduct other aspects of our business operations and face similar risks relating to them. While we regularly conduct security assessments of significant third-party service providers, we cannot be sure that their information security protocols are sufficient to withstand a cyber-attack or other security breach. It is possible that we and our third-party vendors and service providers may not be able to anticipate or implement preventive measures against all security breaches, especially because the techniques used change frequently or are not recognized until launched, and because security attacks can originate from a wide variety of sources. Third parties may also attempt to fraudulently induce our employees, cardholders, partners or other users of our systems to disclose sensitive information in order to gain access to our data or that of our cardholders or partners. These risks may increase in the future as we continue to increase our reliance on the internet and use of web-based product offerings and on the use of cyber-security. A successful penetration or circumvention of the security of our systems or a defect in the integrity of our systems or cyber-security could cause serious negative consequences for our business, including significant disruption of our business and operations, misappropriation of our confidential information or that of our cardholders, or damage to our computers or operating systems and to those of our cardholders, partners and counterparties. Although we have not experienced any material data breaches in the past, we cannot assure you that such breaches will not occur in the future.

Any successful cyberattacks or data breaches could result in proceedings or actions against us by governmental entities or others, which could subject us to significant awards, fines, penalties, judgments, and negative publicity arising from any financial or non-financial damages suffered by any individuals.

**8. *Our provisions for credit losses may prove to be insufficient to cover losses on our credit card receivables.***

We maintain provisions for credit losses at levels that we believe to be appropriate to provide for incurred losses in our credit card receivables portfolio. However, the process for establishing provisions for credit losses under the “expected credit loss” model involves a high degree of judgment and complexity and is thus susceptible to being incorrectly or imprecisely estimated. Our provisioning coverage ratio (PCR) (calculated as total provisions on Stage 3 assets divided by total Stage 3 assets) as of March 31, 2018, 2019 and 2020 was 67.3%, 66.5% and 67.3%, respectively. PCR as of September 30, 2020 was 65.6%. Although we maintain provisions for credit losses as per expected credit loss model as mentioned above, we cannot fully predict such losses or give assurances that our provisions will be adequate in the future, and we may underestimate our incurred losses and fail to maintain sufficient provisions for credit losses to account for such losses.

We may not be successful in our efforts to improve collections and/or recoveries in relation to our NPAs, or otherwise adequately control our NPAs. Should the overall credit quality of our credit card receivables portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of NPAs. Moreover, we cannot assure you that our experience of NPA recoveries will be similar to that in the past. Increases in our provisions for credit losses or recognized losses would result in a decrease in net earnings and capital and could have a material adverse effect on our business, results of operations and financial condition and adversely affect the trading price of the Equity Shares/debentures. Substantially all of our business activities are conducted in India, and we rely primarily on interest charged on our credit card receivables and fee income derived from interchange fees, late fees, annual card fees and service charges to generate our revenues. These revenue streams have historically been affected by key macroeconomic conditions in India and are likely to continue being affected by them in the future. Consumer confidence, unemployment and overall economic growth rates are among the main factors that often impact consumer spending behavior and demand for credit. Poor economic conditions reduce the usage of our credit cards and the average purchase amount of transactions on our credit cards, both of which reduce our interest and fee incomes. Poor economic conditions also tend to adversely affect our cardholders’ ability and willingness to pay amounts owed to us, thus increasing delinquencies, charge-offs and provisions for credit losses, and decreasing recoveries.

Economic growth in India is influenced by, among other things, inflation, interest rates, foreign trade and capital flows, as well as the monsoon season. The level of inflation or depreciation of the Indian rupee may limit monetary easing or cause monetary tightening by the RBI. Any adverse development in the Indian economy, changes in interest rates or other trends or financial difficulties, which are not within our control, could result in non-payment by our cardholders. A slowdown in economic growth in India could also result in lower demand for credit and other related services and may impact the repayment capabilities of our cardholders, resulting in increases in defaults. Substantially all of our credit card receivables portfolio is unsecured, which may heighten our exposure to these risks. These factors could have a material adverse effect on our business, results of operations and financial condition.

**9. *The financial services industry is heavily regulated, and material changes in the regulations that govern us could cause our business to suffer.***

We are a Non-Banking Financial Company – Systemically Important Non-Deposit Taking Company (“NBFC-ND-SI”) registered with the RBI. We are also registered with the Insurance Regulatory and Development Authority of India (“IRDAI”) to act as a “corporate agent (composite)”. Further, we are also registered with the Indian Department of Telecommunications (“DoT”) as an ‘other service provider’ for operating our call-centers for servicing our customers. Accordingly, in addition to the general regulations governing a company in India, we are also subject to comprehensive regulation and supervision by various regulatory authorities, including the RBI, the IRDAI and the DoT. We are required to obtain and maintain various statutory and regulatory permits and approvals from time to time to operate our business, which requires us to comply with certain terms and conditions to continue our operations.

The financial services industry is heavily regulated and is also subject to frequent change of policies and amendments based on changing macro-economic conditions. We cannot assure you that laws or regulations will not be adopted, amended, enforced or interpreted in the future in a manner that will not

have a material adverse effect on our business and results of operations. For example, recent media articles have reported the RBI's intention to restrict the use of direct selling agents by banks to source retail loans and carry out physical document verification and, if such regulatory changes were to be extended to credit card issuers like us, we may be required to change the way in which we operate our business. In addition, the volume, granularity, frequency and scale of regulatory and other reporting requirements require a clear data strategy to enable consistent data aggregation, reporting and management. Inadequate management information systems or processes, including those relating to risk data aggregation and risk reporting, could lead to a failure to meet regulatory reporting requirements or other internal or external information demands, and we may face regulatory penalties as a result.

For instance, we are required to obtain and maintain certificate of registration for carrying on business as an NBFC from the RBI, which is subject to numerous conditions and requirements including exposure limits, classification of NPAs, KYC requirements and other internal control mechanisms. We are also required to obtain and maintain certificate of registration for carrying on business as a composite corporate insurance agent from the IRDAI and as 'other service provider' from the DoT, each of which are further subject to certain conditions and requirements prescribed by the respective regulatory authority. Further, although we have no reason to believe that such statutory and regulatory permits and approvals will not be granted and/or renewed we cannot guarantee that we will be able to maintain, renew or obtain any required statutory and regulatory permits and approvals in the future, in a timely manner, or that no additional requirement will be imposed in connection with such request. In addition, we require various registrations to operate our branches in the ordinary course of business, such as those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, labor related registrations and trade licenses of the particular state in which they operate. Some of these approvals may have expired, and we have either applied, or is in the process of applying for renewals of them. In the event that we are unable to renew or maintain such regulatory approvals or comply with any or all of the applicable terms and conditions, or seek waivers or extensions of time for complying with such terms and conditions, we may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of our license to operate as an NBFC and such similar actions by other regulators, as applicable. Any such actions may adversely affect our business, prospects, results of operations, financial condition and the trading price of our equity Shares/debentures.

***10. Our inability to effectively manage our funding and liquidity risk and risk arising out of an unsecured loan which may be recalled at any time could have a material adverse effect on our funding, profitability, liquidity and ability to meet our obligations.***

We need to effectively manage our funding and liquidity in order to meet our cash requirements such as day-to-day operating expenses, extensions of revolving credit to our cardholders, payments of principal and interest on our indebtedness and payments on our other obligations. If we do not have sufficient liquidity, we may be exposed to maturity mismatches between our assets and liabilities, face liquidity shortfalls and may not be able to meet our obligations when due, particularly during a liquidity stress event. In addition, as a growing financial services business, we have in the past experienced negative cash flows from operating activities in order to fund the growth in our credit card receivables portfolio, and we have financed these negative cash flows by accessing additional debt or equity financing. Any failure in obtaining additional debt financing in the future would adversely affect our ability to grow our credit card receivables portfolio.

RBI regulations do not permit non-deposit taking NBFCs, like us, to take deposits from the public. Our primary sources of funding and liquidity are working capital facilities from banks, issuance of non-convertible debentures, commercial paper and other debt securities, as well as our shareholders' equity. Further, we have also issued multiple series of unlisted NCDs, out of which one such series of unlisted NCDs may be recalled by lenders pursuant to a put/call option arising 18 months prior to the maturity date, subject to the applicable law. We may need additional financing in the future to refinance our existing indebtedness and finance growth of our business. The availability of additional financing will depend on a variety of factors such as financial market conditions generally, including the availability of credit to the credit cards industry, our performance, capital adequacy levels, relationships with our lenders, our Promoter's and our credit ratings and our current and future results of operations and financial condition. Disruptions, uncertainty or volatility in the capital or credit markets, such as the uncertainty and volatility experienced in the capital and credit markets during periods of financial stress and other economic and political conditions in the global markets, as well as the government of India's indebtedness levels and fiscal policies, may limit our ability to obtain additional financing or refinance



maturing liabilities on desired terms (including funding costs) in a timely manner or at all. As a result, we may be forced to delay obtaining funding or be forced to issue or raise funding on undesirable terms, which could significantly reduce our financial flexibility and cause us to contract or not grow our business, all of which could have a material adverse effect on our results of operations and financial conditions. There can be no assurance that significant disruptions, uncertainties and volatility will not occur in the future. If we are unable to continue to finance our business and access capital markets on favorable terms and in a timely manner, or if we experience an increase in our borrowing costs or otherwise fail to manage our liquidity effectively, this may adversely affect our business growth and, as a result, impact our businesses, prospects, profitability, financial condition and results of operations, as well as the market price of the Equity Shares/debentures.

***11. Our business depends on our ability to manage our credit risk and failing to manage this risk successfully may result in high charge-off rates, which would materially adversely affect our business, profitability and financial condition.***

We seek to grow our credit card receivables portfolio while maintaining quality credit performance. Our success depends on our ability to manage our credit risk while attracting new cardholders with profitable usage patterns. We select our cardholders, manage their accounts and establish terms and credit limits using scoring models and other analytical techniques that are designed to set terms and credit limits to appropriately compensate us for the credit risk we accept, while encouraging cardholders to use their available credit. The models and approaches we use may not accurately predict future charge-offs due to, among other things, inaccurate assumptions. Inaccuracy of assumptions can arise, in particular, as some of our assumptions relate to matters that are inherently difficult to predict and beyond our control (e.g., macroeconomic conditions and their impact on our various partners' and cardholders' behaviors) and often involve complex interactions between a number of dependent and independent variables. Moreover, our models cannot predict loss of employment or prolonged or serious medical illness. Our models may also produce incorrect predictions of future events in relation to a cardholder due to erroneous or misleading data or information provided by such cardholder. The errors or inaccuracies in our models could be material. While we continually seek to improve our assumptions and models, we may make modifications that unintentionally cause them to be less predictive or we may incorrectly interpret the data produced by these models in setting our credit policies. This could lead us to make wrong or sub-optimal decisions in managing our business and allocating the appropriate product to cardholders based on their risk profile.

A cardholder's ability to repay us can be negatively impacted by increases in their payment obligations to other lenders under mortgage, credit card and other borrowing obligations. These changes can result from increases in base lending rates or structured increases in payment obligations and could reduce the ability of our cardholders to meet their payment obligations to other lenders and to us. In addition, a cardholder's ability to repay us can be negatively impacted by the restricted availability of credit to consumers generally, including reduced and closed lines of credit. Cardholders with insufficient cash flow to fund daily living expenses and lack of access to other sources of credit may be more likely to increase their card usage and ultimately default on their payment obligations to us, resulting in higher credit losses in our portfolio. Our collection operations may not effectively secure more of our cardholders' diminished cash flow than our competitors. We may not identify cardholders who are likely to default on their payment obligations to us, which could have a material adverse effect on our business, results of operations and financial condition. Our strategy to increase our penetration in India's tier II and tier III cities and other smaller geographical regions may heighten these risks, as they may expose us to new cardholders with riskier credit profiles.

Our ability to manage credit risk may also be adversely affected by legal or regulatory changes (such as restrictions on collections and bankruptcy laws), competitors' actions and consumer behavior, as well as inadequate collections staffing, resources, techniques and models. Our failure to manage our credit and other risks may materially adversely affect our profitability and adversely affect the trading price of the Equity Shares/debentures.

***12. We may not be successful in implementing our growth strategies or penetrating new markets or services.***

We have experienced significant growth in recent years. Our growth strategies primarily focus on, among others, increasing new card acquisitions and partnerships with retail chains and other retail outlets,

capitalizing on SBI's infrastructure and largely untapped customer base, and stimulating growth in credit card transaction volumes. These strategies may not be as successful as we had initially anticipated and may ultimately be unsuccessful. Even if such strategies are partially successful, we cannot assure you that we will be able to manage our growth effectively, continue to grow our business at a rate similar to what we have experienced in the past or fully deliver on our growth objectives. Challenges that may result from our growth strategies include our ability to, among other things:

- manage efficiently the operations and employees of our expanding businesses;
- manage difficulties arising from operating a larger and more complex organization;
- manage geographically diverse operations and to efficiently and optimally allocate management, technology and other resources across our network;
- manage third-party service providers in relation to any outsourced services;
- maintain and grow our existing cardholder base;
- maintain and grow our credit card spends;
- maintain and grow our credit card receivables portfolio in proportion with the growth in credit card spends;
- maintain the level of customer service;
- assess the value, strengths and weaknesses of future investments;
- launch new products with an attractive value proposition;
- keep our information technology systems aligned and up to date with the rapidly evolving technology in the credit cards and payment services industries;
- complete new product development cycles successfully and in a timely fashion;
- scale up our technology infrastructure to meet the requirements of growing volumes;
- apply our risk management policy effectively;
- keep our cardholders' data secure and prevent data breaches; and
- hire and train additional skilled personnel; each of which would have a potential adverse impact on our profitability.

We may not be able to effectively achieve or manage our growth. For example, we intend to increase partnerships with retail chains but there can be no assurance that we will be able to enter into such partnerships. Additionally, our intended increase in marketing spend to promote our products and plans to capitalize on SBI's existing customer base may not result in us achieving a larger cardholder base. A key element of our business strategy is to increase the usage of our credit cards by our cardholders, and thereby increase our revenue from transaction and service fees and interest income. However, our cardholders' use and payment patterns may change because of social, legal, regulatory and economic factors, and cardholders may decide to other payment products instead of credit cards, not increase card usage, or pay their balances within the grace period to avoid charges. Our ability to increase card usage may be affected by competing card products, especially as the competition for the same share of wallet has been increasing with cardholders increasingly holding multiple cards from different credit card issuers, as well as by customer satisfaction levels, legislative or regulatory changes, or our ability to maintain and increase authorization rates for growing numbers of credit card transactions processed through our systems.

Further, our competitors may introduce reward programs which may be more attractive than ours. If we are unable to continue to increase our cardholder engagement, our ability to grow usage of our credit cards may be hampered. As a result of these factors, we may be unable to increase or sustain credit card usage, which could impair growth in or lead to diminishing average balances and total revenue, and adversely affect the trading price of the Equity Shares/debentures. We may also fail to develop or retain the technical expertise required to develop and grow our digital capabilities. To the extent that we fail to meet required targets, develop and launch new products or services successfully, we may lose any or all of the investments that we have made in promoting them, and our reputation with our cardholders could be harmed. Moreover, if our competitors are better able to anticipate the needs of individuals in its target market, we could lose market share and our business could be adversely affected. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, prospects, financial condition and results of operations, as well as the market price of the Equity Shares/debentures.



**13. *Our results of operations and growth depend on our ability to retain our existing co-brand partners and attract new co-brand partners.***

In the ordinary course of our business we enter into different types of contractual arrangements with business partners in a variety of industries to provide co-branded cards for consumers. We have co-brand partnerships with several companies in the travel, fuel, fashion, healthcare and mobility industries, including Air India, Apollo Hospitals, BPCL, Etihad Guest, Fbb, the IRCTC, OLA Money and Yatra, among others. Credit card spends from our co-branded credit cards represented ~19% , ~25%,~32% of our total credit card spends in fiscal 2019, fiscal 2020 and fiscal 2021 respectively. We also rely on our co-brand partners to acquire new customers through our open-market sourcing channels, and newly sourced co-brand accounts represented ~30%,~35%,~32% of our total cardholder accounts sourced in fiscal 2019 ,fiscal 2020 and fiscal 2021 respectively.

The co-branding arrangements entered into by us with our co-brand partners are for a fixed period of time, typically ranging from three to five years, and the agreements terminate upon the expiry of the term, unless extended or renewed by the parties. Further, while certain of our co-brand agreements provide for a lock-in period, the parties have the ability to terminate the arrangement upon the expiry of the lock-in period, after providing a prior written notice in accordance with the terms of the respective agreements.

Competition for relationships with new and existing co-brand partners is very intense and there can be no assurance we will be able to grow or maintain these partner relationships or that they will remain as profitable. Establishing and retaining attractive co-brand partnerships is particularly competitive among card issuers. We face the risk that our co-brand arrangements may not be renewed or may be renewed on terms which are less favorable to us. In addition, existing relationships may be renewed with less favorable terms to us in response to increased competition for such relationships. Our results of operations and growth may be impacted by our ability to retain existing co-brand partners and attract new co-brand partners. In addition, if our co-brand partners do not fulfil their obligations under our cobrand agreements, we may not be able to achieve the anticipated benefits from our co-brand relationships. In particular, certain of our co-brand partners are responsible for significant contributions to our credit card spends and new cardholder account sourcing, and the loss of any significant co-brand partner, or any slowdown in such co-brand partners' individual business or the industry in which they operate, may adversely affect our operations.

**14. *We may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.***

We are required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations in India and in other jurisdictions where we may have operations. These laws and regulations require us, among other things, to adopt and enforce know-your-customer, anti-money laundering and combating financing of terrorism ("KYC/AML") policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions.

We have adopted policies and procedures aimed at detecting and preventing the use of our products and payment services for money laundering activities and by terrorists and terrorist-related organizations and individuals, such policies and procedures may not completely eliminate instances where we may be used by other parties to engage in money laundering and other illegal or improper activities. Our business and reputation could suffer if any such parties succeed in using our products or payment services for money laundering or other illegal or improper purposes.

We have in place internal controls, systems and procedures in conformity with the RBI directives and believe that our anti-money laundering and KYC compliance policies and procedures are generally adequate and in accordance with regulatory guidelines. However, to the extent that we fail to fully comply with applicable KYC/AML laws and regulations, the relevant government agencies and regulatory authorities may impose fines and other penalties against us, which could adversely affect our business and reputation.

We have in the past received regulatory observations highlighting certain instances of procedural lapses relating to KYC/AML rules and regulations. Such procedural lapses have included, for example, failure to obtain signed KYC documentation from certain of our cardholders. Although we have implemented

corrective measures designed to prevent recurrence of these lapses, no assurances can be provided that such measures will be effective or that similar issues will not arise in the future.

The RBI as well as other regulators are empowered to impose penalties on us as an NBFC and our employees and take other administrative measures to enforce applicable regulatory requirements, and failure by us to comply with such regulatory requirements could expose us to significant monetary liabilities, regulatory challenges and reputational damage. Penalties imposed by regulators may generate adverse publicity for us and our business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, damage to our reputation, significant time and attention from our management, costs for investigations and remediation of affected cardholders, may materially adversely affect our business and financial results.

**15. *Our business, financial condition and results of operations may be adversely affected by regulation or legislation limiting interchange fees.***

Regulators and legislative bodies in a number of countries are seeking to reduce credit card interchange fees through legislation, competition-related regulatory proceedings, central bank regulation or litigation. Interchange reimbursement rates in India are set by payment networks such as MasterCard and Visa. In some jurisdictions, interchange fees and related practices are subject to regulatory activity that has limited the ability of certain networks to establish default rates, including in some cases imposing caps on permissible interchange fees. A development in certain countries could influence regulatory approaches other countries, including India. In India, the RBI has already implemented regulations limiting interchange fees payable on debit card transactions, and similar regulations could be extended to credit card transactions in the future. Credit card interchange fees are one of the largest components of our total revenue from operations. Interchange fees comprised 14.6% in fiscal 2021, 20.9% in fiscal 2020 and 22.5% in fiscal 2019 of our total revenue from operations. Any change in laws or regulations which, among other things, prescribes a ceiling on, or otherwise restricts our ability to charge interchange fees or similar fees, may require us to restructure our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance.

**16. *Regulatory changes limiting the interest rates we may charge our cardholders could adversely affect our business.***

Indian regulations do not currently impose any limit on the interest rate we may charge our cardholders. However, Indian regulations could change, and our credit card receivables portfolio could become subject to interest rate caps in the future. The interest that we earn on revolving and term credit card balances comprised ~59% in fiscal 2021, ~52% in fiscal 2020 and ~51% in fiscal 2019 of our total revenue from operations. Any change in Indian laws, regulations, policies or the manner in which they are interpreted (by the judiciary or otherwise) or enforced which has the effect of imposing a ceiling on the interest rates that may be charged by credit card issuers may require us to restructure our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance.

**17. *We are subject to certain restrictive covenants in our financing instruments that restrict, among other things, our ability to declare dividends and pledge assets as collateral.***

The financing documents relating to our outstanding indebtedness contain certain restrictive covenants that, among other things, require us to comply with the RBI's capital adequacy ratios and restrict, in certain circumstances, our ability to:

- (i) declare dividends;
- (ii) pledge assets as collateral;
- (iii) undergo a change of control event;
- (iv) undergo significant changes in our management;
- (v) enter into mergers, consolidations or other corporate reorganizations;
- (vi) change our memorandum of association or articles of association; and
- (vii) take on new indebtedness.

These restrictions may limit our ability to react to changes in the Indian economy or the financial services industry, take advantage of profitable opportunities and fulfil our obligations under our other financing

documents, which could adversely affect us. In the event of a breach of any such restrictive covenant, an event of default may be triggered, which could result in, among other things, the termination or suspension of the borrowing arrangement, enforcement of security interest, imposition of contractual penalties and payment of further interest at such rate as may be prescribed. An event of default could also potentially result in a cross default under our other debt obligations. In the event of an acceleration of our outstanding indebtedness, we may be unable to settle the outstanding amounts of our debts, which would adversely affect our business. Although we are currently in compliance with the financial covenants contained in our existing financing documents, no assurances can be provided that we will continue to be in compliance in the future, or that we will be able to obtain waivers for any future instances of non-compliance. Further, we cannot assure you that, in the event of any such default, we will have sufficient resources to repay the outstanding amounts in accordance with the borrowing arrangements.

**18. *Our business may suffer from continuity risks, high losses and slow growth due to extreme scenarios like a Global pandemic***

Our business, like the rest of industry is impacted by global and local trends and risks including war, natural calamities, global pandemics etc. We have detailed and robust business continuity, including disaster recovery backup system for our critical and important IT systems and applications. We also have also moved towards digital sales and collections capabilities, where there is zero touch interface with customers (barring any regulatory requirement). We have virtual dialer capabilities allowing us to make collections calls where the associates are not physically sitting in office. We charged a COVID19 related provision in our Mar'20 financials, keeping in line expectations of higher losses due to the pandemic and repayment moratorium. This will ensure that incremental losses attributable to the pandemic shall not cause a heavy charge on this years' bottom-line. We have also revised our sourcing strategy to allow for acquisition of customers, by minimizing the risks. This is expected to impact our approval rates during the crisis. Post the crisis we expect to improve our approval rates in a calibrated fashion.

**RISKS RELATING TO INVESTMENT IN THE DEBENTURES**

**1. *There is no guarantee that the Debentures issued pursuant to this Issue will be listed on the NSE/ BSE in a timely manner, or at all.***

In accordance with Indian law and practice, permissions for listing and trading of the Debentures issued pursuant to this Issue will not be granted until after the Debentures have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Debentures to be submitted. There could be a failure or delay in listing the Debentures on the NSE/ BSE.

**2. *There has been only limited trading in the Debentures, and it may not be available on sustained basis in the future, and the price of the Debentures may be volatile.***

The Company intends to list the Debentures on the WDM segment of the BSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange(s) and that there would be any market for the Debenture(s). It is not possible to predict if and to what extent a secondary market may develop in these debentures or at what price the debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realize value for the Debentures prior to settlement of the Debentures.

**3. *You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Debentures.***

Company's ability to pay interest accrued on the Debentures and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including, inter-alia the financial condition, profitability and the general economic conditions in India and in the global financial markets. Company cannot assure you that it would be able to repay the principal amount outstanding from time to time on the Debentures and/or the interest accrued thereon in a timely manner, or at all.

**4. *Changes in interest rates may affect the prices of the Debentures.***

All securities where a fixed rate of interest is offered, such as the Debentures, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of the Debentures.

**5. *Any downgrading in credit rating of the Debentures may affect the value of Debentures and thus our ability to raise further debts.***

The Debentures proposed to be issued under this Issue have been rated "ICRA AAA/Stable" by ICRA vide its letter dated January 25, 2021 and "CRISIL AAA/Stable" by CRISIL vide its letter dated February 09, 2021. Company cannot guarantee that these credit ratings will not be downgraded by the rating agencies in future. The ratings provided by these Credit Rating Agencies may be suspended, withdrawn or revised at any time. Any revision or downgrading in the above credit rating may lower the value of the Debentures and may also affect SBICPSL's ability to raise further debt.

**6. *Any volatility in the exchange rate may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which may impact the Issuer***

Capital inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. A substantial increase in the import bill, mainly on account of increase in crude oil prices may lead to a significant widening of the trade deficit that in turn increase the size of the current account deficit from the budget estimates. In addition to this, reversal of the US monetary policy, trade conflicts across the globe and US sanctions on Iran can lead to pressure on India's foreign exchange reserve and further bring volatility for Indian Rupee. This may lead to reduction in the amount of liquidity in the domestic financial system and in turn could further impact domestic interest rates.

**7. *No Debenture Redemption Reserve***

No Debenture Redemption Reserve is being created for the present Issue. Creation of DRR is not required for the proposed issue of Debentures as per Rule 18 (7) (b)(ii) of Companies (Share Capital and Debentures) Rules, 2014. In absence of DRR investor may find it difficult to recover their money.

**EXTERNAL RISK FACTOR**

**1. *Company's operations are affected by conditions in the financial markets and economic conditions generally, both in India and elsewhere around the world which could have an adverse effect on its operations.***

Company's business is affected by conditions in the global financial markets and economic conditions generally, both in India and elsewhere around the world. Many factors or events could lead to a downturn in the global financial markets including war, acts of terrorism, natural catastrophes and sudden changes in economic and financial policies.

**2. *Business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect Company's results of operations.***

Company is subject to regulations by Indian governmental authorities. These laws and regulations impose numerous requirements on us, including asset classifications and prescribed levels of capital adequacy. Company is registered as non-deposit taking NBFC under RBI and is subject to detailed supervision and regulation by the RBI. Any changes in the regulatory framework affecting NBFCs including the provisioning for NPAs or capital adequacy requirements or cash reserves requirement by the regulator could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. In addition, the Company is generally

subject to changes in accounting principles as well. Any adverse change in certain statutory, regulatory, exposure and prudential norms may limit the flexibility of the Company's loans, investments and other products.

**3. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on Company's operations.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on its operations and future financial performance, its ability to obtain financing for capital expenditures and the trading price of the Debentures.

**4. *Political instability or changes in the Government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact Company's operations.***

Company is a non- deposit taking NBFC established in India and all of its operations, assets and personnel are located in India. Consequently, Company's performance, market price, liquidity of its Debentures may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Central Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Company's operations are also impacted by regulation prevailing in India. The Company's operations, market price, liquidity of its Debentures may be affected by changes in Central Government policy, taxation and other political, economic or other developments in or affecting India. Since 1991, successive Central Governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued. A significant change in the Central Government's policies could adversely affect results of our operations and could cause the price of our Debentures to decline.

**5. *Civil unrest, terrorist attacks and war would affect our operations.***

Certain events that are beyond our control, such as terrorist attacks and other acts of violence or war, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect results of our operations and cash flows, and more generally, any of these events could lower confidence in India's economy.

Any act of tension in the country leading to overall political and economic instability could have a materially adverse effect on results of our operations, future performance and the trading price of the Debentures.

**6. *Operations may be adversely impacted by natural calamities or unfavorable climatic changes.***

An act of God, epidemic, extremely adverse weather conditions or radioactive contamination or ionizing radiation, fire or explosion may adversely affect results of our operations. Pandemics like Covid-19 may affect the financial and operations of the Company.

## SECTION X CAPITAL STRUCTURE AND FINANCIAL POSITION OF THE ISSUER

### 10.1. CAPITAL STRUCTURE

**10.1.1.** The equity share capital of our Company, as on 31<sup>st</sup> December 2020, is set forth below:

	Aggregate value at nominal value (₹)
<b>A) AUTHORISED SHARE CAPITAL</b>	
1,500,000,000 Equity Shares of ₹10/- each	15,000,000,000
<b>B) ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	
940,525,456 Equity Shares of face value of ₹10/- each fully paid up	9,405,254,560
<b>C) SECURITIES PREMIUM ACCOUNT</b>	9,351,859,336

**Note:** Since the present offer comprises of issue of non-convertible debt securities, it shall not affect the paid-up equity share capital or share premium account of the Company after the offer.

### 10.1.2. Changes in the Capital Structure for last five years as on 31<sup>st</sup> December 2020

Date of Change	Amount	Particulars
July 31, 2018	Paid up capital of the Company increased from Rs. 785.00 crore to Rs. 837.22 crore.	Allotment of equity shares pursuant to Rights issue
July 22, 2019	Paid up capital of the Company increased from Rs. 837.22 crore to Rs. 932.33 crore	Allotment of equity shares pursuant to Scheme of Amalgamation approved by Hon'ble NCLT on the date of June 4, 2019
March 12, 2020	Paid up capital of the Company increased from Rs. 932.33 Crore to Rs.938.96 Crores	Allotment of equity shares pursuant to the Initial Public Offering (IPO) of the company
September 21, 2020	Paid up capital of the Company increased from Rs. 938.96 Crore to Rs.939.56 Crores	During the period ended September 30, 2020, 605,360 Equity shares of Rs. 10 each have been allotted under ESOP scheme.
September 28, 2020	Paid up capital of the Company increased from Rs. 939.56 Crore to Rs.939.67 Crores	During the period ended September 30, 2020, 109,022 Equity shares of Rs. 10 each have been allotted under ESOP scheme
October 08, 2020	Paid up capital of the Company increased from Rs. 939.67 Crore to Rs.939.92 Crores	During the period ended December 31, 2020, 246,260 Equity shares of Rs. 10 each have been allotted under ESOP scheme.
October 20, 2020	Paid up capital of the Company increased from Rs. 939.92 Crore to Rs.940.53 Crores	During the period ended December 31, 2020, 608,020 Equity shares of Rs. 10 each have been allotted under ESOP scheme.

### Change in Authorised Share Capital as on 31<sup>st</sup> December 2020

Date of Change (AGM/EGM)	Amount	Particulars
14-06-2019	Authorised Share Capital increased from Rs. 1,000 cr to 1,050 cr	Pursuant to Scheme of Amalgamation approved by Hon'ble NCLT on the date of June 4, 2019
02-08-2019	Authorised Share Capital increased from Rs. 1,050 cr to 1,500 cr	With the approval of shareholders



**10.1.3. Share Capital History as on 31<sup>st</sup> December 2020**

Date of Issue/ allotment	No. of equity shares of our Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	Share Premium per share	Equity Share Capital (₹)	Cumulative No. of equity share of our Company	Cumulative Equity Share Capital (₹)
May 15, 1998	2	10	10	Initial subscription	Cash	Nil	20	2	20
September 14, 1998	60,00,000	10	10	Further issue	Cash	Nil	6,00,00,000	60,00,002	6,00,00,020
November 18, 1998	40,00,000	10	10	Further issue	Cash	Nil	4,00,00,000	1,00,00,002	10,00,00,020
March 26, 1999	80,00,000	10	10	Further issue	Cash	Nil	8,00,00,000	1,80,00,002	18,00,00,020
June 29, 1999	1,20,00,000	10	10	Further issue	Cash	Nil	12,00,00,000	3,00,00,002	30,00,00,020
August 27, 1999	2,00,00,000	10	10	Further issue	Cash	Nil	20,00,00,000	5,00,00,002	50,00,00,020
November 05, 1999	5,00,00,000	10	10	Further issue	Cash	Nil	50,00,00,000	10,00,00,002	1,00,00,00,020
March 30, 2007	15,00,00,000	10	10	Further issue	Cash	Nil	1,50,00,00,000	25,00,00,002	2,50,00,00,020
December 29, 2007	20,00,00,000	10	10	Further issue	Cash	Nil	2,00,00,00,000	45,00,00,002	4,50,00,00,020
December 24, 2008	6,00,00,000	10	10	Further issue	Cash	Nil	60,00,00,000	51,00,00,002	5,10,00,00,020
March 23, 2009	5,00,00,000	10	10	Further issue	Cash	Nil	50,00,00,000	56,00,00,002	5,60,00,00,020
August 31, 2009	5,00,00,000	10	10	Further issue	Cash	Nil	50,00,00,000	61,00,00,002	6,10,00,00,020
November 20, 2009	5,00,00,000	10	10	Further issue	Cash	Nil	50,00,00,000	66,00,00,002	6,60,00,00,020
March 15, 2010	3,00,00,000	10	10	Further issue	Cash	Nil	30,00,00,000	69,00,00,002	6,90,00,00,020
June 30, 2010	3,00,00,000	10	10	Further issue	Cash	Nil	30,00,00,000	72,00,00,002	7,20,00,00,020
March 30, 2011	6,50,00,000	10	10	Further issue	Cash	Nil	65,00,00,000	78,50,00,002	7,85,00,00,020
July 31, 2018	5,22,22,222	10	90	Rights issue	Cash	80	52,22,22,220	83,72,22,224	8,37,22,22,240
July 22, 2019	9,51,12,054	10	10	Allotment pursuant to Amalgamation	Other than Cash	Nil	95,11,20,540	93,23,34,278	9,32,33,42,780
March 12, 2020	66,22,516	10	755*	IPO	Cash	745	6,62,25,160	93,89,56,794	9,389,567,940
September 21, 2020	6,05,360	10	152.10	ESOP	Cash	142.10	60,53,600	93,95,62,154	9,39,56,21,540
September 28, 2020	1,09,022	10	152.10	ESOP	Cash	142.10	10,90,220	93,96,71,176	9,39,67,11,760
October 08, 2020	2,46,260	10	152.10	ESOP	Cash	142.10	24,62,600	93,99,17,436	9,39,91,74,360
October 20, 2020	6,08,020	10	152.10	ESOP	Cash	142.10	60,80,200	94,05,25,456	9,40,52,54,560

\*The actual premium amount received per share on fresh issue of equity shares stood at Rs 743.98 due to the discount being offered to the employee bidding under Employee Reservation portion of the said issue.



**10.1.4. Our Shareholding Pattern**

The table below represents the shareholding pattern of our Company as on 31<sup>st</sup> December 2020:

S no.	Category	Pre-Issue		Post-Issue**	
		No. of shares held	% of shareholding	No. of shares held	% of shareholding
<b>A</b>					
1	Indian				
	Individual	5	0.00	5	0.00
	Bodies Corporate	652,731,777	69.40	652,731,777	69.40
	Sub-total	652,731,777	69.40	652,731,777	69.40
2	Foreign Promoters	0	0.00	0	0.00
	<b>Sub-Total (A)</b>	<b>652,731,777</b>	<b>69.40</b>	<b>652,731,777</b>	<b>69.40</b>
<b>B</b>					
1	Institutional Investors	91,613,588	9.74	91,613,588	9.74
2	Non-Institutional Investors				
	Private Corporate bodies*	3,827,145	0.41	3,827,145	0.41
	Directors and relatives	174	0.00	174	0.00
	Indian Public	39,011,704	4.15	39,011,704	4.15
	Others [Including Non-resident Indians (NRIs)]	153,341,068	16.30	153,341,068	16.30
	<b>Sub-Total (B)</b>	<b>287,793,679</b>	<b>30.60</b>	<b>287,793,679</b>	<b>30.60</b>
	<b>Grand Total (A+B)</b>	<b>940,525,456</b>	<b>100.00</b>	<b>940,525,456</b>	<b>100.00</b>

\* Private Corporate bodies: - This category does not include Foreign Company and Overseas Bodies Corporate

\*\*Since the present offer comprises of issue of non-convertible debt securities, it shall not affect the post issue share holding pattern of the Company after the offer.

**10.1.5. Directors holding any Equity Shares as on 31<sup>st</sup> December 2020**

Sl. No.	Name	Shares	% to Equity
1	Shri Ashwini Kumar Tewari	40	0%
2	Shri Devendra Kumar	29	0%
3	Shri Rajendra Kumar Saraf	38	0%

**10.1.6. Our top ten shareholders and the number of equity shares held by them, as on 31<sup>st</sup> December 2020 are as follows:**

Sl. No.	Name of shareholder	Category	Total no of equity Shares	No of Shares in Demat form	% to Equity
1	State Bank of India	Promoter	652,633,987	652,633,987	69.3904%
2	CA Rover Holdings	Foreign Company	149,173,488	149,173,488	15.8607%
3	BNP Paribas Arbitrage – ODI	FIC	8,870,923	8,870,923	0.9432%
4	Government Pension Fund Global	FIC	5,329,707	5,329,707	0.5667%
5	Kotak Standard Multicap Fund	Mutual Fund	4,478,784	4,478,784	0.4762%
6	Nippon Life India Trustee Ltd-A/C Nippon India Large Cap Fund	Mutual Fund	3,693,457	3,693,457	0.3927%
7	Life Insurance Corporation of India	Insurance	3,616,942	3,616,942	0.3846%
8	Societe Generale - Odi	FIC	2,566,985	2,566,985	0.2729%
9	Pioneer Investment Fund	AIN	2,500,603	2,500,603	0.2659 %
10	Rwc Emerging Markets Equity Master Fund Limited	FIC	2,418,285	2,418,285	0.2571 %

**10.1.7. List of top ten debenture holders of the Company as on 31<sup>st</sup> December 2020**

S. No.	Name of holder	Category	Face Value (Rs)	Holding of debt securities as a % of total debt securities o/s of the issuer
1.	State Bank of India	Bank	10,00,000	28.73%
2	HDFC Bank Ltd	Bank	10,00,000	9.92%
3	Azim Premji Trust	Trust	10,00,000	6.90%
4	Central Bank of India	Bank	10,00,000	4.60%
5	ICICI Lombard General Insurance Company Ltd	Insurance	10,00,000	4.60%
6	Tata Short Term Bond Fund	Mutual Fund	10,00,000	3.48%
7	SBI General Insurance Company Limited	Insurance	10,00,000	3.45%
8	Nippon Life India Trustee Ltd-A/C Nippon India Fixed Horizon Fund - Xxxviii - Series 06	Mutual Fund	10,00,000	2.53%
9	ICICI Prudential Short Term Fund	Mutual Fund	10,00,000	2.30%
10	The New India Assurance Company Limited	Insurance	10,00,000	2.30%

**10.1.8.** No Equity Shares of the Company as on 31<sup>st</sup> December 2020 are pledged or otherwise encumbered by the Promoters.

**10.1.9.** 95,112,054 Equity Shares of face value of ₹10/- each fully paid up amounting to Rs 951,120,540 were allotted for consideration other than cash to SBI and CARH on July 22, 2019, pursuant to NCLT order amalgamating SBIBPMSL with SBICPSL

**10.1.10.** SBIBPMSL amalgamated with the Company with effect from April 1, 2018 in line with the order passed by the NCLT, dated June 4, 2019. SBIBPMSL was predominantly acting as a captive unit handling business processes of the Company. Upon amalgamation the entire business, including all assets and liabilities of SBIBPMSL stand transferred to and vested in the Company.

**10.1.11.** The Company was converted from private company to public company subsequent to approval of the shareholders granted in general meeting of the shareholders held on August 2, 2019. Subsequently, ROC-Delhi issued fresh certificate of incorporation dated August 20, 2019 in respect of the same

**10.1.12.** Our Company has not undergone any other acquisition, reorganization or reconstruction in the last one year prior to issue of this private placement offer letter except the amalgamation as disclosed.

**10.1.13.** Other than debt securities issued by the Company which are outstanding as on 31<sup>st</sup> December 2020 our Company has not issued any debt securities:

- for consideration other than cash- Nil
- at a premium or a discount; and/or –
  - **Commercial Papers:**

S.No.	Date of issue/ Value date	Number of Commercial Papers (CP/s) issued	Face value per CP (₹)	Discount per CP (₹)
1	20-Jan-20	5,000.00	5,00,000	31,334.50
2	26-May-20	6,000.00	5,00,000	28,228.50
3	29-May-20	4,000.00	5,00,000	26,905.00
4	26-Jun-20	2,000.00	5,00,000	25,391.50
5	23-July-20	4,500.00	5,00,000	12,823.50
6	06-Aug-20	8,000.00	5,00,000	12,518.00
7	29-Sep-20	6,000.00	5,00,000	21,531.00
8	12-Oct-20	4,000.00	5,00,000	20,851.50
9	22-Oct-20	4,000.00	5,00,000	19,632.50
10	27-Oct-20	5,000.00	5,00,000	19,144.50
11	29-Oct-20	6,000.00	5,00,000	11,983.00
12	2-Nov-20	3,000.00	5,00,000	4,141.50
13	17-Nov-20	3,000.00	5,00,000	4,055.50

14	20-Nov-20	3,000.00	5,00,000	15,980.00
15	23-Nov-20	5,000.00	5,00,000	3,749.50
16	27-Nov-20	5,000.00	5,00,000	19,537.00

- in pursuance of an option.  
Nil

**10.1.13.** Amount of corporate guarantees issued by the Issuer in favor of various counter parties including its Subsidiaries, Joint Venture entities, Group Companies etc.:

Company has issued various bank guarantees amounting to Rs 111.74 crores to various authorities including its group companies as an 31<sup>st</sup> December 2020

S. No	Counterparty/Department	Total Value (Rs Crs)
1	Telegraph Authority, Department of Telecom, (Chennai and Delhi)	4.00
2	BSE Limited as security deposit for IPO	100.55
3	Unique Identification Authority of India (UIDAI)	0.25
4	Others (Railways/Rupay/others)	6.94
<b>Total</b>		<b>111.74</b>

**10.2. FINANCIAL INDEBTEDNESS**

**10.2.1.** Set forth below is a summary of our Company's outstanding secured borrowings of ₹ 10,047.50 crores and unsecured borrowings of ₹ 4,496.62 crores as on 31st December 2020 (comprising of debentures and lease liabilities) together with a brief description of certain significant terms of such financing arrangements. Details of commercials papers are enumerated separately in para 10.2.2.

**(1) Secured loans from banks and financial institutions availed by our Company as on December 31,2020**

(All figures are in (₹) crores, except in percentages)

Sr. No.	Name of the Lender	Loan facility	Amount Sanctioned (₹crores)	Amount outstanding (₹crores)	Rate of interest (%)	Repayment Date/Schedule	Security*
1	State Bank of India	WCDL	13,000.00	975.00	5.50%	02-Jan-21	Receivables
2	State Bank of India	WCDL		400.00	5.10%	06-Jan-21	Receivables
3	State Bank of India	WCDL		375.00	5.10%	07-Jan-21	Receivables
4	State Bank of India	WCDL		350.00	4.50%	12-Jan-21	Receivables
5	State Bank of India	WCDL		200.00	5.00%	12-Jan-21	Receivables
6	State Bank of India	WCDL		200.00	4.50%	13-Jan-21	Receivables
7	State Bank of India	WCDL		225.00	5.10%	15-Jan-21	Receivables
8	State Bank of India	WCDL		530.00	5.00%	22-Jan-21	Receivables
9	State Bank of India	WCDL		250.00	4.50%	27-Jan-21	Receivables
10	State Bank of India	WCDL		250.00	5.00%	29-Jan-21	Receivables
11	State Bank of India	WCDL		425.00	4.50%	29-Jan-21	Receivables

Sr. No.	Name of the Lender	Loan facility	Amount Sanctioned (₹crores)	Amount outstanding (₹crores)	Rate of interest (%)	Repayment Date/Schedule	Security*
12	State Bank of India	WCDL		420.00	5.00%	02-Feb-21	Receivables
13	State Bank of India	WCDL		125.00	5.00%	04-Feb-21	Receivables
14	State Bank of India	WCDL		350.00	5.00%	10-Feb-21	Receivables
15	State Bank of India	WCDL		225.00	4.50%	12-Feb-21	Receivables
16	State Bank of India	WCDL		175.00	4.50%	12-Feb-21	Receivables
17	State Bank of India	WCDL		350.00	5.00%	15-Feb-21	Receivables
18	State Bank of India	WCDL		350.00	5.00%	22-Feb-21	Receivables
19	State Bank of India	WCDL		175.00	4.50%	26-Feb-21	Receivables
20	State Bank of India	WCDL		250.00	4.50%	26-Feb-21	Receivables
21	State Bank of India	WCDL		100.00	4.50%	09-Mar-21	Receivables
22	State Bank of India	WCDL		75.00	4.50%	11-Mar-21	Receivables
23	State Bank of India	WCDL		250.00	4.50%	12-Mar-21	Receivables
24	State Bank of India	WCDL		325.00	4.50%	15-Mar-21	Receivables
25	State Bank of India  (USD 66.80 MM USD  INR 500 Crores)	FCNR (B) Loans		487.95	6.10% (LIBOR linked inclusive of hedging cost)	31-Mar-21	Receivables
26	HSBC	WCDL	1,000	200.00	6.45%	07-Apr-21	Receivables
27	HSBC	WCDL		100.00	6.45%	16-Apr-21	Receivables
28	HSBC	WCDL		100.00	6.45%	19-May-21	Receivables
29	Bank of Baroda	WCDL	1000.00	200.00	7.05%	04-Jan-21	Receivables
30	Bank of Baroda	WCDL		120.00	7.00%	22-Jan-21	Receivables

Sr. No.	Name of the Lender	Loan facility	Amount Sanctioned (₹crores)	Amount outstanding (₹crores)	Rate of interest (%)	Repayment Date/Schedule	Security*
31	Punjab National Bank	WCDL	1,800.00	75.00	6.70%	08-Jan-21	Receivables
32	Punjab National Bank	WCDL		300.00	7.35%	29-Sep-21	Receivables
33	Punjab National Bank	WCDL		250.00	7.35%	08-Oct-21	Receivables
34	Central Bank	WCDL	1,900.00	490.00	6.55%	02-Jan-21	Receivables
35	Central Bank	WCDL		125.00	6.55%	08-Jan-21	Receivables
36	SMBC	WCDL	300.00	155.00	5.05%	31-Mar-21	Receivables
37	SMBC	WCDL		95.00	4.95%	31-Mar-21	Receivables
	Less: Amortization of borrowing cost			(0.45)			
	Total of Term Loans from banks and financial institutions			10,047.50			

**Primary Security:**

- Pari passu 1st charge on the entire current asset of the company (Present & Future) incl. hypothecation of stock and receivables with other working capital lender on the entire current assets of the Company (present and future) including consumables and all present and future BD/receivables.
- Pari passu 1<sup>st</sup> charge on value of long-term loans and advances (receivables) of the Company (i.e. long-term loans and advances (receivables) due for more than one year

**Collateral Security:**

- Pari passu 1<sup>st</sup> charge Fixed Assets of the company on (both present & future) except Vehicles financed by other Banks/Fl/right of use assets.

**(2) Unsecured loans availed by our Company**

Set forth below is a summary of our outstanding unsecured borrowings.

(All figures are in (₹) crores, except in percentages)						
Sr. No.	Name of the Lender	Loan facility	Amount Sanctioned (₹crores)	Amount outstanding, as on 31st Dec 2020	Rate of interest (% p.a.)	Repayment Date/ Schedule
A.	<b>Unsecured Loans/Lease liabilities</b>			155.88**	Various	Various
B.	<b>Foreign Currency Borrowings</b>			Nil		
	<b>Total Unsecured Loans from Banks and other Institutions</b>			<b>155.88**</b>		
	<b>Total Unsecured Loans – (2) (A + B)</b>			<b>155.88**</b>		

\*\*In Compliance to Ind AS 116, effective 1<sup>st</sup> April 2019, company has recorded lease liability, which is unsecured in nature. At the date of commencement of the lease, the Company recognizes a right-of-use asset 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). The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the weighted average incremental borrowing rates in the country.

## (3) Secured &amp; Unsecured Debentures issued by our Company

(All figures are in ₹crores, except in percentages)

S. No.	Nature of the Debentures	Date of Allotment	Total value of Debentures (₹crores)	Amount outstanding As on 31 <sup>st</sup> Dec 2020	Interest Coupon rate (%)	Interest Coupon rate (%)	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
<b>A.</b>	<b>Secured taxable Debentures</b> Set forth below is a summary of our secured outstanding taxable Debentures.									
<b>Total Secured Debentures through Private Placement of Institutional Debenture Series</b>				<b>Nil</b>						
<b>B.</b>	<b>Unsecured Debentures issued by our Company</b> Set forth below is a summary of our other outstanding unsecured Debentures. The Debentures upto series 12 are not listed on any wholesale debt market segment in NSE/BSE., whereas debenture series 13 and onwards are listed on the whole sale debt market segment in the BSE.									
1	Series 5 Fixed Rate, Taxable, Unlisted NCD's	November 11, 2014	100.00	100.00	9.00 payable annually	7 years	November 26, 2021	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
2	Series 6 Fixed Rate, Taxable, Unlisted NCD's	February 25, 2016	100.00	100.00	9.65 payable annually	6 years 2 Months	April 25, 2022	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
3	Series 7 Fixed Rate, Taxable, Unlisted NCD's	October 17, 2016	200.00	200.00	8.10 payable annually	7 years	October 17, 2023	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
4	Series 8 Fixed Rate, Taxable, Unlisted NCD's	July 17, 2017	500.00	500.00	8.30 payable annually	5 years 10 Months	May 17, 2023	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
5	Series 10 Fixed Rate, Taxable, Unlisted NCD's	January 18, 2018	110.00	110.00	8.10 payable annually	3 years 3 Months 22 Days	May 10, 2021	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
6	Series 13 Fixed Rate, Taxable, <b>Listed</b> NCD's	December 18, 2018	450.00	450.00	9.15 payable annually	3 years 6 Months	June 17, 2022	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
7	Series 14 Fixed Rate, Taxable, <b>Listed</b> NCD's	January 29, 2019	250.00	250.00	9.55 payable annually	10 years	January 29, 2029	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
8	Series 15 Fixed Rate, Taxable, <b>Listed</b> NCD's	May 13, 2019	175.00	175.00	8.55 payable annually	3 years 3 Months	August 12, 2022	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-

S. No.	Nature of the Debentures	Date of Allotment	Total value of Debentures (₹crores)	Amount outstanding As on 31 <sup>st</sup> Dec 2020	Interest Coupon rate (%)	Interest Coupon rate (%)	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Se cur it y
9	Series 16 Fixed Rate, Taxable, <b>Listed</b> NCD's	June 12, 2019	100.00	100.00	8.99 payable annually	10 years	June 12, 2029	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
10	Series 17 Fixed Rate, Taxable, <b>Listed</b> NCD's	November 14, 2019	410.00	410.00	7.60 payable annually	3 years 3 Months	February 14, 2023	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
11	Series 18 Fixed Rate, Taxable, <b>Listed</b> NCD's	December 16, 2019	300.00	300.00	7.50 payable annually	3 years 2 Months 22 Days	March 09, 2023	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
12	Series 19 Fixed Rate, Taxable, <b>Listed</b> NCD's	February 26, 2020	300.00	300.00	7.40% payable annually	5 Years	February 25, 2025	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	-
13	Series 20 Fixed Rate, Taxable, <b>Listed</b> NCD's	June 29, 2020	400.00	400.00	6.85% payable annually	3 Years	June 29, 2023	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	
14	Series 21 Fixed Rate, Taxable, <b>Listed</b> NCD's	Aug 17, 2020	500.00	500.00	5.75% payable annually	3 Years 3 Months	Nov 17, 2023	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	
15	Series 22 Fixed Rate, Taxable, <b>Listed</b> NCD's	Dec 22, 2020	450.00	450.00	6.00% payable annually	5 years	Dec 22, 2025	CRISIL: AAA/Stable  ICRA: AAA/Stable	Unsecured	
<b>Total Un-secured Debentures through Private Placement of Institutional Debenture Series</b>				<b>4,345.00</b>						
Less: Unamortized Expense				<b>(4.26)</b>						
<b>Total of Debentures - (3) (A and B)</b>				<b>4,340.74</b>						



**10.2.2. Details of Commercial Paper**

Company has issued Commercial Papers amounting to Rs 4,675 crore during the financial year and Commercial Papers worth Rs.3,675 Crores are outstanding as on 31<sup>st</sup> December 2020 and will be maturing as per following details:

Maturity Month	Units	Face Value of Commercial Papers Outstanding as on 31 <sup>st</sup> Dec 2020
January 2021	5,000	250.00
February 2021	11,000	550.00
March 2021	12,500	625.00
May 2021	10,000	500.00
June 2021	8,000	400.00
September 2021	9,000	450.00
October 2021	13,000	650.00
November 2021	5,000	250.00

**10.2.3. Details of Rest of the Borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares)**

There are no outstanding borrowings in form of hybrid debt as on 31<sup>st</sup> Dec 2020.

**10.2.4. Corporate Guarantees**

Company has issued various bank guarantees amounting to Rs 117.74 crores to various authorities including its group companies as an 31<sup>st</sup> December 2020

S. No	Counterparty/Department	Total Value (Rs Crs)
1	Telegraph Authority, Department of Telecom, (Chennai and Delhi)	4.00
2	BSE Limited as security deposit for IPO	100.55
3	Unique Identification Authority of India (UIDAI)	0.25
4	Others (Railways/Rupay/others)	6.94
<b>Total</b>		<b>117.74</b>

## KEY FINANCIAL AND OPERATIONAL PARAMETERS

(₹ in crores, except %)

Particulars	Year ended 30.09.2020 (Audited) IND_AS	Year ended 31.03.2020 (Audited) IND_AS	Year ended 31.03.19 (Audited) IND_AS	Year ended 31.03.18 (Audited) IND_AS
<b>For Financial Entities</b>				
Net worth	5,948.71	5,412.73	3,659.29	2,428.38
Total Debt	15,696.63	17,364.93	13,549.38	11,303.99
of which – Non Current Maturities of Long Term Borrowing	3,895.51	3,117.72	3,163.56	1,600.76
- Short Term Borrowing	11,191.13	12,847.31	10,335.82	9,653.26
- Current Maturities of Long Term Borrowing	609.99	1,399.90	49.99	49.97
Net Fixed Assets	318.99	334.57	216.39	175.46
Non-Current Assets	4,693.09	3,872.79	2,918.31	2,023.69
Cash and Cash Equivalents	679.73	676.03	776.78	472.68
Current Investments	-	-	-	-
Current Assets	19,619.75	21,430.01	17,227.86	13,558.95
Current Liabilities	14,415.72	16,705.85	13,295.13	11,552.07
Asset Under Management	N.A.	N.A.	N.A.	N.A.
Off Balance Sheet Assets	N.A.	N.A.	N.A.	N.A.
Interest Income	2,687.50	4,841.30	3,575.71	2,759.98
Finance Costs	538.80	1,300.93	1,009.36	707.56
Net interest income	2,148.70	3,540.37	2,566.36	2,052.42
Provisioning & Write-offs	1,347.05	1,940.25	1,147.74	799.03
PAT	599.44	1,244.82	864.97	603.55
Gross NPA (%)	4.29%	2.01%	2.44%	2.83%
Net NPA (%)	1.52%	0.67%	0.83%	0.94%
Tier I Capital Adequacy Ratio (%)	20.97%	17.70%	14.86%	12.62%
Tier II Capital Adequacy Ratio (%)	4.33%	4.73%	5.28%	5.94%
Capital Adequacy ratio (%)	25.30%	22.43%	20.14%	18.56%
Return on Net worth (average)	10.55%	27.44%	28.42%	31.13%
Debt equity ratio (times)	2.64	3.21	3.70	4.65
Total Assets	24,312.84	25,302.80	20,146.17	15,582.64
Return on assets (average)	2.42%	5.48%	4.84%	4.58%

## STATEMENT OF ASSETS AND LIABILITIES (IND-AS)

SBICards and Payment Services Limited (Formerly known as SBI Cards and Payment Services Private Limited) (Figure in Rupees Lakhs, unless otherwise stated)				
Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>				
<b>1 Financial Assets</b>				
(a) Cash and cash equivalents	50,313.14	51,512.97	73,350.40	31,190.25
(b) Bank Balance other than (a) above	17,660.10	16,090.21	4,327.10	16,077.36
(c) Derivative financial instruments		-	10.35	-
(d) Receivables				
(I) Trade Receivables	12,903.57	5,444.83	14,882.26	2,299.90
(II) Other Receivables	10,404.65	18,017.46	14,590.23	12,773.34
(e) Loans	2,192,543.60	2,281,164.55	1,790,872.72	1,404,553.96
(f) Investment	146.31	146.31	146.31	0.10
(g) Other financial assets	3,807.12	4,033.83	3,061.01	11,392.23
<b>Total financial assets</b>	<b>2,287,778.49</b>	<b>2,376,410.16</b>	<b>1,901,240.38</b>	<b>1,478,287.14</b>
<b>2 Non-financial assets</b>				
(a) Current tax assets (Net)	-	954.63	-	-
(b) Deferred tax assets (Net)	30,638.39	27,512.86	16,325.93	8,599.21
(c) Property plant and equipment	6,703.17	6,385.31	13,161.60	9,642.62
(d) Capital work in progress	46.44	1,116.94	433.77	1,333.71
(e) Intangible assets	8,525.35	7,777.79	6,460.21	4,397.67
(f) Intangible assets under development	776.06	1,248.85	1,583.19	2,172.03
(g) Right-of-use Assets	15,847.73	16,927.70	-	-
(h) Other non Financial assets	80,968.36	91,945.62	75,411.76	53,831.23
<b>Total non-financial assets</b>	<b>143,505.50</b>	<b>153,869.70</b>	<b>113,376.46</b>	<b>79,976.47</b>
<b>Total Assets (1+2)</b>	<b>2,431,283.99</b>	<b>2,530,279.86</b>	<b>2,014,616.84</b>	<b>1,558,263.61</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>1 Financial liabilities</b>				
(a) Derivative financial instruments	8,841.40	43.48	10,953.47	285.37
(b) Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	1.77	-	0.19	15.85
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,709.32	72,103.13	66,149.39	51,805.87
(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	811.22	780.53	355.96	1,134.14
(c) Debt Securities	543,840.09	568,544.41	407,931.56	294,892.60
(d) Borrowings (Other than Debt Securities) & lease liabilities	901,123.17	1,043,281.51	827,326.14	735,702.48
(e) Subordinated Liabilities	124,700.06	124,667.55	119,679.85	99,803.74
(f) Other financial liabilities	87,632.29	67,127.47	95,768.93	64,485.35
<b>Total financial liabilities</b>	<b>1,673,659.32</b>	<b>1,876,548.08</b>	<b>1,528,165.49</b>	<b>1,248,125.40</b>
<b>2 Non-financial liabilities</b>				
(a) Current Tax liabilities (Net)	644.52	-	7,622.66	1,040.23
(b) Provisions	118,827.25	60,262.51	62,841.73	39,241.34
(c) Other non financial liabilities	50,433.01	59,347.12	57,209.19	34,169.36
<b>Total non financial liabilities</b>	<b>169,904.78</b>	<b>119,609.63</b>	<b>127,673.58</b>	<b>74,450.93</b>
<b>Total liabilities (1+2)</b>	<b>1,843,564.10</b>	<b>1,996,157.71</b>	<b>1,655,839.07</b>	<b>1,322,576.33</b>
<b>3 Equity</b>				
(a) Equity Share capital	93,967.12	93,895.68	83,722.22	78,500.00
(b) Other equity	493,752.77	440,226.47	275,055.55	157,187.28
<b>Total equity</b>	<b>587,719.89</b>	<b>534,122.15</b>	<b>358,777.77</b>	<b>235,687.28</b>
<b>Total liabilities and equity (1+2+3)</b>	<b>2,431,283.99</b>	<b>2,530,279.86</b>	<b>2,014,616.84</b>	<b>1,558,263.61</b>

## STATEMENT OF PROFIT AND LOSS (IND-AS)

SBI Cards and Payment Services Limited (Formerly known as SBI Cards and Payment Services Private Limited) (Figure in Rupees Lakhs, unless otherwise stated)				
Particulars	For the Period ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>1 Revenue from Operations</b>				
(i) Interest Income	268,750.23	484,130.13	357,571.20	275,998.02
(ii) Income from fees and services	168,705.85	397,866.28	307,203.69	217,726.66
(iii) Service Charges	5,550.66	11,782.05	12,585.93	7,961.27
(iv) Business development incentive income	13,150.02	32,728.01	21,667.28	16,284.02
(v) Insurance commission income	359.84	1,133.62	872.57	727.53
(vi) Net gain on fair value changes	43.48	-	10.35	-
<b>Total Revenue from operations</b>	<b>456,560.08</b>	<b>927,640.09</b>	<b>699,911.02</b>	<b>518,697.50</b>
<b>2 Other Income</b>	<b>14,006.85</b>	<b>47,588.80</b>	<b>28,774.37</b>	<b>18,321.68</b>
<b>3 Total Income (1+2)</b>	<b>470,566.93</b>	<b>975,228.89</b>	<b>728,685.39</b>	<b>537,019.18</b>
<b>4 EXPENSES</b>				
(i) Finance costs	53,880.42	130,092.71	100,935.59	70,756.48
(ii) Employee benefits expenses	23,423.95	46,837.98	37,893.12	19,016.16
(iii) Depreciation, amortisation and impairment	5,796.37	10,379.83	5,521.84	1,347.04
(iv) Operating and other expenses	171,325.26	418,884.95	334,633.79	272,717.01
(v) CSR expenses	790.47	1,991.95	1,418.54	977.49
(vi) Impairment losses & bad debts	134,704.86	194,024.79	114,774.16	79,902.71
(vii) Net loss on fair value changes	-	53.82	-	-
<b>Total expenses</b>	<b>389,921.33</b>	<b>802,266.03</b>	<b>595,177.04</b>	<b>444,716.89</b>
<b>5 Profit before tax (3-4)</b>	<b>80,645.60</b>	<b>172,962.86</b>	<b>133,508.35</b>	<b>92,302.29</b>
<b>6 Tax expense:</b>				
Current tax charge / (credit)	23,821.81	59,179.27	54,031.15	28,549.12
Current tax charge / (credit) - previous year	-	380.50	714.93	(1,920.56)
Deferred tax charge / (credit)	(3,120.39)	(15,318.20)	(7,085.53)	3,357.03
Deferred tax charge / (credit) - previous year	-	4,239.76	(648.79)	1,961.94
<b>Total Tax Expenses</b>	<b>20,701.42</b>	<b>48,481.33</b>	<b>47,011.76</b>	<b>31,947.53</b>
<b>7 Profit after tax for the year (5-6)</b>	<b>59,944.18</b>	<b>124,481.53</b>	<b>86,496.59</b>	<b>60,354.76</b>
<b>8 Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss				
(a) Remeasurements of the defined benefit liabilities / (asset)	410.59	(400.87)	(502.18)	(275.57)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(103.34)	100.89	175.48	95.37
<b>Subtotal (A)</b>	<b>307.25</b>	<b>(299.98)</b>	<b>(326.70)</b>	<b>(180.20)</b>
B (i) Items that will be reclassified to profit or loss				
(a) Gain/(loss) on forward contracts in hedging relationship	(431.01)	(21.76)	21.76	0
(ii) Income tax relating to items that will be reclassified to profit or loss	108.48	7.60	(7.60)	-
<b>Subtotal (B)</b>	<b>(322.53)</b>	<b>(14.16)</b>	<b>14.16</b>	<b>-</b>
<b>Other comprehensive income (A+B)</b>	<b>(15.28)</b>	<b>(314.14)</b>	<b>(312.54)</b>	<b>(180.20)</b>
<b>9 Total Comprehensive Income for the year (7+8)</b>	<b>59,928.90</b>	<b>124,167.39</b>	<b>86,184.05</b>	<b>60,174.56</b>
<b>10 Earnings per equity share (for continuing operation):</b>				
(1) Basic	6.38	13.35	9.45	7.69
(2) Diluted	6.32	13.21	9.45	7.69

## STATEMENT OF CASH FLOWS (IND-AS)

SBI Cards and Payment Services Limited (Formerly known as SBI Cards and Payment Services Private Limited) (Figure in Rupees Lakhs, unless otherwise stated)				
Particulars	For the Period ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax for the year	80,645.60	172,962.86	133,508.35	92,302.29
Adjustments for :				
Depreciation and amortisation expense	5,796.37	10,379.83	5,521.84	1,347.04
Liabilities written back	(147.76)	(16,366.54)	(109.31)	(177.00)
Impairment loss and provision for doubtful debts	134,704.86	194,024.79	114,774.16	80,005.79
Net impact of assets derecognize pursuant to adoption of Ind AS 111	-	51.82	-	-
Other Interest Income	(347.83)	(387.04)	(1,781.09)	(763.88)
Employee stock options	1,267.10	1,818.29	-	-
Finance Cost	53,880.42	130,092.71	100,935.59	70,756.48
Cash outflow towards finance cost	(52,822.16)	(120,763.65)	(93,681.35)	(69,171.76)
Loss/ (Profit) on sale of property, plant & equipment	3.54	23.67	(2.15)	11.03
Profit on sale on investments	-	(66.44)	(38.30)	(53.72)
Fair valuation of derivatives	(43.48)	53.82	(10.35)	285.37
<b>Operating profit before working capital changes</b>	<b>222,936.66</b>	<b>371,824.12</b>	<b>259,117.39</b>	<b>174,541.64</b>
Adjustment for changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Bank balance other than cash & cash equivalent	(1,569.89)	(11,763.11)	11,750.26	-
Trade Receivables	(7,458.74)	9,437.43	(12,582.36)	13,368.47
Other Receivables	7,760.57	12,939.31	(1,707.58)	(7,182.95)
Other financial assets	569.19	(979.26)	7,971.28	(3,641.43)
Other non financial assets	10,977.26	(16,533.86)	(21,580.53)	(27,912.06)
Loans	(46,084.00)	(684,031.12)	(489,020.52)	(486,171.64)
Adjustments for increase / (decrease) in operating liabilities:				
Other financial liabilities	19,774.52	(35,067.01)	11,668.11	29,562.04
Other non financial liabilities	(8,914.11)	2,137.93	23,039.83	17,198.23
Provisions	58,975.33	7,113.46	13,004.66	(3,618.14)
Trade payables	(65,361.35)	6,378.12	13,549.68	30,560.87
<b>Cash from/ (used) in operations before taxes</b>	<b>191,605.44</b>	<b>(338,543.99)</b>	<b>(184,789.78)</b>	<b>(263,294.97)</b>
Direct taxes paid (net of refunds)	(22,222.62)	(68,143.27)	(47,883.75)	(25,825.37)
<b>Net cash generated/ (used) in operating activities</b>	<b>169,382.82</b>	<b>(406,687.26)</b>	<b>(232,673.53)</b>	<b>(289,120.34)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on property, plant and equipment	(4,250.23)	(7,792.12)	(9,643.17)	(4,195.11)
Proceeds from sale of property, plant and equipment	8.17	8.80	30.74	240.52
Investment purchased	-	(160,000.00)	(76,646.21)	(143,000.00)
Investment sold	-	160,066.44	76,538.30	143,053.72
Interest Income	5.35	393.48	2,141.03	323.84
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(4,236.71)</b>	<b>(7,323.40)</b>	<b>(7,579.31)</b>	<b>(3,577.03)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of Share Capital ( Including security premium)	1,791.31	49,358.70	47,000.00	-
Proceeds from Debt Securities	320,160.02	2,084,074.14	1,992,835.01	2,210,085.72
Repayment of Debt Securities	(342,387.48)	(1,929,316.64)	(1,873,513.81)	(2,662,283.79)
Borrowings (Other than Debt Securities)	(136,527.51)	193,150.59	96,091.79	710,976.00
Proceeds from Subordinated Liabilities	-	10,000.00	25,000.00	50,000.00
Repayment of Subordinated Liabilities	-	(5,000.00)	(5,000.00)	(4,000.00)
Interim Dividend Paid (Including dividend distribution tax)	(9,382.28)	(10,093.55)	-	(9,448.08)
<b>NET CASH (USED) / GENERATED IN FINANCING ACTIVITIES (C)</b>	<b>(166,345.94)</b>	<b>392,173.24</b>	<b>282,412.99</b>	<b>295,329.85</b>
<b>D. Net increase / (decrease) in cash and cash equivalents (A+B)</b>	<b>(1,199.83)</b>	<b>(21,837.43)</b>	<b>42,160.15</b>	<b>2,632.48</b>
Cash and cash equivalents as at the beginning of the year	51,512.97	73,350.40	31,190.25	17,472.19
Cash and bank balance on account of Amalgamation				11,085.58
Cash and cash equivalents as at the end of the year	<b>50,313.14</b>	<b>51,512.97</b>	<b>73,350.40</b>	<b>31,190.25</b>
	<b>(1,199.83)</b>	<b>(21,837.43)</b>	<b>42,160.15</b>	<b>2,632.48</b>
<b>Note:</b>				
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				
2. Cash and cash equivalents include:				
Cash in hand	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)
Balance with Scheduled banks on				
- Current accounts *	7,187.12	18,272.74	691.37	980.70
- Funds in transit (Lying in nodal account of intermediary/payment gateway aggregator)	43,126.02	33,240.23	46,057.03	24,759.55
- Deposit with maturity less than 3 months		-	26,602.00	5,450.00
<b>Cash and cash equivalents at the end of the year</b>	<b>50,313.14</b>	<b>51,512.97</b>	<b>73,350.40</b>	<b>31,190.25</b>
* Current Account balance for the period ended September 30, 2020 includes Rs 1,230.09 lakhs held in Escrow account to meet IPO expenses ( March 31st 2020- Rs 13,857.82 lakhs				

## Notes:

1. The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. Management has exercised necessary due diligence to ensure that the said comparative results provide a true and fair view of its affairs.
2. Previous period's/year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's/year's classification /disclosure.
3. In line with Hon'ble NCLT order dated June 04, 2019, SBI Business Process Management Services Pvt. Ltd (SBIBPMSL) has amalgamated with SBI Cards and Payment Services Limited from the appointed date April 01, 2018.
4. During the year the Company was converted to Public Limited from Private Limited and Registrar of Companies has issued fresh certificate of incorporation dated August 20, 2019 and consequently the name of the Company changed from SBI Cards and Payment Services Private Limited to SBI Cards and Payment Services Limited.
5. During the quarter ended September 30, 2020 the Company allotted 714,382 equity shares of Rs 10/- each pursuant to exercise of options under the approved employee stock option scheme
6. During the quarter ended March 31, 2020, the Company had come up with an Initial Public Offering (IPO) of 137,149,314 Equity Shares of face value of ₹ 10 each comprising of a Fresh Issue of 6,622,516 Equity Shares and an Offer for Sale of 130,526,798 Equity Shares aggregating to Rs.1,034,078.82 lakhs (Selling Shareholders Rs. 984,146.35 lakhs and fresh issue of Rs. 49,932.47 lakhs of the Company). The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on March 16, 2020.
7. Pursuant to Regulation 32 (1) there is no deviation/ variation in the utilization of proceeds as mentioned in the objects stated in the Prospectus dated March 6, 2020, in respect of the Initial Public Offering of the Company.
8. The Board of Directors have declared interim dividend of Re 1 per equity share (10%) of the face value of Rs 10 per equity share for the financial year 2019-20, after the close of the reporting year, in accordance with Section 123(3) of the Companies Act, 2013, as amended.
9. The impact of COVID-19 has led to significant volatility in global and Indian financial markets, which may persist even after restrictions related to the pandemic outbreak are lifted. While there have been some improvements in economic activities in the current quarter, the continued slowdown has impacted new credit card originations, use of credit cards by customers and the efficiency in collection efforts.

Further, in accordance with RBI circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 with regard to providing relief to borrowers on account of COVID-19 pandemic, SBI Card has offered moratorium on credit card dues to eligible borrowers till August 31, 2020 in accordance with Board approved policy.

Thereafter, as per RBI circular dated August 6, 2020 with regard to resolution framework on COVID19 related stress and as per Board approved policy, Company has allowed one time resolution to eligible customers by offering them an option of converting credit card dues into EMIs of upto 24 months. As of September 30, 2020, Company has converted balance of Rs 2,108.03 lakhs into EMI under this scheme and is carrying 10% provision against such balance as per extant RBI circular. The Company also holds additional provision as management overlay as at September 30, 2020 against the potential impact of COVID -19 based on the information available at this point in time.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these Condensed Interim Financial Statements and the Company will continue to closely monitor any material changes in future economic conditions.

10. The Honorable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & ANR), vide an interim order dated September 03, 2020 ("Interim Order"), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. In line with the said Interim Order, the Company has not classified any accounts which were not NPA as of August 31, 2020 as per extant regulatory norms, as NPA after August 31, 2020. Further in light of the interim order, even accounts that would have been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time that the Hon'ble SC rules finally on the matter. However, if the Company had classified borrower accounts as NPA after August 31, 2020, the Company's proforma Gross NPA and proforma Net NPA ratio would have been 7.46% and 2.70% respectively. Pending disposal of the case, the Company as a matter of prudence has, in respect of such accounts made an additional provision as management overlay which is included in the overall ECL provision.



**10.3. OTHER FINANCIAL PARAMETERS**

Particulars	FY 2019-20	FY 2018-19	FY 2017-18
Dividend declared (As % age on FV)	10.00%*	10.00%	0.00%
Interest Coverage Ratio (times)	2.33	2.32	2.30
Profit before tax (Rs Crores)	1,729.63	1335.08	923.02
Profit after tax (Rs Crores)	1,244.82	864.97	603.55

\* The interim dividend for FY 19-20 was declared in May 2020 Board meeting and adjusted in books in FY 20-21

**10.4. CHANGES IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF THE COMPANY**

Financial Year	Change in accounting policies and their effect
<b>2019-20</b>	NIL
<b>2018-19</b>	The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The corresponding previous year figures have been prepared under previous GAAP for the relevant period, duly restated to Ind AS. These Ind AS adjustments have been reviewed by the statutory auditors. These are the first Ind AS financial statements. The date of transition to Ind AS is April 1, 2017. Opening impact on equity as on 1 <sup>st</sup> April 2017 is ₹ (66.82) lakhs.
<b>2017-18</b>	NIL

## SECTION XI PARTICULARS OF THE OFFER

### Eligibility of SBICPSL to come out with the Issue and Government Approvals

SBICPSL, its Directors and authorised officers have not been prohibited from accessing the debt market under any order or directions passed by SEBI/any other Government authority.

### Issue specific guidelines

This present issue of Debentures is being made in accordance with extant guidelines of Companies Act 2013 and Rules made thereafter, SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended, SEBI (Debenture Trustee) Regulation 1993 as amended and Reserve Bank of India Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended.

### Authority for the Placement

The present issue of Debentures is being made pursuant to:

- (i) resolution passed by the Board of Directors of the Company on July 20, 2020 and delegation provided thereunder.
- (ii) Article 38 of the Articles of Association of the Company.

### Purpose and Utilisation of the Proceeds

The proceeds of this issue will be utilised by the Company for its regular business activities including discharging existing debt obligations and not for any specific project; hence demarcation of use of funds in the balance sheet of the Company may not be possible. The proceeds will enhance the long-term resources, which is in accordance with the Non-Banking Financial Companies (Non-Deposit Accepting or Holding) Prudential Norms (Reserve Bank of India Directions). Issue proceeds will not be used for acquisition of land or for investing in Capital Markets and for purposes not eligible for bank finance.

The “Main Object Clause” of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities which the Company has been carrying on till date.

### Minimum Subscription

As the current issue of Debentures is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore SBICPSL shall not be liable to refund the issue subscription(s)/proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

### Nature and Class of Securities

Fixed rate Unsecured, Rated, Taxable, Redeemable, Senior, Non-convertible Debentures. These Debentures shall be fully paid-up basis.

### Put & Call Option

Neither the Debentureholder(s) shall have any right to exercise Put option nor shall the Company have right to exercise Call Option

**Contribution made by Promoters or Directors**

Company has availed credit facilities from SBI in the normal course of business. These facilities have been utilised by the Company as per the object clause of our Memorandum of Association and Articles of Association. The present issue of private placement of debenture is being uploaded on the EBP platform, and hence all QIBs including SBI can participate in the bidding process. The Debentures allotment will be made to the successful participants as per EBP.

**Maximum Investors for the Issue**

In view of RBI's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, on private placement basis there is no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹ 1 crore and above.

**Issue Price**

Each Debenture has a face value of INR10 Lakh each and is issued at par. The Debentures shall be redeemable at par i.e. for INR10 Lakh per Debenture. Since there is no discount or premium on either issue price or redemption value of the Debentures, the effective yield for the investors shall be the same as the coupon rate on the Debentures.

**Relevant date with reference to which issue price has been arrived**

NA

**Security**

Debentures are unsecured.

**Names and address of the valuer who performed valuation of security offered**

NA

**Mode of Payment**

The full Issue price of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form along with RTGS/NEFT details for the full-face value of the Debentures applied for.

Issue Price of the Debenture	Minimum Application for	Amount Payable on Application per Debenture
INR10 Lakh	Application must be for a minimum of INR 1 (one) crore (10 (ten) Debentures) and in multiples of INR 10 (ten) Lakhs (1 (one) Debenture) thereafter.	Full Issue Price i.e. INR10 Lakh per Debenture

**Deemed Date of Allotment**

The cut-off date declared by the Company from which all benefits under the Debentures including interest on the Debentures shall be available to the Debentureholders is called as the Deemed Date of Allotment. The actual allotment of Debentures (i.e. approval from the Board of Directors or a Committee or officials authorised in this respect) may take place on a date other than the Deemed Date of Allotment. SBICPSL reserves the right to keep multiple allotment date(s)/deemed date(s) of allotment at its sole and absolute discretion without any notice. If in case, the issue closing date changes (i.e. preponed/postponed), then the Deemed Date of Allotment may also be changed (pre-pond/ postponed) by SBICPSL, at its sole and absolute discretion.

**Timelines in which the allotment shall be completed**

Allotment of securities along with listing shall be completed in 4 trading days from the Issue Closing Date.

**Letter(s) of Allotment/ Debenture Certificate(s)/ Refund Order(s)/ Issue of Letter(s) of Allotment**

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL)/ Central Depository Services (India) Ltd. (CDSL)/ Depository Participant will be given initial Credit within 2 days of Issue Closing date. The initial CREDIT in the account will be akin to the Letter of Allotment. On completion of the all-statutory formalities, such CREDIT in the account will be akin to a Debenture Certificate.

**Debentures to be issued in demat format only**

The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Debentures shall be allotted in DEMAT form only.

**Depository Arrangements**

SBICPSL has entered into depository arrangements with NSDL and CDSL. The securities shall be issued in dematerialized form as per the provisions of Depositories Act, as amended from time to time.

SBICPSL has signed two tripartite agreements in this connection viz.

1. Tripartite Agreement dated July 20, 2011 between SBICPSL, National Securities Depository Limited (NSDL) and the Registrar i.e., Zuari Finserv Limited.
2. Tripartite Agreement dated March 28, 2012 between SBICPSL, Central Depository Services Limited (CDSL) and the Zuari Finserv Limited.

The Debentures will be issued in dematerialised form and the same shall be in accordance with the provisions of the SEBI Debt Regulations, Depositories Act, 1996 and the regulations made there under and are to be issued as per the terms and conditions stipulated under this Private Placement Offer Letter.

**Procedure for applying for Demat Facility**

1. Investor(s) should have / open a beneficiary account with any Depository Participant of NSDL or CDSL.
2. For allotment of Debentures in dematerialized form, the beneficiary account number and depository participants ID shall be specified in the relevant columns of the Application Form.
3. If incomplete/incorrect beneficiary account details are given in the Application Form which does not match with the details in the Depository system, the Allotment of Debentures shall be held in abeyance till such time satisfactory demat account details are provided by the investor.
4. The Debentures allotted to investor in dematerialized form would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice/refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the confirmation of the CREDIT of the Debentures to the investor's Depository Account will be provided to the investor by the investor's DP.
5. Interest or other benefits with respect to the Debentures held in dematerialized form would be paid to those Debentureholders whose names appear on the list of beneficial owners given by the depositories to SBICPSL as on the Record Date and their names are registered as Debenture holders on the registers maintained by Company/Registrar. In case, the beneficial owner is not identified by the Depository on the Record Date due to any reason whatsoever, SBICPSL shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the Depository and intimated to SBICPSL. On receiving such intimation, SBICPSL shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.
6. Investors may please note that the Debentures in dematerialised form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL.

**Fictitious applications**

Any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the Debentures, or otherwise induced a body corporate to allot, register any transfer of Debentures therein to them or any other person in a fictitious name, shall be punishable under the extant laws.

**Market Lot**

The market lot for trading of Debentures will be one Debenture (“**Market Lot**”).

**Trading of Debentures**

The marketable lot for the purpose of trading of Debentures shall be ONE (1) DEBENTURE. Trading of Debentures would be permitted in dematerialised mode only in standard denomination of INR10 Lakh and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading in Debentures which has been made over the counter, the trades shall be executed and reported on a recognized stock exchange having a nation-wide trading terminal or such other platform as may be specified by SEBI.

**Mode of Transfer of Debentures**

The Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer’s DP account to his Depository Participant.

Transfer of Debentures to and from foreign investors, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with SBICPSL.

**Interest on Application Money**

Not applicable.

**Interest on the Debentures**

The Debentures shall carry interest at the coupon rates as per term sheet (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by SBICPSL) on the outstanding principal amount of Debentures till final redemption. The credit will be made in the bank account linked to the depository account only.

If any interest payment date falls on a day which is not a Business Day, then payment of interest will be made on the next day that is a Business Day without interest for such additional days. It is clarified that Interest/redemption with respect to debentures, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

**Computation of Interest**

The Debentures will carry interest rates as per the term sheet from the Deemed Date of Allotment. The interest will be paid from the Deemed Date of Allotment (subject to deduction of tax at source at the rates prevailing from time to time under the IT Act, or any other statutory modification or re-enactment thereof) as per term sheet. The Interest shall be computed on “Actual / Actual” day count basis.

**Mode of Payment of Interest**

Payment on interest will be made by way of cheque(s)/ redemption warrants(s)/ demand draft(s)/ CREDIT through RTGS system in the name of the Debentureholders whose name appear on the list of Beneficial Owners given by Depository to SBICPSL whose names are registered on the register maintained by the Registrar as on the Record Date.

**Record Date**

Record date of interest shall be 15 days prior to each interest payment date and 15 days prior to the date of Maturity. Interest shall be paid to the person whose name appears as sole/first in the Register of Debentureholders/beneficiaries' position of the Depositories on Record Date or to the Debentureholders who have converted the Debentures to physical form and their name is registered on the registers maintained by Company/Registrar. In the event of SBICPSL not receiving any notice of transfer at least 15 days before the respective due date of payment of interest and at least 15 days prior to the maturity date, the transferees for the Debenture shall not have any claim against SBICPSL in respect of interest so paid to the registered Debentureholder.

**Deduction of Tax at Source**

Tax as applicable under the IT Act, or any other statutory modification or re-enactment thereof will be deducted at source. The investor(s) desirous of claiming exemption from deduction of income tax at source on the interest on Application money are required to submit the necessary certificate(s), in duplicate, along with the Application Form in terms of Income Tax rules.

Interest payable subsequent to the Deemed Date of Allotment of Debentures will be treated as "Interest on Securities" as per Income Tax Rules. Debentureholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Debentures should submit tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, at the corporate office of SBICPSL, at least 45 days before the payment becoming due.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

**Redemption**

The face value of the Debentures will be redeemed at par, on the expiry of the tenor of the Debentures series as per details in the summary term sheet from the Deemed Date of Allotment. The Debentures will not carry any obligation, for interest or otherwise, after the date of redemption. The Debentures shall be taken as discharged on payment of the redemption amount by SBICPSL on maturity to the registered Debenture holders whose names appear in the Register of Debenture holders on the Record Date/ or the beneficial owners as per the list provided by the Depositories. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders.

In case if the redemption date falls on a day which is not a Business Day, then the payment due shall be made on the previous Business Day but without liability for making payment of interest after actual date of redemption. It is clarified that Interest/redemption with respect to debentures, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

**Settlement/ Payment on Redemption**

Payment on redemption will be made by way of cheque(s)/ redemption warrants(s)/ demand draft(s)/ CREDIT through RTGS system in the name of the Debenture holders whose name appear on the list of Beneficial Owners given by Depository to SBICPSL and whose names are registered on the register maintained by the Registrar as on the Record Date. The credit will be made in the bank account linked to the depository account only.

The Debentures shall be taken as discharged on payment of the redemption amount by SBICPSL on maturity to the list of Debenture holders as provided by NSDL/ CDSL/ Depository Participant. Such payment will be a legal discharge of the liability of SBICPSL towards the Debenture holders. On such payment being made, SBICPSL shall inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Debenture holders with NSDL/ CDSL/ Depository

Participant shall be adjusted.

SBICPSL's liability to the Debenture holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further SBICPSL will not be liable to pay any interest or compensation from the date of redemption. On crediting the amount to the Beneficiary(s) as specified above in respect of the Debentures, the liability of SBICPSL shall stand extinguished.

#### **Right of Debenture holder(s)**

Debenture holder is not a shareholder. The Debenture holders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The Debenture(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meeting of the Company. The principal amount and interest on the Debentures will be paid to the registered Debenture holders only, and in case of Joint holders, to the one whose name stands first.

Besides the above, the Debentures shall be subject to the provisions of the Companies Act, 2013, the relevant rules and regulations, the Articles of Association of SBICPSL, the terms of this issue of Debentures and the other terms and conditions as may be incorporated in the Debenture Trustee Agreement and other documents that may be executed in respect of these Debentures.

#### **Effect of Holidays**

'Business day' shall be the day on which money markets is functioning in Mumbai. If the interest payment date / redemption doesn't fall on a business day, then payment of interest / principal amount shall be made in accordance with SEBI circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016 as amended from time to time.

If the interest payment day doesn't fall on a business day, the payment of interest up to original scheduled date, will be made on the following working day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.

If the Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Debentures until but excluding the date of such payment.

It is clarified that Interest/redemption with respect to debentures, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

If the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.

#### **List of Beneficial Owners**

SBICPSL shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

#### **Succession**

In the event of the demise of the sole/first holder of the Debenture(s) or the last survivor, in case of joint holders for the time being, SBICPSL will recognize the executor or administrator of the deceased Debenture holder, or the holder of succession certificate or other legal representative as having title to the Debenture(s). SBICPSL shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. SBICPSL may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the deceased Debenture holder on production of sufficient documentary proof or indemnity.



Where a non-resident Indian becomes entitled to the Debentures by way of succession, the following steps have to be complied:

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Debenture was acquired by the NRI as part of the legacy left by the deceased holder.
- b. Proof that the NRI is an Indian National or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis.

#### **Class or Classes of person to whom allotment is proposed to be made**

The following categories are eligible to apply for this private placement of Debentures:

1. Mutual Funds,
2. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;
3. Scheduled Commercial Banks;
4. Insurance Companies
5. State Industrial Development Corporations;
6. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds authorised to invest in the Issue
7. National Investment Funds set up by resolution no. F. No. 2/3/2005- DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
8. Companies and Bodies Corporate authorized to invest in Debentures/debentures;
9. Co-operative Banks and Regional Rural Banks authorized to invest in Debentures/debentures;
10. Gratuity Funds and Superannuation Funds;
11. Societies authorized to invest in Debentures/debentures;
12. Trusts authorized to invest in Debentures/debentures;
13. Foreign Institutional Investors and sub-accounts registered with SEBI or Foreign Portfolio Investors (not being an individual or family offices);
14. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in Debentures/ debentures.

The applications must be accompanied by certified true copies of (1) Memorandum and Articles of Association/ Constitution/Bye-laws; (2) Resolution authorizing investment and containing operating instructions; (3) Specimen signatures of authorized signatories; (4) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable; (5) Documents relating to withholding tax applicability; (6) Copy of Permanent Account Number Card (PAN Card) provided by the Income Tax Department; and (7) in case of remittance of money through electronic mode, a self-attested bank account statement has to be submitted reflecting the debit for the application money. The bank account statement should contain the name of the applicant, account number, name and branch of the bank.

#### **Application under Power of Attorney or by Limited Companies**

In case of Applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organizations or Trusts etc., the relevant Power of Attorney or the relevant resolution or authority to make the Application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be, shall be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form, at the office of the Registrars to the Issue after submission of the Application Form to the EBP Platform, failing which the applications are liable to be rejected.

#### **Proposed time schedule for which this Private Placement Offer cum application letter is valid**

The Private Placement Offer cum application letter shall be valid till redemption.

**Mode of Subscription/How to Apply**

All eligible Investors should refer the operating guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of NSE. Investors will also have to complete the mandatory know your customer verification process. Investors should refer to the EBP Guidelines in this respect. The application form will be filled in by each Investor and uploaded in accordance with the SEBI regulatory and operational guidelines. Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English as per the instructions contained therein.

a) The details of the Issue shall be entered on the EBP Platform by the Issuer at least 2 (two) Business Days prior to the Issue opening date, in accordance with the Operational Guidelines.

(b) The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the EBP Platform, at least 1 (one) Business Day before the start of the Issue opening date.

Some of the key guidelines in terms of the current Operational Guidelines on issuance of securities on private placement basis through an EBP mechanism are as follows:

(a) Modification of Bid: Investors may note that modification of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, revision of bid is only allowed for improvement of coupon / yield and upward revision of the bid amount placed by the Investor.

(b) Cancellation of Bid: Investors may note that cancellation of bid is allowed during the bidding period / window. However, in the last 10 minutes of the bidding period / window, no cancellation of bids is permitted.

**Multiple Bids**

Investors may note that multiple bid are permitted. Multiple bids by the Arranger to the Issue are permitted as long as each bid is on behalf of different Investors/ same Investors. Arranger to the Issue can put multiple bids for same Investor provided the total of all bids entered is not equal to or more than Rs.15 crore or 5% of the Base Issue Size, whichever is lower.

Investors are advised to refer to the EBP Guidelines as prevailing on the date of bid.

**Applications by Successful bidders**

Original application forms complete in all respects must be submitted to the Corporate Office of Issuer before the last date indicated in the Issue time table or such extended time as decided by the Issuer accompanied by details of remittance of the Application money. This Application will constitute the application required under section 42 of the Companies Act, 2013 and the PAS Rules. Successful bidders should ensure to do the funds pay-in from their same bank account which is updated by them in the EBP Platform while placing the bids. In case of mismatch in the bank account details between EBP Platform and the bank account from which payment is done by the successful bidder, the payment would be returned back. Payment should be made by the deadline specified by the EBP provider. Successful bidders should do the funds pay-in to the bank accounts of the clearing corporation of the relevant Exchanges ("Designated Bank Account").

Successful bidders must do the funds pay-in to the Designated Bank Account up to 10:30 am on the pay-in date ("Pay-in Time"). Successful bidders should ensure to do the funds pay-in from their same bank account which is updated by them in the NSE Bond EBP Platform while placing the bids. In case of mismatch in the bank account details between NSE Bond EBP Platform and the bank account from which payment is done by the successful bidder, the payment would be returned back. Provided that, in case of bids made by the Arranger on behalf of eligible Investors, funds pay-in shall be made from the bank account of such eligible Investors.

Note: In case of failure of any successful bidder to complete the funds pay-in by the Pay-in Time or the funds are not received in the Designated Bank Account of the clearing corporation of the relevant Exchanges by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer and/or the Arranger shall not be liable to the successful bidder. Cheque(s), demand draft(s), Money orders, postal orders will not be accepted. The Issuer assumes no responsibility for any applications lost in mail. The entire amount of Rs. 10 (ten) Lakhs per Debenture is payable on application.

Applications not completed in the manner required are liable to be rejected. The name of the Applicant's bank,

type of account and account number must be filled in the Application Form.

The Applicant or in the case of an Application in joint names, each of the Applicant, should mention the PAN allotted under the I.T. Act or where the same has not been allotted, the GIR No. and the Income Tax Circle/Ward/District. In accordance with the provision of Section 139A (5A) of the I.T. Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the Investor should mention his PAN/GIR No. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention "Applied for" and in case the applicant is not assessed to Income Tax, the Applicant shall mention 'Not Applicable' (stating reasons for non-applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring "approved security" status for making investments.

### **Basis of Allocation**

Beginning from the issue opening date and until the day immediately prior to the Issue closing date, firm allotment against valid applications for the Debentures will be made to applicants in accordance with applicable SEBI regulations, operational guidelines of the Exchanges and all applicable laws. At its sole discretion, the Issuer shall decide the amount of over subscription to be retained over and above the base Issue size (in case of green shoe option available, if any).

According to the SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 allotment to the bidders on EBP shall be done on the basis of "Yield-time priority". Thus, allotment shall be done first on "yield priority" basis, however, where two or more bids are at the same yield, then the allotment shall be done on "time -priority" basis. Further, if two or more bids have the same yield and time, then allotment shall be done on " pro-rata" basis.

If the proportionate allotment of Debentures to such applicants is not a minimum of one Debenture or in multiples of one Debenture (which is the market lot), the decimal would be rounded off to the next higher whole number if that decimal is 0.5 or higher and to the next lower whole number if the decimal is lower than 0.5. All successful applicants on the Issue closing date would be allotted the number of Debentures arrived at after such rounding off.

### **Right to Accept or Reject Applications**

The Issuer reserves its full, unqualified and absolute right to accept or reject any Application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund if applicable, sent. The Application forms that are not complete in all respects are liable to be rejected and will not be paid any interest on the Application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- (i) Number of Debentures applied for is less than the minimum application size;
- (ii) Applications exceeding the issue size;
- (iii) Debenture holder account details not given;
- (iv) Details for issue of Debentures in dematerialized form not given; PAN/GIR and IT Circle/Ward/District not given;
- (v) In case of Applications under power of attorney by limited companies, corporate bodies, trusts, etc., if relevant documents not submitted;

In the event, if any Debenture(s) applied for is/are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

### **Provisional or Final Allocation**

Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of Rs. 10 (ten) Lakh with minimum allotment of Rs 1 (one) Crore. Post completion of bidding process, the Issuer will upload the provisional allocation on the NSE Bond EBP Platform. Post receipt of Investor details, the Issuer will upload the final allocation file on the NSE Bond EBP Platform.

### **Terms of Payment**

The full-face value of the Debentures applied for is to be paid along with the Application Form as set out above.

**Settlement Process**

The settlement process would be followed as per the relevant operating guidelines of SEBI on EBP.

**Post-Allocation Disclosures by the EBP**

Upon final allocation by the Issuer, the Issuer shall disclose the Issue Size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance with the EBP circular issued by SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018, and August 16, 2018, as may be amended from time to time. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public.

**Name of the proposed allottee's & percentage of post private placement capital that may be held by them**

Not applicable in case of issue of non-convertible debentures

**Change in Control, if any, in the Company that would occur subsequent to the private placement**

Nil

**Number of persons to whom allotment on preferential basis / private placement/rights issue has been made during the year from April 2020:**

Particulars	No. of Investors	Number of securities issued	Consideration in ₹	Remarks
Non-Convertible Debentures	01	4,000	4,000,000,000	Through private placement of non-convertible debentures on June 29,2020
Non-Convertible Debentures	01	5,000	5,000,000,000	Through private placement of non-convertible debentures on Aug 17 ,2020
Non-Convertible Debentures	01	4,500	4,500,000,000	Through private placement of non-convertible debentures on Dec 22 ,2020

**Justification for the allotment proposed to be made for consideration other than cash**

NA

**Force Majeure and other Withdrawal of Issue**

The Issuer reserves the right to withdraw the Issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Issuer reserves the right to change the Issue schedule.

The Issuer reserves the right to withdraw the Issue as set out under the Operating Guidelines or as permitted under applicable law or regulations.

**Acknowledgements**

No separate receipts will be provided by the Issuer for the Application money.

**Applications under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to its Registrars or to such other person(s) at such other address(s) as may be specified by the Issuer from time to time through a suitable communication.

**Application by Mutual Funds**

In case of Applications by Mutual Funds, a separate Application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management Company/trustees/custodian clearly indicate their intention as to the scheme for which the Application has been made.

**PAN/GIR Number**

All Applicants should mention their PAN or the GIR Number allotted under I.T. Act, and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

**Signatures**

Signatures should be made in English or in any of the Indian languages. Thumb impressions must be attested by an authorized official of the Issuer or by a Magistrate/ Notary Public under his/her official seal.

**Debenture holder not a Shareholder**

The Debenture holders will not be entitled to any of the rights and privileges available to the shareholder. If, however, any resolution affecting the rights attached to the Debentures is placed before the members of the Issuer, such resolution will first be placed before the Debenture holders for their consideration.

**Modification of Rights**

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold majority of the outstanding amount of the Debentures (or any limit as specified under Companies Act or any other provision of law) or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture holders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Issuer.

**Right to further issue under the ISIN's**

The Issuer reserves right to effect multiple issuances under the same ISIN with reference to SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated June 30, 2017 as amended ("**First ISIN Circular**") and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018, as amended or any other applicable laws or regulations from time to time ("**Second ISIN Circular**", together with the First ISIN Circular, the "**ISIN Circulars**").

The Issue can be made either by way of creation of a fresh ISIN or by way of issuance under the existing ISIN at premium, par or discount as the case may be in line with the ISIN Circulars.

**Right to Re-purchase, Re-issue or Consolidate the Debentures**

The Issuer will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines or regulations, if any.

In the event of a part or all of the Issuer's Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed always to have had, the power to re-issue the Debentures either by re-issuing the same Debentures or by issuing other debentures in their place. The Issuer shall have right to consolidate the Debentures under present series in accordance with applicable law.

Further the Issuer, in respect of such re-purchased or re-deemed Debentures shall have the power, exercisable either for a part or all of those Debentures, to cancel, keep alive, appoint nominee(s) to hold or re-issue at such price and on such terms and conditions as it may deem fit and as permitted under the ISIN Circulars or by laws or regulations.

**Future Borrowings**

The Company shall be free to borrow or raise loans or create encumbrances or avail financial assistance in whatever form, as also issue promissory notes or debentures or guarantees or indemnities or other securities in any manner with ranking as pari passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the Debenture holder(s) or the Debenture Trustee in this connection.

**Ranking of Debentures**

The Debentures are Fixed rate, Unsecured, Rated, Taxable, Redeemable, Senior, Non-convertible Debentures. The claims of the investor shall rank pari-passu inter se and, subject to any obligations preferred by mandatory provisions of the law (prevailing from time to time), shall also, as regards repayment of principal and payment of interest, rank pari-passu with all other existing unsecured borrowings (except subordinated debt) issued by the Company.

**Debenture Redemption Reserve**

As per Rule 18 (7) of Companies (Share Capital and Debentures) Rules, 2014, as amended (“**Debentures Rules**”), a debenture redemption reserve account is not required to be created in the case of privately placed debentures issued by NBFCs registered with the RBI under section 45-IA of the RBI (Amendment) Act, 1997, as amended.

**Notices**

All notices required to be given by the Issuer or by the Debenture Trustee to the Debenture holders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/first allottees of the Debentures and/ or if published in one all India English daily newspaper and one regional language newspaper.

All notices required to be given by the Debenture holder(s), including notices referred to under “Payment of Interest” and “Payment on Redemption” shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

**Tax Benefits to the Debenture holders of the Issuer**

The holder(s) of the Debentures are advised to consider in their own case, the tax implications in respect of subscription to the Debentures after consulting their own tax advisor or legal counsel.

**Disputes and Governing Law**

The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the jurisdiction of courts of New Delhi.

**Investor Relations and Grievance Redressal**

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavours to resolve the investors' grievances within 30 (thirty) days of its receipt. All grievances related to the issue quoting the Application number (including prefix), number of Debentures applied for, amount paid on application and bank and branch / the Issuer collection centre where the Application was submitted, may be addressed to the Finance/Treasury unit at the corporate office. All Investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contacted in case of any problem related to this Issue.

## SECTION XII SUMMARY TERM SHEET

SBICPSL proposes to raise Debentures of face value of ₹ 10 Lakh each with Issue Size of ₹ 550 Crore under Debenture Series 23

Security Name	5.90% SBICPSL Debenture Series 23
Issuer	SBI Cards and Payment Services Limited
Type and nature of Instrument	Fixed rate, Unsecured, Rated, Taxable, Redeemable, Senior, Non-convertible Debentures
Seniority	The issue is on unsecured basis. The claims of the investors shall rank pari-passu inter se and, subject to any obligations preferred by mandatory provisions of the law (prevailing from time to time), shall also, as regards repayment of principal and payment of interest, rank pari-passu with all other existing unsecured borrowings (except subordinated debt) issued by the Company.
Mode of Issue	Private placement
Eligible Investors	<ol style="list-style-type: none"> <li>1. Mutual Funds,</li> <li>2. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;</li> <li>3. Scheduled Commercial Banks;</li> <li>4. Insurance Companies</li> <li>5. State Industrial Development Corporations;</li> <li>6. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds authorised to invest in the Issue</li> <li>7. National Investment Funds set up by resolution no. F. No. 2/3/2005- DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</li> <li>8. Companies and Bodies Corporate authorized to invest in Debentures/debentures;</li> <li>9. Co-operative Banks and Regional Rural Banks authorized to invest in Debentures/debentures;</li> <li>10. Gratuity Funds and Superannuation Funds;</li> <li>11. Societies authorized to invest in Debentures/debentures;</li> <li>12. Trusts authorized to invest in Debentures/debentures;</li> <li>13. Foreign Institutional Investors and sub-accounts registered with SEBI or Foreign Portfolio Investors (not being an individual or family offices);</li> <li>14. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in Debentures/ debentures.</li> </ol>
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	BSE
Rating of the Instrument	CRISIL AAA/Stable by CRISIL ICRA AAA/Stable by ICRA
Issue Size	₹ 550 Crore
Option to retain oversubscription (Amount)	Nil



Object / Purpose and Utilization of proceeds	<p>The proceeds of this issue will be utilised by the Company for its regular business activities including discharging existing debt obligations and not for any specific project; hence demarcation of use of funds in the balance sheet of the Company may not be possible. The proceeds will enhance the long-term resources, which is in accordance with the Non-Banking Financial Companies (Non-Deposit Accepting or Holding) Prudential Norms (Reserve Bank of India Directions). Issue proceeds will not be used for acquisition of land or for investing in Capital Markets and for purposes not eligible for bank finance.</p> <p>The “Main Object Clause” of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities which the Company has been carrying on till date.</p>
Coupon Rate	5.90 % p.a.
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Annual
Coupon Payment Date*	First Interest payment on February 23, 2022 , Second Interest payment on February 23, 2023, Final Interest payment on February 23, 2024 along with maturity proceeds. (Refer Illustration for cash flows)
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N.A.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	As mentioned in this Term Sheet and Debenture Trust Deed.
Day Count Basis	Interest shall be computed on an “actual/actual basis”. Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis in accordance with SEBI circular No CIR/IMD/DF-1/122/2016 dated November 11, 2016.
Interest on Application Money	N.A.
Interest on Refunded Money against which Allotment is not made	N.A.
Default Interest Rate	2% p.a. over the coupon rate will be payable by the Company for the defaulting period in case of default in payment of interest/redemption amount.
Tenor	3 years
Redemption Date	February 23, 2024
Redemption Amount	Redeemed at face value of Debentures
Redemption Premium /Discount	Nil
Issue Premium/Discount	Nil
Issue Price	₹ 10 lakh per Debenture
Discount at which security is issued and the effective yield as a result of such discount.	Nil

Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Face Value	₹ 10 lakh per Debenture
Minimum Application/bid and in multiples of Debt securities thereafter	Application must be for a minimum size of INR 1 Crore (10 Debentures) and in multiple of INR 10 lakh (1 Debenture) thereafter.
Type /Form of Bidding	Closed
Yield Allotment	Uniform
Bidding date	February 22, 2021
Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Deemed Date of Allotment	February 22, 2021 February 22, 2021 February 23, 2021 February 23, 2021
Settlement Cycle	T+1 ('T' being the bidding date as set out above)
No. of Applications**	N.A.
Issuance mode of the Instrument	In Dematerialized mode
Trading mode of the Instrument	In Dematerialized mode
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of cheque(s)/warrant(s), demand draft(s)/direct credit/ RTGS/NECS/NEFT or any other electronic mode offered by the Banks
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Business Day Convention	<p>'Business day' shall be the day on which money markets is functioning in Mumbai. If the interest payment date / redemption doesn't fall on a business day, then payment of interest / principal amount shall be made in accordance with SEBI circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016 as amended from time to time.</p> <p>If the interest payment day doesn't fall on a business day, the payment of interest up to original scheduled date, will be made on the following working day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Debentures until but excluding the date of such payment. It is clarified that Interest/redemption with respect to debentures, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p> <p>If the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.</p>
Record Date	15 days prior to each Coupon Payment Date/ Redemption date.

Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document	Debentures are unsecured
Reissuance and consolidation	Our Company shall have right to reissue or consolidate the Debentures under present series in accordance with applicable law
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1. Letter appointing Trustees to the Debenture holders;</li> <li>2. Debenture Trusteeship Agreement;</li> <li>3. Debenture/Debenture Trust Deed;</li> <li>4. Rating letter from CRISIL;</li> <li>5. Rating letter from ICRA;</li> <li>6. Letter appointing Registrar;</li> <li>7. Application made to BSE for seeking their in-principle approval for listing of Debentures;</li> </ol>
Additional Covenants	<p>The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL)/ Central Depository Services (India) Ltd. (CDSL)/ Depository Participant will be given credit within 2 days from the Deemed Date of Allotment.</p> <p>Listing: The listing of the Debentures shall be completed within 4 trading days of Issue Closing Date.</p> <p>In case of delay in listing of the debt securities beyond the period as specified above, the Company will pay penal interest of at-least 1 % p.a. over the coupon rate from the Deemed Date of Allotment till date of listing.</p> <p>In case the Debentures issued to the SEBI registered FIIs / sub-accounts of FIIs/FPIs are not listed within 15 days of issuance to the SEBI registered FIIs / sub-accounts of FIIs/FPIs, for any reason, then the FII/sub-account of FII/FPIs shall immediately dispose of the Debentures either by way of sale to a third party or to the Issuer and in case of failure to list the Debentures issued to SEBI registered FIIs/ sub-accounts of FIIs/FPIs within 15 days of issuance, the Issuer shall immediately redeem / buyback such Debentures from the FIIs/sub-accounts of FIIs/FPIs.</p> <p>Where the Company fails to execute the trust deed within three months from the closure of the issue, the Company shall pay interest of at least two percent per</p>

	annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>Events of default</p> <ol style="list-style-type: none"> <li>Failure by the Issuer to pay any amount due and payable to the Debenture Holders including interest and principal.</li> <li>If the Issuer has been declared as insolvent under Insolvency and Bankruptcy Code, 2016.</li> <li>The Issuer, without consent of the Debenture Trustee, ceases to carry on its business or gives notice of its intention to do so.</li> </ol> <p>For detailed and any additional 'Events of Default' and procedure of voting please refer to debenture trust deed to be executed between the Issuer and the Trustee.</p>
Recovery Expenses Fund	The Company will create and maintain the recovery expense fund as per the terms of applicable law, including any guidelines in this regard from SEBI, as may be amended from time to time.
Conditions for breach of covenants	<ol style="list-style-type: none"> <li>Any default or delay in payment of interest or principle on due dates.</li> <li>Any default in redemption of Debentures.</li> <li>If the Company fails to comply with terms of issue of the Debentures.</li> <li>Any petition for liquidation is admitted against the Company.</li> <li>Any other event as may be specified in the Debenture Trust Deed.</li> </ol> <p>For further details please refer to Debenture Trust Deed.</p>
Remedies	<p>In case any Event of default happens, the trustee shall have the following rights:</p> <ol style="list-style-type: none"> <li>to appoint a nominee director as per the SEBI (Debenture Trustee) Regulations, 1993 on the board of directors of the Company</li> <li>initiate action under Insolvency and Bankruptcy Code, 2016 (wherever applicable)</li> <li>levy default interest at the rate of 2% per annum on overdue amounts</li> <li>exercise such other rights as the Trustee may deem fit under Applicable Law.</li> </ol>
Cross Default	N.A.
Trustee	Axis Trustee Services Limited
Registrars	Zuari Finserv Limited
Role and Responsibilities of Debenture Trustee	The Trustees shall protect the interest of the Debenture holders as stipulated in the Debenture Trust Deed and in the event of default by SBICPSL in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of SBICPSL. No Debenture holder shall be entitled to proceed directly against SBICPSL unless the Trustees, having become so bound to proceed, fail to do so.
Risk factors pertaining to the issue	For risk factors pertaining to Issue, please refer to Section IX Management's Perception of Risk Factors"
Conditions precedent to subscription of Debentures	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> <li>Rating letters from ICRA and CRISIL not being more than one month old from the issue opening date;</li> <li>Seek a written consent letter from the Trustees conveying their consent to act as Trustees for the Debenture holders;</li> <li>Making an application to BSE for seeking their in-principle approval for listing of Debentures.</li> </ol>
Conditions subsequent to subscription of Debentures	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:</p> <ol style="list-style-type: none"> <li>Ensuring that the payment made for subscription to the Debentures is from the bank account of the person/ entity subscribing to the Debentures and keep record of the bank accounts from where payments for subscriptions have been received and in case of subscription to the Debentures to be held by joint</li> </ol>

	<p>holders, monies are paid from the bank account of the person whose name appears first in the Application Form;</p> <ol style="list-style-type: none"> <li>Maintaining a complete record of private placement offers in Form PAS-5 and filing the such record along with Private Placement Offer Letter in Form PAS-4 with the Registrar of Companies, National Capital Territory of Delhi &amp; Haryana with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and with Securities and Exchange Board of India, within a period of thirty (30) days of circulation of the Private Placement Offer Letter;</li> <li>Filing a return of allotment of Debentures with complete list of all Debenture holders in Form PAS-3 under Section 42(9) of the Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi &amp; Haryana within fifteen (15) days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014;</li> <li>Credit of demat account(s) of the allottee(s) by number of Debentures allotted within the stipulated time period from the Deemed Date of Allotment;</li> <li>Taking steps for listing of Debentures with BSE within 4 trading days from the Issue Closing Date;</li> <li>Submission of Debenture/Debenture Trust Deed with BSE within five working days of execution of the same for uploading on their website.</li> </ol> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p>
Mode of Subscription	<p>Successful bidders are required to do the funds pay-in from their same bank account which is updated by them in the NSE Bond – EBP Platform while placing the bids. In case of mismatch in the bank account details between NSE Bond -EBP Platform and the bank account from which payment is done by the successful bidder, the payment will be returned back.</p> <p>Payment should be made by the deadline specified by the NSE. Successful bidders should do the funds pay-in to the bank accounts of the clearing corporation of the relevant Exchanges as further set out under “Particulars of the Offer” Section of the Private Placement Offer Letter.</p>
Settlement Mechanism	Through clearing corporation of NSE
Allocation Option	Uniform Yield
Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of New Delhi.

Disclaimer of the RBI: The Company has a valid Certificate of Registration No. 14.01328 dated 13-11-2019 (in lieu of earlier certificate of Registration no. 14.01328 dated October 6, 1998 issued by RBI, New Delhi) issued by the Reserve Bank of India under Section 45I-A of the Reserve Bank of India Act, 1934. However, the Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or correctness of any of the statements or representations made or opinions expressed by the Company and repayment of deposits/discharge of liabilities by the Company.

\* As per the SEBI circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016, if the interest payment date falls on a holiday or Sunday, the payment may be made on the following working day without including the interest for holiday or Sunday and the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. The said Provision shall be applicable for the debt securities issued, in accordance with SEBI (Issue and Listing of Debt Securities) Regulations, 2008, on or after January 01, 2017.

\*\* As per the RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, there shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹ 1 crore and above.

**Illustration of Debenture Cash Flows for Series 23**

<b>Company</b>	SBI Cards and Payment Services Limited
<b>Face Value (per security)</b>	₹ 10,00,000/-
<b>Date of Allotment</b>	February 23, 2021
<b>Tenure</b>	3 years
<b>Coupon Rate</b>	5.90% p.a.
<b>Frequency of the Interest Payment with specified dates</b>	Annual
<b>Day Count Convention</b>	Actual / Actual

Particulars	Original Date	Revised Date	No. of Days	Cash Flow
1st Coupon	February 23, 2022 (Wednesday)	February 23, 2022 (Wednesday)	365	59,000.00
2nd Coupon	February 23, 2023 (Thursday)	February 23, 2023 (Thursday)	365	59,000.00
3 <sup>rd</sup> Coupon	February 23, 2024 (Friday)	February 23, 2024 (Friday)	365	59,000.00
Principal Repayment	February 23, 2024 (Friday)	February 23, 2024 (Friday)		10,00,000.00
<b>TOTAL: -</b>				<b>11,77,000.00</b>

## SECTION XIII

### MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE

1. SBI Business Process Management Services Private Limited (SBIBPMSL) amalgamated with the Company, effective April 1, 2018 in line with the Order passed by the Hon'ble National Company Law Tribunal ("NCLT"), dated June 4, 2019. SBIBPMSL was predominantly acting as a captive unit handling business processes of the Company. Upon amalgamation the entire business, including all assets and liabilities of SBIBPMSL stand transferred to and vested in SBICPSL. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values or recognize any new assets or liabilities. The only adjustments were made to harmonize accounting policies.
2. The Deputy Director of Employee State Insurance Corporation ("ESIC") passed an order (the "Impugned Order") dated April 24, 2019, against our Company under the Employee State Insurance Act, 1948, based on an inspection report prepared by the ESIC inspectors after undertaking an inspection at our Corporate Office. Our Company was thereby directed to pay ₹ 32.73 million as a contribution to the ESIC, for the Fiscal 2015, as a principal employer under the ESI Act within a period of 60 days from the date of the Impugned Order. Our Company filed an appeal before the Appellate Authority, ESIC ("Appellate Authority") against the Impugned Order. Pursuant to the appeal filed our Company was given an opportunity to be heard personally by the Appellate Authority. Further, the Company made the final submissions to the Appellate Authority wherein a hearing was conducted, and the order has been passed on November 15, 2019 (the "Second Impugned Order") whereby the earlier amount has been reduced to ₹ 25.32 million vide the Second Impugned Order. Subsequently, our Company filed a petition dated December 17, 2019 before the Employees' Insurance Court ("E.I. Court") seeking a stay, amongst others, quashing of the Second Impugned Order. The E.I. Court passed an order dated December 20, 2019 restraining ESIC from effecting recovery of the remaining amount till further orders. The matter is currently pending before the E.I. Court. The matter is listed on January 29, 2021.
3. The shareholders of the Company in the meeting held on August 2, 2019 approved the resolution to convert the Company from 'private limited company' to 'public limited company'. ROC of Delhi issued a fresh certificate of incorporation upon conversion of Company from Private Company to Public Company dated August 20, 2019 and consequently, name of the Company changed to SBI Cards and Payment Services Limited. CIN of the Company has been also changed from 'U65999DL1998PTC093849' to 'L65999DL1998PLC093849'.
4. The Pursuant to the prospectus dated March 06, 2020 filed by the Company with the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi on March 06, 2020 for the proposed IPO, the equity shares of the Company had been listed to the stock exchanges i.e. NSE and BSE on March 16, 2020
5. The impact of COVID-19 has led to significant volatility in global and Indian financial markets, which may persist even after restrictions related to the pandemic outbreak are lifted. While there have been some improvements in economic activities in the current quarter, the continued slowdown has impacted new credit card originations, use of credit cards by customers and the efficiency in collection efforts.

Further, in accordance with RBI circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 with regard to providing relief to borrowers on account of COVID-19 pandemic, SBI Card had offered moratorium on credit card dues to eligible borrowers till August 31, 2020 in accordance with Board approved policy. Thereafter, as per RBI circular dated August 6, 2020 with regard to resolution framework on COVID19 related stress and as per Board approved policy, Company has allowed one-time resolution to eligible customers by offering them an option of converting credit card dues into EMIs of up-to 24 months. As of December 31, 2020, outstanding balance of such accounts was Rs 234,381.63 lakhs. The Company has classified such balance under Stage 2 assets and holds adequate provision against such assets.



The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these Condensed Interim Financial Statements and the Company will continue to closely monitor any material changes in future economic conditions.

6. The Honorable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & ANR), vide an interim order dated September 03, 2020 ("Interim Order"), has directed that accounts which were not declared NPA [Stage 3] till August 31, 2020 shall not be declared as NPA [Stage 3] till further orders. In line with the said Interim Order, the Company has not classified any accounts which were not NPA as of August 31, 2020 as per extant regulatory norms, as NPA [Stage3] after August 31, 2020. Further in light of the interim order, even accounts that would have been classified as NPA [Stage 3] post August 31, 2020 have not been and will not be, classified as NPA [Stage 3] till such time that the Hon'ble SC rules finally on the matter.

The Company's Gross NPA and Net NPA as of December 31, 2020 is 1.61% and 0.56% respectively. However, if the Company had classified such borrower accounts as NPA [Stage 3] after August 31, 2020, the Company's proforma Gross NPA and proforma Net NPA ratio would have been 4.51% and 1.58% respectively.

Pending disposal of the case, the Company as a matter of prudence has, in respect of such accounts made an additional provision as management overlay which is included in the overall ECL provision.

7. The Company uploads the detailed updates on Coronavirus impact with Stock exchanges and on company's website "[www.sbicard.com](http://www.sbicard.com)" from to time.
8. Appointment of Shri Rama Mohan Rao, Nominee of SBI designated as Managing Director & CEO of the Company w.e.f January 30, 2021. The said appointment has been made pursuant to resignation of Shri Ashwini Kumar Tewari as Nominee Director, Managing Director & CEO of the Company w.e.f. close of business hour of January 27, 2021.

## SECTION XIV CREDIT RATING & RATIONALE THEREOF

CRISIL Limited (“**CRISIL**”) vide letter dated February 09, 2021 has reaffirmed a credit rating of “**CRISIL AAA/Stable**” to the long-term borrowing programme of SBICPSL aggregating to ₹ 4,100 crores. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. A copy of rating letter from CRISIL is enclosed elsewhere in this Private Placement Offer Letter.

ICRA Limited (“**ICRA**”) vide letter dated January 25, 2021 has assigned a credit rating of “**ICRA AAA**” to the long-term borrowing programme of SBICPSL aggregating to ₹ 4,100 crores. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. A copy of rating letter from CRISIL is enclosed elsewhere in this Private Placement Offer Letter.

Other than the CREDIT ratings mentioned hereinabove, SBICPSL has not sought any other CREDIT rating from any other CREDIT rating agency(ies) for the Debentures offered for subscription under the terms of this Private Placement Offer Letter.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

## SECTION XV NAME OF DEBENTURE TRUSTEE

In accordance with the provisions of Section 71 of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules 2014 and Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, SBICPSL has appointed Axis Trustee Services Limited to act as Debenture Trustee ("**Debenture Trustee**") for and on behalf of the holder(s) of the Debentures. The address and contact details of the Trustees are as under:



2nd Floor – E, Axis House,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400 025

A copy of letter dated February 17, 2021 from Axis Trustee Services Limited conveying their consent to act as Debenture Trustee for the current issue of Debentures is enclosed elsewhere in this Private Placement Offer Letter.

SBICPSL hereby undertakes that the rights of the Debenture holders will be protected as per the agreement/deed executed/to be executed between SBICPSL and the Debenture Trustee. The Debenture Trustee Agreement/Deed shall contain such clauses as may be prescribed under Section 71 of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014 and those mentioned in Schedule IV of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. Further the Debenture Trustee Agreement/Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Debenture Trustee or SBICPSL in relation to any rights or interests of the holder(s) of the Debentures; (ii) limiting or restricting or waiving the provisions of the SEBI Act; SEBI Debt Regulations and circulars or guidelines issued by SEBI; and (iii) indemnifying the Trustees or SBICPSL for loss or damage caused by their act of negligence or commission or omission.

The Debenture holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Debentures. Any payment made by SBICPSL to the Debenture Trustee on behalf of the Debentureholder(s) shall discharge SBICPSL *protanto* to the Debenture holder(s). The Debenture Trustee shall protect the interest of the Debenture holders in the event of default by SBICPSL in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of SBICPSL. No Debenture holder shall be entitled to proceed directly against SBICPSL unless the Debenture Trustee, having become so bound to proceed, fail to do so. In the event of SBICPSL defaulting in payment of interest on Debentures or redemption thereof, any distribution of dividend by SBICPSL shall require approval of the Debenture Trustee.

## SECTION XVI

### STOCK EXCHANGE WHERE SECURITIES ARE PROPOSED TO BE LISTED

The Fixed rate Unsecured, Rated, Taxable, Redeemable, Senior, Non-convertible Debentures (“Debentures”) (Series 23) are proposed to be listed on the Wholesale Debt Market (WDM) Segment of the BSE. The Company has obtained the in-principle approval of BSE for listing of the Debentures. SBICPSL shall make an application to the BSE to list the Debentures to be issued and allotted under this Private Placement Offer Letter and complete all the formalities relating to listing of the Debentures within stipulated time (as per applicable law) from the date of closure of the Issue. If the permission to list and trade the Debentures is not granted by the stock exchange, our Company shall forthwith repay, without interest, all such moneys received from the Applicant in pursuance of this Private Placement Offer Letter, Section 42 of the Companies Act, 2013 and other applicable provisions of the law. If default is made, our Company and every officer in default will liable to fine as prescribed in Section 42 of the Companies Act, 2013 and other applicable provisions of the law.

In connection with listing of Debentures with BSE, SBICPSL hereby undertakes that:

- It shall comply with conditions of listing of Debentures as may be specified in the Listing Agreement with BSE.
- Ratings obtained by SBICPSL shall be periodically reviewed by the CREDIT rating agencies and any revision in the rating shall be promptly disclosed by SBICPSL to BSE.
- Any change in rating shall be promptly disseminated to the holder(s) of the Debentures in such manner as BSE may determine from time to time.
- SBICPSL, the Debenture Trustee and BSE shall disseminate all information and reports on Debentures including compliance reports filed by SBICPSL and the Trustees regarding the Debentures to the holder(s) of Debentures and the general public by placing them on their websites.
- Debenture Trustee shall disclose the information to the holder(s) of the Debentures and the general public by issuing a press release in any of the following events:
  - (i) default by SBICPSL to pay interest on Debentures or redemption amount;
  - (ii) revision of rating assigned to the Debentures;
- The information referred to in para above shall also be placed on the websites of the Trustees, SBICPSL, and BSE.

**SECTION XVII**  
**DEBT EQUITY RATIO (On standalone basis)**

(₹ in crores)

Particulars	Pre-Issue*	Post-Issue#
<b>Debt</b>		
Short Term Debt	4,234.30	4,234.30
Long Term Debt	13,914.13	14,464.13
<b>Total Debt (A)</b>	<b>18,148.43</b>	<b>18,698.43</b>
<b>Equity</b>		
Share Capital	940.53	940.53
Reserves & Surplus	5,245.53	5,245.53
Deferred Revenue Expenses	-	-
<b>Total Equity (B)</b>	<b>6,186.06</b>	<b>6,186.06</b>
<b>Debt / Equity (A/B)</b>	<b>2.93</b>	<b>3.02</b>

\* Pre-issue figures are as on December 31, 2020

\*\* This excludes capital reserve of Rs 71.51 Crores created out of amalgamation as per Companies Act.

# No effect has been given for changes in equity and debt instruments after December 31, 2020 except Rs 550 crores towards current Bond Series.

## SECTION XVIII WILFUL DEFAULTER

Neither the Issuer nor its Promoter or any of the current directors of the Issuer has been declared as wilful defaulter.

<b>Name of the bank declaring entity to be a wilful defaulter</b>	<b>Year in which entity is declared as wilful defaulter</b>	<b>Outstanding amount at the time of declaration</b>	<b>Name of the entity declared as wilful defaulter</b>	<b>Steps taken from the removal from the list of wilful defaulters</b>	<b>Other disclosures</b>	<b>Any other disclosure</b>
Nil	Nil	Nil	Nil	Nil	Nil	Nil

## **SECTION XIX**

### **SERVICING BEHAVIOUR ON EXISTING DEBT SECURITIES AND OTHER BORROWINGS**

SBICPSL hereby confirms that:

- a) The main constituents of SBICPSL's borrowings have been in the form of borrowings from Banks and Financial Institutions, Debentures, CP etc.
- b) SBICPSL has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- c) SBICPSL has neither defaulted in repayment/ redemption of any of its borrowings nor effected any kind of roll over against any of its borrowings in the past.



## **SECTION XX**

### **UNDERTAKING REGARDING COMMON FORM OF TRANSFER**

The Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/CDSL/Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with SBICPSL.

## SECTION XXI

### MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER

By very nature of its business, SBICPSL is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of SBICPSL. However, the contracts referred below (not being contracts entered into in the ordinary course of the business carried on by SBICPSL) which are or may be deemed to be material have been entered into by SBICPSL. Copies of these contracts together with the copies of documents referred below may be inspected at the Head Office of SBICPSL between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

#### MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of the Company as amended to date.
2. Certificate of Incorporation dated May 15, 1998
3. Certificate of Incorporation consequent upon conversion to public limited dated August 20, 2019
4. Copy of shareholders resolution obtained for overall borrowing limit.
5. Credit Rating letters issued by ICRA and CRISIL respectively.
6. Auditor's Report and financial statements prepared under IND-AS for the financial year ending March 31, 2020 (along with comparative figures of March 31, 2019), March 31, 2019 (along with comparative figures of March 31, 2018 and April 01, 2017) and condensed financial statement as at September 30, 2020.
7. Annual Report of the Company for the last three Fiscals (FY 2019-20, FY 2018-19 & FY 2017-18)
8. Board Resolutions dated July 20, 2020 authorizing issue of Debentures offered on private placement basis.
9. Letter of consent from Trustee dated February 17, 2021 for acting as Trustees for and on behalf of the holder(s) of the Debentures.
10. Tripartite Agreement between SBICPSL, NSDL and Zuari Finserv Limited for issue of Debentures in Dematerialized form.
11. Tripartite Agreement between SBICPSL, CDSL and Zuari Finserv Limited for issue of Debentures in Dematerialized form.
12. Debenture Trustee Agreement between the Company and Debenture Trustee.
13. Debenture Trust Deed in favour of Trustee.
14. EBP Agreements with NSE dated November 22, 2018.

**SECTION XXII  
DECLARATION**

The Company undertakes that this Private Placement Offer Letter contains full disclosures in conformity with Form PAS-4 prescribed under Section 42 and rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 6, 2008, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, as amended, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended issued by the Reserve Bank of India.

The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder. It is to be distinctly understood that compliance with the Companies Act, 2013 and the rules does not imply that payment of interest or repayment of Debentures, is guaranteed by the Central Government.

The Company undertakes that the monies received under the Issue shall be utilized only for the purposes and 'Objects of the Issue' indicated in the Private Placement Offer Letter.

The Issuer accepts no responsibility for the statement made otherwise than in the Private Placement Offer Letter or in any other material issued by or at the instance of the Issuer and that anyone who places reliance on any other source of information would be doing so at his own risk.

The undersigned has been authorized by the Board of Directors of the Company vide resolution number 29 dated July 20, 2020 to sign this Private Placement Offer Letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this Private Placement Offer Letter and, in the attachments, thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association of the Company.

It is further declared and verified that all the required attachments have been completely, correctly, and legibly attached to this Private Placement Offer Letter.

**For and on behalf of the Board of Directors of SBI Cards and Payment Services Limited  
(Formerly Known as SBI Cards and Payment Services Private Limited)**

**Nalin Negi**  
**Chief Financial Officer**

**Vinay Gupta**  
**Finance Controller**

Place: Gurugram  
Date: February 22, 2021

- (i) Copy of resolution of the Board of Directors authorizing the present Issue of Debentures.
- (ii) Copy of rating letters from ICRA and CRISIL.
- (iii) Copy of consent letter from Axis Trustee Company Limited to act as Trustees for the Debenture holders.

**SECTION XXIII  
ANNEXURES**

**A. CONSENT LETTER OF TRUSTEE**

Annexed as Annexure – I

**B. CREDIT RATING LETTERS & RATING RATIONALE**

Annexed as Annexure- II

**C. COPY OF BOARD RESOLUTION DATED JULY 20, 2020**

Annexed as Annexure- III

**D. LATEST QUARTERLY FINANCIALS AS OF DECEMBER 31, 2020 AS SUBMITTED TO STOCK EXCHANGE**

Annexed as Annexure- IV

ATSL/CO/20-21/0157  
February 17, 2021

**SBI Cards and Payment Services Limited**  
11<sup>th</sup> Floor, Tower C, DLF Infinity Towers,  
Block 2, Building No. 3, DLF Cyber City,  
Gurgaon 122002

**Kind Attn.:- Mr. Munish Gupta**

Dear Sir,

**Sub: Consent to act as Debenture Trustee for listed unsecured non-convertible debentures (NCDs) aggregating up to Rs.550 Crores proposed to be issued by SBI Cards and Payment Services Limited ("Issuer Company")**

We, Axis Trustee Services Limited, hereby give our consent to act as the Debenture Trustee for the above mentioned issue of Debentures having a tenure of more than one year and are agreeable to the inclusion of our name as Debenture Trustee in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum and/or application to be made to the Stock Exchange for the listing of the said Debentures.

Axis Trustee Services Limited (ATSL) consenting to act as Debenture Trustees is purely its business decision and not an indication on the Issuer Company's standing or on the Debenture Issue. By consenting to act as Debenture Trustees, ATSL does not make nor deems to have made any representation on the Issuer Company, its Operations, the details and projections about the Issuer Company or the Debentures under Offer made in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document. Applicants / Investors are advised to read carefully the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document and make their own enquiry, carry out due diligence and analysis about the Issuer Company, its performance and profitability and details in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document before taking their investment decision. ATSL shall not be responsible for the investment decision and its consequence.

We also confirm that we are not disqualified to be appointed as Debentures Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014.

Yours truly,

**For Axis Trustee Services Limited**

Digitally signed  
by Mangalagowri  
Bhat  
Date: 2021.02.17  
15:22:05+05'30'  
**Mangalagowri Bhat**  
**Assistant General Manager**



# Ratings

**CRISIL**  
An S&P Global Company

CONFIDENTIAL

SBICSPL/258694/NCD/112001715/5

February 9, 2021

Mr. Nalin Negi

Chief Financial Officer

SBI Cards and Payment Services Limited

Floor 12, Tower C

DLF Infinity Towers, DLF Phase - 2

DLF Cyber City,

Gurgaon - 122002

Dear Mr. Nalin Negi,

**Re: CRISIL Rating on the Non-Convertible Debentures\* Aggregating Rs.4100 Crore of SBI Cards and Payment Services Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated January 15, 2021 bearing Ref. no: SBICSPL/258694/NCD/112001715/4

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	4100	CRISIL AAA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL Ratings believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crsil.com](mailto:debtissue@crsil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtissue@crsil.com](mailto:debtissue@crsil.com)

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Subha Sri Narayanan  
Director - CRISIL Ratings

Nivedita Shibu  
Associate Director - CRISIL Ratings

\*Yet to be issued Rs.1005 Crore

**Disclaimer:** A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy, sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers, users, transmitters, distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crsil.com](http://www.crsil.com). CRISIL Ratings or its associates may have other commercial transactions with the company entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at [CRISILratings@crsil.com](mailto:CRISILratings@crsil.com) or at 1800-267-1301.

CRISIL Ratings Limited  
(A subsidiary of CRISIL Limited)  
Corporate Identity Number: U08110MH2019PLC026247

## Rating Rationale

November 13, 2020 | Mumbai

### SBI Cards and Payment Services Limited

'CRISIL AAA/Stable' assigned to NCD

#### Rating Action

Total Bank Loan Facilities Rated	Rs.19000 Crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Rs.1000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Assigned)
Non-Convertible Debentures Aggregating Rs.3100 Crore	CRISIL AAA/Stable (Reaffirmed)
Lower Tier II Bonds Aggregating Rs.1700.2 Crore	CRISIL AAA/Stable (Reaffirmed)
Rs.1400 Crore Non Convertible Debentures	CRISIL AAA/Stable (Withdrawn)
Rs.50 Crore Lower Tier II Bonds	CRISIL AAA/Stable (Withdrawn)
Rs.19000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL has assigned its 'CRISIL AAA/Stable' rating to the Rs.1000 crore non-convertible debentures (NCD) of SBI Cards and Payment Services Limited (SBI Cards) and reaffirmed its ratings on existing debt instruments and bank facilities at 'CRISIL AAA/Stable/CRISIL A1+'. CRISIL has also withdrawn Rs 1400 crore of NCDs and Rs 50 crore of tier 2 bonds as the same has been redeemed and withdrawal is in line with CRISIL's withdrawal policy.

CRISIL's ratings of SBI Cards continue to reflect CRISIL's belief that SBI Cards will continue to receive strong support from its majority shareholder, State Bank of India (SBI; rated 'CRISIL AAA/CRISIL AA+<sup>1</sup>/FAAA<sup>2</sup>/Stable/CRISIL A1+'), on an ongoing basis as well as in the event of distress. Ownership pattern and shared brand imply a strong moral obligation on SBI to continue supporting SBI Cards in meeting debt obligation in a timely manner.

The nationwide lockdown imposed by the GoI to contain the spread of the Covid-19 pandemic has impacted disbursements and collections of financial institutions. The lockdown has been eased in a phased manner. However, certain states have implemented local lockdowns. CRISIL believes the eventual lifting of restrictions will continue to be in a phased manner. Any delay in return to normalcy will put further pressure on collections and asset quality metrics of financial institutions.

On the liability side, the Reserve Bank of India (RBI) announced regulatory measures under 'Covid-19 - Regulatory Package', whereby lenders were permitted to grant moratorium on bank loans. CRISIL understands that SBI Cards did not avail of any moratorium on its bank loans.

On the asset side, SBI Cards has offered moratorium to its borrowers till August 31, 2020. Thereafter, they have extended one-time restructuring to 9% of its total loan book under RBI's resolution plan, after stringent filtering the set of genuinely affected borrowers.

SBI Cards' standalone credit risk profile is supported by its improving market position. The company is the second largest player in the credit card industry, with around 1.1 crores cards in circulation and market share of around 18.7% as of Aug 31, 2020. Profitability is also above average, with return on assets of 4.9% during first half of fiscal 2021. However, given the unsecured and inherently risky nature of the business, the company remains susceptible to asset quality challenges.



# Ratings

## Analytical Approach

For arriving at the ratings, CRISIL has considered the standalone business and financial risk profiles of SBI Cards and notched up the ratings to those of its parent, SBI. This is because of the strategic importance of SBI Cards to SBI as well as the majority ownership and brand sharing, which enhance the moral obligation to support the entity.

## Key Rating Drivers & Detailed Description

### **Strengths**

#### **\* Strong support from majority parent**

The credit card business is integral to a bank's product offerings for retail customers. SBI Cards houses the entire credit card business for SBI and is, therefore, strategically important to parent. The company receives strong financial, branding, and managerial support from SBI on an ongoing basis. Also, parent has infused its share of equity capital in SBI Cards as and when needed. The company benefits from the strong franchise of SBI and commands a premium in co-branded cards. Senior employees from SBI have been deputed at senior positions in SBI Cards and are involved in its strategic decision making as well as monitoring the operations on a regular basis. SBI holds 69.45% stake in the company and will continue to hold majority stake over the medium term and will continue to provide strong support to SBI Cards both on an ongoing basis and in the event of distress.

#### **\* Improving market position**

The company has grown higher than industry average during the past few years and increased its market share in terms of total cards in force to 18.7% as of August 31, 2020 from around 13.2% at the end of fiscal 2013. Hence, SBI Cards has become the second-largest player in the credit card industry in terms of cards in force and had around Rs 23,978 crore in net card receivables, as of September 30, 2020. In terms of spends, it commanded 20.2% market share in first half of fiscal 2021. The company is expected to continue to benefit from its strong distribution network and SBI's large clientele, and further improve its market share over the medium term.

#### **\* Above-average profitability**

SBI Cards has maintained its return on assets at above 4% for more than past 5 years, supported by healthy interest as well as fee income. Cost of funds has also been maintained at a competitive level, supported by regular funding from SBI. Expenses on sales promotion and advertising have, however, gone up in the past few years because of intensifying competition.

### **Weaknesses**

#### **\* Asset quality susceptible to unsecured nature of business**

SBI Cards is involved in a business that is unsecured in nature. This makes the portfolio inherently risky. The company faced asset quality challenges in the middle of the previous decade. In fiscal 2009, SBI Cards revamped its entire business model and wrote off all its historical delinquencies. The company also tightened its risk management practices over the years and has maintained strong portfolio quality since then. Ability to maintain strong risk management practices, however, remains critical to sustaining asset quality at current levels, especially with sizable increase in cards in force following continuous years of high growth. GNPA ratio ranged between 1.5-3% over past several years. However, due to COVID outbreak followed by slowdown in economy, asset quality has deteriorated with GNPA ratio inching up from 2% as on Mar-20 to 4.3% as on Sep-20. Over and above this, 3.2% of loans would have been classified as NPA if Supreme Court had not ordered an NPA standstill. Further, SBI Cards have restructured ~9% of the total loans under RBI's resolution plan where company has provided flexibility in payment of the credit card outstanding over 12-18 months with an interest rate of 14-16%. Trend in asset quality and its impact on profitability will remain a key rating monitorable.

### **Liquidity Superior**

Given the shorter tenure of assets, SBI Cards' asset-liability management (ALM) profile has cumulative positive mismatches in all the buckets of up to one year as on September 30, 2020. As of September 30, 2020, company had Rs 10,603 crores of scheduled repayments over the next 3 months against expected asset collections of Rs 13,260 crores over the same period. Moreover, company has Rs 7,750 crore of unutilized bank lines as of Sep-20. The company's commercial paper borrowings are also backed by unutilized bank lines.

# Ratings

**CRISIL**

An S&amp;P Global Company

**Outlook: Stable**

CRISIL believes SBI Cards will continue to benefit from parent's strong financial, branding, and managerial support, and will continue to improve its market share while maintaining profitability over the medium term.

**Rating Sensitivity Factors****Downward Factors**

- \* Any significant reduction in support to SBI Cards or any downward rating action on SBI may result in a corresponding rating action on SBI Cards; and/or
- \* Deterioration in asset quality (with net credit cost crossing 10%) leading to significant increase in provisioning cost on a steady state basis.

**About the Company**

SBI Cards is the second-largest player in the credit card business with about 1.1 crore cards in force enjoying a healthy market share of 18.7% as of August 31, 2020. As per IND AS, net profit was Rs 1245 crore on a total income of Rs 9752 crore during fiscal 2020, against a net profit of Rs 865 crore on a total income of Rs 7287 crore in the previous fiscal. Return on assets stood at 5.5% in fiscal 2020. Gross stage 3 assets stood at 2.0% at the end of fiscal 2020 compared to 2.4% at the end of previous fiscal.

<sup>1</sup>The ratings pertain to Tier-I bonds (under Basel III)

<sup>2</sup>The rating pertains only to State Bank of Indore's (SBoI's) fixed deposit programme, rated by CRISIL, which has been transferred to SBI following the merger of SBoI with SBI.

**Key Financial Indicators (As per IND AS)**

As On/For The Period Ended March 31	Unit	2020	2019
Total assets	Rs.Cr	25303	20146
Total income	Rs.Cr	9752	7287
Profit after tax	Rs.Cr	1245	865
Gross stage 3 assets	%	2.01	2.4
Gearing	Times	3.3	3.8
Return on assets	%	5.5	4.8

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

CRISIL complexity levels are assigned to various types of financial instruments and are included (where applicable) in the Annexure -- Details of Instrument in this Rating

Rationale. For more details on the CRISIL complexity levels, please visit [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels).

# Ratings

## Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon rate (%)	Maturity Date	Issue size (Rs.Cr)	Complexity Level	Rating Assigned with Outlook
INE018E08052	Lower Tier II Bonds	26-Nov-14	9.00%	26-Nov-21	100	Complex	CRISIL AAA/Stable
INE018E08060	Lower Tier II Bonds	25-Feb-16	9.65%	25-Apr-22	100	Complex	CRISIL AAA/Stable
INE018E08078	Lower Tier II Bonds	17-Oct-16	8.10%	17-Oct-23	200	Complex	CRISIL AAA/Stable
INE018E08086	Lower Tier II Bonds	17-Jul-17	8.30%	17-May-23	500	Complex	CRISIL AAA/Stable
INE018E08144	Lower Tier II Bonds	29-Jan-19	9.55%	29-Jan-29	250	Complex	CRISIL AAA/Stable
INE018E08169	Lower Tier II Bonds	12-Jun-19	8.99%	12-Jun-29	100	Complex	CRISIL AAA/Stable
INE018E08193	Non-Convertible Debentures	26-02-20	7.40%	25-02-25	300	Simple	CRISIL AAA/Stable
INE018E08201	Non-Convertible Debentures	29-06-20	6.85%	29-06-23	400	Simple	CRISIL AAA/Stable
INE018E08219	Non-Convertible Debentures	17-08-20	5.75%	17-11-23	500	Simple	CRISIL AAA/Stable
INE018E08102	Non-Convertible Debentures	18-Jan-18	8.10%	10-May-21	110	Simple	CRISIL AAA/Stable
INE018E08136	Non-Convertible Debentures	18-Dec-18	9.15%	17-Jun-22	450	Simple	CRISIL AAA/Stable
INE018E08151	Non-Convertible Debentures	13-May-19	8.55%	12-Aug-22	175	Simple	CRISIL AAA/Stable
INE018E08177	Non-Convertible Debentures	14-Nov-19	7.60%	14-Feb-23	410	Simple	CRISIL AAA/Stable
INE018E08185	Non-Convertible Debentures	16-Dec-19	7.50%	09-Mar-23	300	Simple	CRISIL AAA/Stable
NA	Lower Tier II Bonds*	NA	NA	NA	450.2	Simple	CRISIL AAA/Stable
NA	Non-Convertible Debentures*	NA	NA	NA	455	Simple	CRISIL AAA/Stable
NA	Non-Convertible Debentures*	NA	NA	NA	1,000	Simple	CRISIL AAA/Stable
NA	Commercial Paper	NA	NA	7 to 365 Days	19,000	Simple	CRISIL A1+
	Cash Credit &						

# Ratings

**CRISIL**

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NA	Working Capital demand loan	NA	NA	NA	19,000	NA	CRISIL AAA/Stable
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\*Yet to be issued

## Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon rate (%)	Maturity Date	Issue size (Rs.Cr)	Complexity Level
INE018E08045	Lower Tier II Bonds	28-Sep-12	9.50%	28-Sep-19	50	Complex
INE018E08094	Non-Convertible Debentures	09-Aug-17	7.55%	07-Aug-20	500	Simple
INE018E08110	Non-Convertible Debentures	18-May-18	8.90%	18-Nov-21*	400	Complex
INE018E08128	Non-Convertible Debentures	17-Oct-18	9.50%	16-Oct-20	500	Simple

## Annexure - Rating History for last 3 Years

Instrument	Type	Current		2020 (History)		2019		2018		2017		Start of 2017
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	19000.00	CRISIL A1+	14-02-20	CRISIL A1+	12-09-19	CRISIL A1+	05-07-18	CRISIL A1+	18-10-17	CRISIL A1+	--
						12-07-19	CRISIL A1+	16-04-18	CRISIL A1+			
Lower Tier II Bonds	LT	1250.00 13-11-20	CRISIL AAA/Stable	14-02-20	CRISIL AAA/Stable	12-09-19	CRISIL AAA/Stable	05-07-18	CRISIL AAA/Stable	18-10-17	CRISIL AAA/Stable	CRISIL AAA/Stable
						12-07-19	CRISIL AAA/Stable	16-04-18	CRISIL AAA/Stable	12-05-17	CRISIL AAA/Stable	
Non Convertible Debentures	LT	3045.00 13-11-20	CRISIL AAA/Stable	14-02-20	CRISIL AAA/Stable	12-09-19	CRISIL AAA/Stable	05-07-18	CRISIL AAA/Stable	18-10-17	CRISIL AAA/Stable	--
						12-07-19	CRISIL AAA/Stable	16-04-18	CRISIL AAA/Stable	12-05-17	CRISIL AAA/Stable	
Short Term Debt (Including Commercial Paper)	ST									12-05-17	CRISIL A1+	CRISIL A1+
Fund-based Bank Facilities	LT/ST	19000.00	CRISIL AAA/Stable	14-02-20	CRISIL AAA/Stable	12-09-19	CRISIL AAA/Stable	05-07-18	CRISIL AAA/Stable	18-10-17	CRISIL AAA/Stable	CRISIL AAA/Stable
						12-07-19	CRISIL AAA/Stable	16-04-18	CRISIL AAA/Stable	12-05-17	CRISIL AAA/Stable	

All amounts are in Rs.Cr

# Ratings

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## Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit & Working Capital demand loan	19000	CRISIL AAA/Stable	Cash Credit & Working Capital demand loan	16500	CRISIL AAA/Stable
--	0	--	Proposed Long Term Bank Loan Facility**	2500	CRISIL AAA/Stable
<b>Total</b>	<b>19000</b>	<b>--</b>	<b>Total</b>	<b>19000</b>	<b>--</b>

\*\*Cash credit/working capital demand loan

### Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for rating short term debt](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support](#)

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ICRA

ICRA Limited

Ref: D/RAT/2020-21/S-72/41

Date: January 25, 2021

**Mr. Ashwini Kumar Tewari**  
Managing Director & CEO  
SBI Cards and Payment Services Limited  
DLF Infinity Towers  
Tower C, 10-12 Floor, Block 2, Building 3,  
DLF Cyber City  
Gurgaon-122002

Dear Sir,

**Re: ICRA Credit Rating for the Rs. 4,100 crore (yet to be placed: Rs 1,005 crore) Non-Convertible Debenture (NCD) Programme of SBI Cards and Payment Services Limited**

Please refer to your request for revalidating the rating letter issued for the captioned programme.

We confirm that the [ICRA] AAA (pronounced as ICRA Triple A) rating with a **stable** outlook assigned to your captioned programme and last communicated to you vide our letter dated December 28, 2020 stands. Instruments with [ICRA] AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref: D/RAT/2020-21/S-72/36 dated December 28, 2020.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

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**RATING • RESEARCH • INFORMATION**



ICRA

**ANNEXURE: INSTRUMENT DETAILS**

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE018E08102	NCD	1/18/2018	8.10%	5/10/2021	110	[ICRA]AAA(Stable)
INE018E08136	NCD	12/18/2018	9.15%	6/17/2022	450	[ICRA]AAA(Stable)
INE018E08151	NCD	5/13/2019	8.55%	8/12/2022	175	[ICRA]AAA(Stable)
INE018E08177	NCD	11/14/2019	7.60%	2/14/2023	410	[ICRA]AAA(Stable)
INE018E08185	NCD	12/16/2019	7.50%	3/9/2023	300	[ICRA]AAA(Stable)
INE018E08193	NCD	2/26/2020	7.40%	2/25/2025	300	[ICRA]AAA(Stable)
INE018E08201	NCD	6/29/2020	6.85%	6/29/2023	400	[ICRA]AAA(Stable)
INE018E08219	NCD	8/17/2020	5.75%	11/17/2023	500	[ICRA]AAA(Stable)
INE018E08227	NCD	22/12/2020	6.00%	22/12/2025	450	[ICRA]AAA(Stable)
Yet to be placed					1,005	[ICRA]AAA(Stable)

January 05, 2021

## SBI Cards and Payment Services Limited: [ICRA]AAA (Stable) assigned; earlier ratings reaffirmed

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debentures	3,100	3,100	[ICRA]AAA(Stable); reaffirmed
Non-convertible Debentures	1,000	-	[ICRA]AAA(Stable); reaffirmed and withdrawn
Non-convertible Debentures	-	1,000	[ICRA]AAA(Stable); assigned
Subordinated Debt Programme	1,700	1,700	[ICRA]AAA(Stable); reaffirmed
Long-term Short-term Bank Lines/ Commercial Paper Programme^	19,000	19,000	[ICRA]AAA(Stable)/[ICRA]A1+; reaffirmed
<b>Total</b>	<b>24,800</b>	<b>24,800</b>	

\*Instrument details are provided in Annexure-1; ^ CP borrowings are carved out of working capital lines; Total outstanding against the CP programme and bank lines should not exceed Rs. 19,000 crore; # Withdrawn as ISINs stand fully redeemed basis publicly available information

### Rationale

The ratings continue to factor in the strong parentage of SBI Cards and Payment Services Limited (SBICPSL) with the majority stake held by India's largest public-sector bank (PSB) i.e. State Bank of India (SBI; rated [ICRA]AAA(Stable)/[ICRA]A1+). As the credit card business is a key product offering for the bank's customers, SBICPSL is strategically important for SBI. This is also reflected in the bank's track record of providing branding and capital support to the company. ICRA believes that SBI will continue to hold a majority stake in SBICPSL and support from the parent will continue, going forward as well.

The ratings continue to factor in SBICPSL's strong liquidity position, track record of strong profitability with a seven-year average (FY2014 onwards) return on assets (RoA) and return on equity (RoE) of about 4.6% and 28%, respectively, and adequate capitalisation with a capital to risk weighted assets ratio (CRAR) of 25.3% and a gearing of 2.7 times as on September 30, 2020. Further, while the asset quality pressure and resultant credit cost increased significantly to over 9% of the average total assets in H1 FY2021 (compared to the seven-year average of about 4.5%), ICRA notes that SBICPSL enjoys adequate capital and profitability buffers to absorb the asset-side shock emanating from Covid-19-induced disruptions.

Given the Covid-19-induced disruptions and the resultant slowdown in the economy, SBICPSL's portfolio vulnerability has increased as reflected by the uptick in the percentage of gross non-performing loans to 7.5% in September 2020 (including the accounts which would have been declared non-performing if the standstill on account of the Supreme Court order was not applied) from the four-year average of 2.4%. Further, the company had restructured about 9% of the loan book (under the Reserve Bank of India's (RBI) resolution plan) by September 30, 2020. In this regard, while SBICPSL's track record of range-bound asset quality metrics over several years provides comfort, the evolving asset quality trajectory over the near term and the resultant impact on its profitability will remain a monitorable. While

reaffirming the ratings, ICRA continues to take cognisance of SBICPSL's monoline nature of operations. The company's portfolio remains relatively risky as it is largely unsecured with less than 2% of the portfolio being secured in nature.

## Key rating drivers and their description

### Credit strengths

**Strong parentage with majority stake held by India's largest PSB** – SBICPSL is a subsidiary of India's largest and oldest bank i.e. SBI (SBI held a 69.45% stake in SBICPSL as on September 30, 2020), which is rated [ICRA]AAA(Stable)/[ICRA]A1+. The company hosts the credit card business of the parent. As the credit card business is a key product offering for the bank's customers, SBICPSL is strategically important for SBI. This is also reflected in the bank's track record of providing branding and capital support to the company. Also, ICRA notes that SBICPSL shares strong management integration with the parent, with senior employees from the bank being deputed to senior positions at SBICPSL. The association with SBI has helped the company grow its business volumes by leveraging the parent's brand name and vast customer base and branch network. Also, SBI continues to be the largest lender to SBICPSL with a track record of enhancements in the working capital lines, whenever required. This augurs well for the company's borrowing and liquidity profile.

**Track record of strong profitability with adequate buffer to absorb asset-side shock emanating from Covid-19-induced disruptions** – Driven by high lending spreads and sizeable interchange and fee-based income, SBICPSL has consistently reported strong profitability, as reflected by the seven-year average (FY2014 onwards) RoA and RoE of about 4.6% and 28%, respectively. As expected, the credit cost has, however, increased significantly to over 9% in H1 FY2021 (compared to the seven-year average of about 4.5%) amid the Covid-19-induced disruptions and the resulting impact on the asset quality. Nonetheless, ICRA notes that SBICPSL enjoys capital and profitability buffers to absorb the asset-side shock emanating from Covid-19-induced disruptions. The operating expenses (primarily acquisition and marketing costs) had also been witnessing an upward trend prior to the onset of the pandemic, reflecting high competition and the company's focus on gaining market share. However, the growing interchange/fee-based income is expected to continue to support the profitability, thereby keeping it range-bound at a strong level over the medium to longer term, notwithstanding the expected moderation in FY2021.

**Adequate capitalisation** – The company remains adequately capitalised with a total equity of Rs. 5,877 crore and a gearing of 2.7 times as on September 30, 2020 and a CRAR of 25.3% against the regulatory requirement of 15%. In ICRA's opinion, a prudent capitalisation level is one of the key risk mitigants against the expected credit losses and a monitorable, given the monoline nature of operations with an unsecured portfolio. In this regard, SBICPSL is expected to maintain a prudent capitalisation level and ICRA believes that capital and liquidity support from SBI will be forthcoming, if required.

### Credit challenges

**Asset quality pressure emanating from Covid-19 induced disruptions** – Given the Covid-19 induced disruptions and the resultant slowdown in the economy, SBICPSL's portfolio vulnerability has increased as reflected by the uptick in the percentage of gross non-performing loans to 7.5% in September 2020 (including the accounts which would have been declared non-performing if the standstill on account of the Supreme Court's order was not applied) from the four-year average of 2.4%. Further, the company had restructured about 9% of the loan book (under the RBI's resolution plan) by September 30, 2020, whereby the outstanding balances were converted to term loans with a tenor up to 2 years. In this regard, while SBICPSL's track record of range-bound asset quality metrics over several years provides comfort, the evolving asset quality trajectory over the near term and the resultant impact on its profitability will remain a

monitorable. ICRA notes that the company had last faced major asset quality challenges during CY2008-CY2009, before it revamped its business model and credit underwriting standards/processes. Further, SBICPSL's management had taken measures like revising the screening policy to exclude higher delinquency segments, proactive blocking, reduction in credit lines, focussed collection activities, etc, during the past few years. This resulted in the stabilisation of delinquencies in CY2019, following the modest uptick in delinquencies in CY2018 due to the incremental portfolio originated in CY2017.

**Monoline nature of operations with presence in relatively risky target segment** – Due to the nature of its business, SBICPSL's product diversification remains low with concentration only in the credit cards business. Also, the company's portfolio remains relatively risky as it is largely unsecured with only 1.3% of the portfolio being secured in nature as on March 31, 2020.

### Liquidity position: Strong

Given the relatively shorter tenure of the assets, SBICPSL's asset-liability maturity (ALM) profile, in the normal course of business, is characterised by positive cumulative mismatches in the near-and-medium-term buckets. Further, the company typically maintains sizeable liquidity backup in the form of sanctioned and unutilised bank lines (its CP borrowings are also carved out of bank lines). Moreover, while the extension of a moratorium to its customers has resulted in a modest decline in collections in H1 FY2021, ICRA notes that SBICPSL has sufficient unutilised bank lines (about Rs. 7,862 crore as on September 30, 2020) to take care of its near-term debt servicing requirements and key operating expenses.

### Rating sensitivities

**Positive triggers** – Not applicable

**Negative triggers** – Pressure on the ratings could emerge on a significant decline in SBI's shareholding, leading to a lower likelihood of support from the parent and/or reduced operational linkages, besides a change in the credit profile of SBI.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">Impact of Parent or Group Support on an Issuer's Credit Rating</a>
Parent/Group Support	Parent/Group Company: State Bank of India (SBI) ICRA expects SBI to be willing to extend financial support to SBICPSL, if needed, given the importance that the credit card business holds for SBI. SBI and SBICPSL also share a common name, which, in ICRA's opinion, would persuade SBI to provide financial support to SBICPSL to protect its reputation from the consequences of a Group entity's distress
Consolidation/Standalone	Standalone

### About the company

SBI Cards and Payment Services Limited (SBICPSL), incorporated in 1998 and a 69.45%-subsidiary of SBI, is a non-deposit taking systemically important non-banking financial company registered with the Reserve Bank of India. It is the second largest credit card provider in the country, with a card base of about 11 million as of September 30, 2020. Apart from the

corporate office in Gurgaon and the registered office in New Delhi, SBICPSL has 22 branches with 140+ sourcing locations, 38,000+ sales agents, 4 call centres and over 6,000 collection agents across 140+ cities in India.

While SBICPSL was incorporated in 1998 as a joint venture between SBI and GE Capital Corporation, GE Capital Mauritius Overseas Investment sold its 40% stake in the company to SBI (14%) and CA Rover Holdings (26%) on December 15, 2017. Subsequently, SBICPSL got listed on stock exchanges in Q4 FY2020, whereby SBI's shareholding declined to 69.51% as on March 31, 2020 from 74% as on March 31, 2019.

SBICPSL reported a profit after tax (PAT) of Rs. 1,245 crore on an asset base of Rs. 26,632 crore in FY2020 vis-à-vis PAT of Rs. 865 crore on an asset base of Rs. 20,764 crore in FY2019. Subsequently, the company achieved a PAT of Rs. 599 crore in H1 FY2021 on an asset base of Rs. 26,365 crore. As on September 30, 2020, its reported a capital adequacy ratio was 25.3% (22.4% as on March 31, 2020) with a total equity of Rs. 5,877 crore (Rs. 5,341 crore as on March 31, 2020).

### Key financial indicators

	FY2018	FY2019	FY2020	H1 FY2021
PAT	604	865	1,245	599
Total equity	2,357	3,588	5,341	5,877
Receivables	14,570	18,526	24,141	23,978
Total assets	16,107	20,764	26,632	26,365
Return on average assets (%)^	4.6%	4.8%	5.5%	4.9%
Return on average net worth (%)^	31%	28%	27%	21%
Debt/ Equity (times)	4.7	3.7	3.2	2.7
CRAR (%)	18.6%	20.1%	22.4%	25.3%
Gross stage 3 (%)	2.8%	2.4%	2.0%	4.3% (7.5%*)
Net stage 3 (%)	0.9%	0.8%	0.7%	1.5% (2.7%*)
Net stage 3/Net worth (%)	5.7%	4.2%	3.0%	6.0% (10.4%*)

Source: SBICPSL's financial results, ICRA research; ^ Unadjusted – on reported basis; \* Including those accounts which would have been classified as non-performing if the standstill on account of the Supreme Court's order was not applied (these were not NPA as on August 31, 2020); Note: Amounts in Rs. crore; All figures and ratios are as per ICRA's calculations/adjustments

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for last three years

Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years					
	Type	Amount Rated	Amount Outstanding	Rating		FY2020		FY2019		FY2018
				Jan 05, 2021	Jul 16, 2020	Feb 18, 2020	Oct 01, 2019	Sep 21, 2018	Apr 18, 2018	Apr 06, 2017
1 NCD	LT	3,100	3,095*	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
2 NCD	LT	1,000	-	[ICRA]AAA (Stable)	-	-	-	-	-	-
3 NCD	LT	1,000	-	Rating Withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
4 Sub-debt	LT	1,700	1,250*	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
5 LT/ST Bank Lines	LT/ST	19,000^^	~8,900*	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+
6 CP^^	ST	19,000^^	~2,350*	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Amount in Rs. crore

\*As of September 30, 2020; Note: LT – Long term, ST – Short term; ^^ CP borrowings are carved out of working capital lines; Total outstanding against the CP programme and bank lines should not exceed Rs. 19,000 crore

### Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)



### Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE018E08219	NCD	17-Aug-20	5.75%	17-Nov-23	500	[ICRA]AAA(Stable)
INE018E08227	NCD	22-Dec-20	6.00%	22-Dec-25	450	[ICRA]AAA(Stable)
INE018E08102	NCD	18-Jan-18	8.10%	10-May-21	110	[ICRA]AAA(Stable)
INE018E08136	NCD	18-Dec-18	9.15%	17-Jun-22	450	[ICRA]AAA(Stable)
INE018E08151	NCD	13-May-19	8.55%	12-Aug-22	175	[ICRA]AAA(Stable)
INE018E08177	NCD	14-Nov-19	7.60%	14-Feb-23	410	[ICRA]AAA(Stable)
INE018E08185	NCD	16-Dec-19	7.50%	9-Mar-23	300	[ICRA]AAA(Stable)
INE018E08193	NCD	26-Feb-20	7.40%	25-Feb-25	300	[ICRA]AAA(Stable)
INE018E08201	NCD	29-Jun-20	6.85%	29-Jun-23	400	[ICRA]AAA(Stable)
Yet to be placed	NCD	-	-	-	1,005	[ICRA]AAA(Stable)
Yet to be placed	Subordinated debt	-	-	-	450	[ICRA]AAA(Stable)
INE018E08052	Subordinated debt	26-Nov-14	9.00%	26-Nov-21	100	[ICRA]AAA(Stable)
INE018E08060	Subordinated debt	25-Feb-16	9.65%	25-Apr-22	100	[ICRA]AAA(Stable)
INE018E08078	Subordinated debt	17-Oct-16	8.10%	17-Oct-23	200	[ICRA]AAA(Stable)
INE018E08086	Subordinated debt	17-Jul-17	8.30%	17-May-23	500	[ICRA]AAA(Stable)
INE018E08144	Subordinated debt	29-Jan-19	9.55%	29-Jan-29	250	[ICRA]AAA(Stable)
INE018E08169	Subordinated debt	12-Jun-19	8.99%	12-Jun-29	100	[ICRA]AAA(Stable)
NA	Commercial paper*	NA	NA	7-365 days	19,000	[ICRA]A1+
NA	Bank lines*	NA	NA	NA	19,000	[ICRA]AAA(Stable) / [ICRA]A1+
INE018E08094	NCD	9-Aug-17	7.55%	7-Aug-20	500	[ICRA]AAA(Stable) Withdrawn
INE018E08128	NCD	17-Oct-18	9.50%	16-Oct-20	500	[ICRA]AAA(Stable) Withdrawn

Source: SBICPSL; \* CP borrowings are carved out of working capital lines; Total outstanding against the CP programme and bank lines should not exceed Rs. 19,000 crore

### Annexure-2: List of entities considered for consolidation: Not applicable

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### Helpline for business queries:

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

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Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,  
Bangalore + (91 80) 2559 7401/4049  
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**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF SBI CARDS AND PAYMENT SERVICES LTD (SBICPSL) IN THE MEETING HELD ON MONDAY, JULY 20, 2020**

**To consider and approve the issue of Non-Convertible Debentures (NCDs) of Rs. 1,500 Crore and the offer documents (PPOL-Private Placement Offer Letter)**

**“RESOLVED THAT** in supersession of earlier resolutions passed in this regard, pursuant to Section 42, section 71 and other applicable provisions of the Companies Act, 2013 and rules made there under, SEBI (Issue and Listing of Debt Securities) Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other SEBI Rules and Regulations and Guidelines, Articles of Association of the Company, other applicable acts, Rules, Regulations, guidelines etc. and in exception to minimum gap requirement of three months between two allotments as per Resource planning policy of the company, subject to approval of the shareholders, if required, and pursuant to the approval granted by the members of the Company under Section 180 (1)(c) of the Companies Act, 2013, enhancing the borrowing limit to an extent of Rs 33,000 cr in the Extra Ordinary General meeting the Company held on November 15, 2019, the consent of the Board be and is hereby authorized to issue Fixed Rate, Unsecured or Secured, Rated, Taxable, Redeemable, Non-Convertible Debentures (NCDs) aggregating Rs. 1,500 Crores in one or more tranches on private placement basis with or without green shoe option to eligible class of investors including Mutual Funds, Public Financial Institutions, Scheduled Commercial Banks, State Industrial Development Corporations, Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds, National Investment Funds, Insurance Companies, Companies and Bodies Corporate, Co-operative Banks and Regional Rural Banks, Gratuity Funds and Superannuation Funds, Societies, Trusts, Foreign Institutional Investors and sub-accounts registered with SEBI or Foreign Portfolio Investors (not being an individual or family offices), Statutory Corporations/ Undertakings established by Central/ State legislature and such other investors as approved by the Board from time to time.

**RESOLVED FURTHER THAT** the terms of debentures would be as follows:

Kind of Instrument	Debentures
Issue Size	To be decided by ALCO for each tranche for an amount aggregating to Rs. 1,500 crores
Method of Distribution	Private Placement

**SBI Cards and Payment Services Ltd.**

(formerly known as SBI Cards and Payment Services Pvt. Ltd.)

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

Tel.: 012-4-4589803  
Email: [customercare@sbicard.com](mailto:customercare@sbicard.com)  
Website: [sbicard.com](http://sbicard.com)



Registered Office:  
Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower,  
E 1, 2, 3, Netaji Subhash Place, Wazirpur, New Delhi - 110034  
CIN - U65999DL1998PLC093819



Face value of Debenture(s)	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Instrument Structure	Fixed Rate, Unsecured or Secured, Rated, Taxable, Redeemable, Non-Convertible Debentures (NCDs), Listed/unlisted with a maturity: a) between one year to 10 year for senior bonds b) >5 years for subordinate debt
Tenor	To be decided by ALCO
Interest Rate	To be decided by ALCO
Redemption	At par on the Face Value of the Debentures on Maturity Date
Credit Rating	To be taken from CRISIL & ICRA
Issuance Mode	Dematerialized form. Investors are required to mention their Depository Participant's name, DP-ID and beneficiary account number in the appropriate place in the Application Form.
Trustees	To be decided by ALCO
Put and Call option	With or without Put and/or Call option
Purpose for which resources are being raised	The present issue of Debentures is being made for regular business activities including discharging existing debt obligations and not for any specific project. The "Main Object Clause" of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date. Since, the proceeds of this Issue will be used by the Company for its regular business activities including discharging existing debt obligations and not for any specific project; hence demarcation of use of funds in the balance sheet of the Company may not be possible. The proceeds will be used to

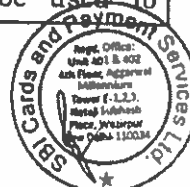
# SBI Cards and Payment Services Ltd.

(Formerly known as SBI Cards and Payment Services Pvt. Ltd.)

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

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CIN - U65999DL1998PLC093819





enhance the long-term resources in accordance with the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions. Issue proceeds will not be used for acquisition of Land or for investing in Capital Markets and for purposes not eligible for Bank Finance.

Specifically, for subordinate debt to include that proceeds of the present issue of debentures will be used for augmenting the TIER-II Capital of the Company for strengthening capital adequacy of the Company.

**RESOLVED FURTHER THAT** the draft Offer Letter as placed before the Board be and is hereby approved and adopted for the purpose of the aforesaid issue.

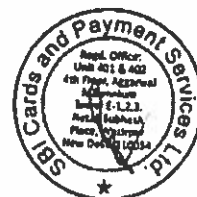
**RESOLVED FURTHER THAT** any one of the Directors or the Managing Director & Chief Executive Officer singly or Chief Financial Officer jointly with /Chief Operating Officer/Finance Controller be and are hereby authorized to sign the Offer Document for every tranche and all other documents, paper(s), application(s) as may be required in this regard and to create valid charge on the Company's present and/or future fixed and/or current assets with regard to the aforementioned NCDs, if required (as may be decided by ALCO) and to sign and execute all such documents and papers as may be required for the purpose.

**RESOLVED FURTHER THAT** the debentures issued in Demat form be allowed to get admitted with the depositories - NSDL/CDSL and/or be listed on National Stock Exchange and/or any other recognized stock exchange and abovementioned signatories be are hereby authorized to make, sign, and execute all document(s), deed(s) and things as may be necessary or incidental thereto.

**RESOLVED FURTHER THAT** ALCO be and is hereby authorized to take necessary steps, including approving and issuing the final form of the Information Memorandum/offer letter/subscription agreement and to do all act(s), deed(s) and thing(s) as may be necessary or incidental thereto.

**RESOLVED FURTHER THAT** ALCO be and is hereby authorized to undertake:

- a. Settlement, modification and finalization of the offer document as approved by the Board in respect of the issue of NCDs, including exact details as to the size,



**SBI Cards and Payment Services Ltd.**

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CIN - U65999DL1998PLC093849



- pricing, rate, tenor, redemption amount, yield on maturity and other terms of the NCDs; dates of opening and closing of the offer for subscription of the NCDs; etc.
- To identify investors from select group of investors approved by the Board to issue offer letter for private placement;
  - To take necessary steps for listing of debenture on NSE and/or other recognized stock exchange;
  - To approve appointment of Debenture Trustee, arranger, registrar & share transfer agent and other relevant intermediaries as may be required in this regard;
  - To do all such acts, things and deeds as are required in compliance with all applicable laws including Companies Act, 1956/ 2013, rules, regulations, guidelines issued by the RBI, SEBI or any other competent regulatory or statutory authority;
  - To decide principal terms of assets charged as securities, if required.
  - To do all act(s), deed(s) and thing(s) as may be necessary or incidental thereto.

**RESOLVED FURTHER THAT** the directors hereby declare that:

- the company has complied with the provisions of the Act and the rules made thereunder;
- the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

**RESOLVED FURTHER THAT** the common seal of the Company, if required be affixed on any agreement, indemnity, affidavit or any other document in connection with the aforesaid in accordance with the Articles of Association of the Company.

**RESOLVED FURTHER THAT** any one of the Directors or Managing Director & Chief Executive Officer or the Company Secretary be and is hereby severally authorized to issue a certified true copy of this resolution for submission with the relevant regulatory authorities or to any other person as may be deemed necessary."

**Certified True Copy**  
**For SBI Cards and Payment Services Limited**  
**(Formerly known as SBI Cards and Payment Services Pvt. Ltd.)**

  
**Payal Mittal Chhabra**  
**Company Secretary**



**SBI Cards and Payment Services Ltd.**

(Formerly known as SBI Cards and Payment Services Pvt. Ltd.)

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CIN: U65999DL1995PLC093849



January 21, 2021

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

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

SCRIP CODE: **543066**

SYMBOL: **SBICARD**

SECURITY: **Equity Shares/Debentures**

SECURITY: **Equity Shares**

Dear Sirs,

**Re: Outcome of Board Meeting held on January 21, 2021**

In continuation of our letter dated January 15, 2021, intimating about the Board Meeting to be held on January 21, 2021, we wish to inform you that the Board of Directors of the Company, at its meeting held today, has inter alia approved the unaudited Financial Results for the Quarter and the nine months ended December 31, 2020;

In this connection, we enclose herewith the following:-

- i. unaudited Financial Results for the Quarter and the nine months ended December 31, 2020; along with the Disclosures in accordance with Regulation 52(4) of the Listing Regulations
- ii. Limited review report of the Statutory Auditors on the Financial Results of the Company for the Quarter and the nine months ended December 31, 2020, issued by the Statutory Auditors, M/s. S. Ramanand Aiyar & Co., Chartered Accountants as required under Regulation 33 of the Listing Regulations. -

The Results have been uploaded on the Stock Exchange websites at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and are also being simultaneously posted on the website of the Company at [www.sbicard.com](http://www.sbicard.com).

The Meeting of the Board of Directors commenced at 3.30 p.m. and concluded at 5.30 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For SBI Cards and Payment Services Limited**  
(formerly known as SBI Cards and Payment Services Private Limited)

**Payal Mittal Chhabra**  
Company Secretary & Compliance Officer



SBI Cards and Payment Services Ltd.  
(Formerly known as SBI Cards and Payment Services Pvt. Ltd.)

DLF Infinity Towers, Tower C,  
12th Floor, Block 2, Building 3,  
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Registered Office:  
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CIN: L65990DL1993PL0003249



SBI Cards and Payment Services Limited  
 (Formerly known as SBI Cards and Payment Services Private Limited)  
 Condensed Statement of Profit and Loss for the period ended December 31, 2020  
 (Figure in Rupees Lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the period ended		For the year ended
	December 31, 2020 Unaudited	September 30, 2020 Unaudited	December 31, 2019 Audited	December 31, 2020 Unaudited	December 31, 2019 Audited	March 31, 2020 Audited
<b>1 Revenue from Operations</b>						
(i) Interest Income	116,807.45	127,539.29	126,150.89	385,557.68	349,307.25	494,130.13
(ii) Income from membership fees and services	110,880.81	101,931.70	108,143.21	279,388.48	301,926.78	397,888.26
(iii) Service Charges	4,369.84	3,839.39	2,971.66	9,920.50	8,245.68	11,782.05
(iv) Business development incentive income	8,245.51	7,799.05	8,376.15	21,395.53	24,036.83	32,728.31
(v) Insurance commission income	216.36	215.26	270.12	576.20	799.39	1,133.62
(vi) Net gain on fair value changes	-	15.37	-	43.48	-	-
<b>Total Revenue from operations</b>	<b>240,319.77</b>	<b>241,340.06</b>	<b>247,912.03</b>	<b>696,879.85</b>	<b>684,315.63</b>	<b>927,640.09</b>
<b>2 Other Income</b>	<b>13,657.44</b>	<b>9,932.72</b>	<b>8,408.77</b>	<b>27,664.15</b>	<b>39,873.27</b>	<b>47,588.80</b>
<b>3 Total Income (1+2)</b>	<b>253,977.21</b>	<b>251,272.78</b>	<b>256,320.80</b>	<b>724,544.00</b>	<b>724,189.10</b>	<b>975,228.89</b>
<b>4 EXPENSES</b>						
(i) Finance costs	26,093.29	26,417.37	34,522.48	79,073.71	96,850.61	130,092.71
(ii) Employee benefits expenses	13,117.89	12,215.19	11,860.89	38,541.84	32,726.83	48,837.98
(iii) Depreciation, amortisation and impairment	3,118.88	3,065.81	2,655.29	8,915.25	7,512.34	10,379.83
(iv) Operating and other expenses	118,484.03	95,479.07	111,149.82	289,809.15	314,981.90	418,884.95
(v) CSR expenses	48.53	183.72	185.34	839.10	336.79	1,991.85
(vi) Impairment losses & bad debts	64,826.91	85,173.03	37,828.35	199,531.77	110,206.05	194,024.79
(vii) Net loss on fair value changes	-	-	-	-	10.35	53.82
<b>Total expenses</b>	<b>225,689.63</b>	<b>223,454.19</b>	<b>197,999.95</b>	<b>615,610.82</b>	<b>562,434.87</b>	<b>802,266.03</b>
<b>5 Profit before tax (3-4)</b>	<b>28,287.58</b>	<b>27,818.59</b>	<b>58,320.85</b>	<b>108,933.18</b>	<b>161,754.23</b>	<b>172,962.86</b>
<b>6 Tax expense:</b>						
Current tax charge / (credit)	19,016.89	9,971.52	15,692.18	42,838.70	42,424.68	53,179.27
Current tax charge / (credit) - previous year	-	-	-	-	380.50	380.50
Deferred tax charge / (credit)	(1,695.19)	(2,667.87)	(837.97)	(14,815.58)	(1,415.65)	(15,318.20)
Deferred tax charge / (credit) - previous year	-	-	-	-	4,237.84	4,239.76
<b>Total Tax Expenses</b>	<b>7,321.70</b>	<b>7,203.65</b>	<b>14,854.21</b>	<b>28,023.12</b>	<b>45,627.17</b>	<b>48,481.33</b>
<b>7 Profit after tax for the period/year (5-6)</b>	<b>20,965.88</b>	<b>20,614.94</b>	<b>43,466.64</b>	<b>80,910.06</b>	<b>116,127.06</b>	<b>124,481.53</b>
<b>8 Other Comprehensive Income</b>						
A. Items that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit liabilities / (asset)	55.17	119.09	(5.18)	465.76	(435.61)	(400.87)
- Tax impact on above	(13.88)	(29.98)	1.30	(117.22)	109.83	100.89
- Gain/(loss) on Investment in Equity	973.79	-	-	973.79	-	-
- Tax impact on above	(245.08)	-	-	(245.08)	-	-
<b>Subtotal (A)</b>	<b>770.00</b>	<b>89.11</b>	<b>(3.88)</b>	<b>1,077.25</b>	<b>(325.98)</b>	<b>(299.98)</b>
B. Items that will be reclassified to profit or loss						
- Gain/(loss) on forward contracts in hedging relationship	423.56	(324.73)	(248.21)	(7.45)	329.61	(21.76)
- Tax impact on above	(108.61)	81.73	62.47	1.87	(82.96)	7.60
<b>Subtotal (B)</b>	<b>316.95</b>	<b>(243.00)</b>	<b>(185.74)</b>	<b>(5.58)</b>	<b>246.65</b>	<b>(14.16)</b>
<b>Other comprehensive income (A+B)</b>	<b>1,086.95</b>	<b>(153.89)</b>	<b>(189.62)</b>	<b>1,071.67</b>	<b>(79.33)</b>	<b>(314.14)</b>
<b>9 Total Comprehensive Income for the period/year (7+8)</b>	<b>22,052.83</b>	<b>20,461.05</b>	<b>43,277.02</b>	<b>81,981.73</b>	<b>115,047.73</b>	<b>124,167.39</b>
<b>10 Earnings per equity share (for continuing operation) (not annualised) :</b>						
(1) Basic	2.23	2.20	4.86	8.61	12.48	13.35
(2) Diluted	2.21	2.17	4.86	8.53	12.46	13.21

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**Notes :**

1. The above financial result is the abstract of the condensed interim financial statements which have been prepared in accordance with Indian Accounting Standard (referred to as "Ind AS") 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
2. The above results have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors at their respective meeting held on January 21, 2021. The financial results for the quarter and the nine months ended December 31, 2020 have been subjected to a limited review by the statutory auditors of the Company.
3. Information as required by Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as per Annexure "1" attached.
4. Previous period's/year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's/year's classification /disclosure.
5. During the quarter ended December 31, 2020, the Company has allotted 854,280 equity shares of Rs 10/- each pursuant to exercise of options under the approved employee stock option scheme.
6. There is only one 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.
7. The impact of COVID-19 has led to significant volatility in global and Indian financial markets, which may persist even after restrictions related to the pandemic outbreak are lifted. While there have been some improvements in economic activities in the current quarter, the continued slowdown has impacted new credit card originations, use of credit cards by customers and the efficiency in collection efforts.

Further, in accordance with RBI circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 with regard to providing relief to borrowers on account of COVID-19 pandemic, SBI Card had offered moratorium on credit card dues to eligible borrowers till August 31, 2020 in accordance with Board approved policy. Thereafter, as per RBI circular dated August 6, 2020 with regard to resolution framework on COVID19 related stress and as per Board approved policy, Company has allowed one time resolution to eligible customers by offering them an option of converting credit card dues into EMI's of up-to 24 months. As of December 31, 2020, outstanding balance of such accounts was Rs 234,381.63 lakhs. The Company has classified such balance under Stage 2 assets and holds adequate provision against such assets.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these Condensed Interim Financial Statements and the Company will continue to closely monitor any material changes in future economic conditions.

8. The Honorable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & ANR), vide an interim order dated September 03, 2020 ("Interim Order"), has directed that accounts which were not declared NPA [Stage 3] till August 31, 2020 shall not be declared as NPA [Stage 3] till further orders. In line with the said Interim Order, the Company has not classified any accounts which were not NPA as of August 31, 2020 as per extant regulatory norms, as NPA [Stage3] after August 31, 2020. Further in light of the interim order, even accounts that would have been classified as NPA [Stage 3] post August 31, 2020 have not been and will not be, classified as NPA [Stage 3] till such time that the Hon'ble SC rules finally on the matter.

The Company's Gross NPA and Net NPA as of December 31, 2020 is 1.61% and 0.56% respectively. However, if the Company had classified such borrower accounts as NPA [Stage 3] after August 31, 2020, the Company's proforma Gross NPA and proforma Net NPA ratio would have been 4.51% and 1.58% respectively.



Pending disposal of the case, the Company as a matter of prudence has, in respect of such accounts made an additional provision as management overlay which is included in the overall ECL provision.

9. The results for the quarter and the nine months ended December 31, 2020 are available on the BSE Limited website (URL: [www.bseindia.com/corporates](http://www.bseindia.com/corporates)), the National Stock Exchange of India Limited website (URL: [www.nseindia.com/corporates](http://www.nseindia.com/corporates)) and on the Company's website (URL: [www.sbicard.com](http://www.sbicard.com))



**Puneet Jain**  
Partner - S. Ramanand Aiyar & Co.

Membership No. : 520928

Place : New Delhi

Date : January 21, 2021



**Ashwini Kumar Tewari**  
MD & CEO

DIN : 08797991

Place : Gurugram

Date : January 21, 2021



**SBI Cards and Payment Services Limited**

**ADDITIONAL INFORMATION AS PER REGULATION 52 (4) of SECURITIES AND EXCHANGE BOARD OF INDIA  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**(a) Credit Rating**

Products	Rating	Change in Rating
(i) Commercial Papers	CRISIL A1+, ICRA A1+	No Change
(ii) Debentures	CRISIL AAA/Stable, ICRA AAA/Stable	No Change
(iii) Bank Loan Facility	CRISIL A1+, ICRA A1+	No Change

(b) Asset cover available, for non convertible debt securities : Not Applicable, Company being NBFC

(c) Debt Equity Ratio : 2.93 times (Total outstanding debt/Net worth)

(d) Previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non convertible debt securities and whether the same has been paid or not : **Refer Annexure "1a"** for details of non-convertible debentures other than subordinate debentures. Further the company has not issued any non-convertible redeemable preference shares.

(e) Next due date for the payment of interest/ dividend of non-convertible preference shares /principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount: **Refer Annexure "1a"** for details of non-convertible debentures other than subordinate debentures. The company has not issued any non-convertible redeemable preference shares.

(f) Debt service coverage ratio : Not Applicable, Company being NBFC

(g) Interest service coverage ratio : Not Applicable, Company being NBFC

(h) Outstanding redeemable preference shares (quantity and value) : NIL

(i) Capital redemption reserve/debenture redemption reserve : Rs. 339.90 Lakhs

(j) Net Worth : Rs 618,605.80 Lakhs

(k) Net Profit After Tax : Rs 80,910.06 Lakhs

(l) Earnings Per Share : Rs 8.61 (Basic)  
Rs 8.53 (Diluted)

(m) There was no material deviation in the use of the proceeds of the issue of Non Convertible Debt Securities.



## SBI CARDS &amp; PAYMENT SERVICES LIMITED

ADDITIONAL INFORMATION AS PER REGULATION 52 (4) of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

## Bonds

Annexure 1a

Sr No	Series	ISIN	Listed/Unlisted	Previous due date for payment of interest	Whether the previous interest has been paid or not	Next due date for payment of interest	Next interest amount (Lakhs)	Previous due date for repayment of principal	Whether the previous principal repayment has been paid or not	Next due date for repayment of principal	Next principal redemption amount (Lakhs)
1	8.10% SBICPSL DEBENTURE SERIES 10	INE018E08102	Unlisted	May 10, 2020	Paid	May 10, 2021	891.00	NA	NA	May 10, 2021	11,000.00
2	9.50% SBICPSL DEBENTURE SERIES 12	INE018E08128	Unlisted	October 16, 2020	Paid	NA	NA	October 16, 2020	Paid	NA	NA
3	9.15% SBICPSL DEBENTURE SERIES 13	INE018E08136	Listed	December 18, 2020	Paid	December 18, 2021	4,117.50	NA	NA	June 17, 2022	45,000.00
4	8.55% SBICPSL DEBENTURE SERIES 15	INE018E08151	Listed	August 13, 2020	Paid	August 13, 2021	1,496.25	NA	NA	August 12, 2022	17,500.00
5	7.60% SBICPSL DEBENTURE SERIES 17	INE018E08177	Listed	February 14, 2020	Paid	February 14, 2021	3,116.00	NA	NA	February 14, 2023	41,000.00
6	7.50% SBICPSL DEBENTURE SERIES 18	INE018E08185	Listed	March 9, 2020	Paid	March 9, 2021	2,250.00	NA	NA	March 9, 2023	30,000.00
7	7.40% SBICPSL DEBENTURE SERIES 19	INE018E08193	Listed	NA	NA	February 26, 2021	2,220.00	NA	NA	February 25, 2023	30,000.00
8	6.85% SBICPSL DEBENTURE SERIES 20	INE018E08201	Listed	NA	NA	June 29, 2021	2,740.00	NA	NA	June 29, 2023	40,000.00
9	5.75% SBICPSL DEBENTURE SERIES 21	INE018E08219	Listed	November 17, 2020	Paid	November 17, 2021	2,875.00	NA	NA	November 17, 2023	50,000.00
10	6.00% SBICPSL DEBENTURE SERIES 22	INE018E08227	Listed	NA	NA	December 22, 2021	2,700.00	NA	NA	December 22, 2023	45,000.00

## Commercial Papers

Sr No	Series	ISIN	Listed/Unlisted	Previous due date for payment of interest	Whether the previous interest has been paid or not	Next due date for payment of interest	Next interest amount (Lakhs)	Previous due date for repayment of principal	Whether the previous principal repayment has been paid or not	Next due date for repayment of principal	Next principal redemption amount (Lakhs)
1	LDD/2019-20/3478	INE018E14001	Listed	NA	NA	January 15, 2021	1,566.73	NA	NA	January 15, 2021	23,433.28
2	LDD/2020-21/3752 & LDD/2020-21/3755	INE018E14006	Listed	NA	NA	May 25, 2021	2,769.91	NA	NA	May 25, 2021	47,230.09
3	LDD/2020-21/3786	INE018E14010	Listed	NA	NA	June 26, 2021	507.83	NA	NA	June 26, 2021	9,492.17
4	LDD/2020-21/3813	INE018E14018	Listed	NA	NA	March 22, 2021	577.06	NA	NA	March 22, 2021	21,922.94
5	LDD/2019-20/3832	INE018E14016	Listed	NA	NA	March 26, 2021	1,001.44	NA	NA	March 26, 2021	38,988.56
6	LDD/2019-20/3903 & LDD/2020-21/3961	INE018E14014	Listed	NA	NA	September 29, 2021	1,771.26	NA	NA	September 29, 2021	43,228.74
7	LDD/2020-21/3930 & LDD/2020-21/3935	INE018E14012	Listed	NA	NA	October 08, 2021	2,576.59	NA	NA	October 08, 2021	62,423.41
8	LDD/2020-21/3936	INE018E14010	Listed	NA	NA	June 25, 2021	719.98	NA	NA	June 25, 2021	29,281.02
9	LDD/2020-21/3937	INE018E14027	Listed	NA	NA	February 01, 2021	124.25	NA	NA	February 01, 2021	14,875.75
10	LDD/2020-21/3958	INE018E14015	Listed	NA	NA	February 16, 2021	121.67	NA	NA	February 16, 2021	14,878.33
11	LDD/2020-21/3962	INE018E14013	Listed	NA	NA	February 18, 2021	187.48	NA	NA	February 18, 2021	24,812.52
12	LDD/2020-21/3966	INE018E14011	Listed	NA	NA	November 24, 2021	976.65	NA	NA	November 24, 2021	24,023.15

**S. Ramanand Aiyar & Co.**  
CHARTERED ACCOUNTANTS

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**Independent Auditor's Report on the Financial Results Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Independent Review report**

**To**

**The Board of Directors of**

**SBI Cards and Payment Services Limited**

**(Formerly known as SBI Cards and Payment Services Private Limited)**

We have reviewed the accompanying statement of unaudited financial results of SBI Cards and Payment Services Limited (Formerly known as SBI Cards and Payment Services Private Limited) for the quarter ended 31 December 2020 and year to date results for the period from 01 April 2020 to 31 December 2020. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

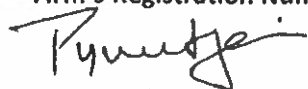
We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For S. Ramanand Aiyar & Co.**

**Chartered Accountants**

**Firm's Registration Number: 000990N**



**Puneet Jain**

**Partner**

**Membership No. 520928**

**UDIN: 21520928AAAAAB8179**

**Place: New Delhi**

**Date: 21 January 2021**



Office's also at  
Mumbai Kolkata  
Indore Gurugram  
Ernakulam