

Private & Confidential – For Private Circulation Only
(This Private Placement Offer Letter is neither a Prospectus nor a Statement in Lieu of Prospectus)

Private Placement Offer Letter Series - 19 Dated: February 25, 2020
Addressed to: SBI CAPITAL MARKETS LIMITED



SBI CARDS AND PAYMENT SERVICES LIMITED
Formerly known as SBI Cards and Payment Services Private Limited
(State Bank of India- 74% and CA Rover Holdings- 26%)

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, **CIN** – U65999DL1998PLC093849
Compliance Officer for the Issue: Ms. Payal Mittal Chhabra, **Tel.:** +91 124-0124-4589803
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 25, 2020

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 19 FOR AN ISSUE SIZE OF ₹ 300 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 96 OF THIS PRIVATE PLACEMENT OFFER LETTER.

% OF THIS PRIVATE PLACEMENT OFFER LETTER.		REGISTRAR TO THE ISSUE ZUARI FINSERV LIMITED	
TRUSTEE FOR THE DEBENTUREHOLDERS AXIS TRUSTEE SERVICES LIMITED			
Corporate Office: 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: www.axistrustee.com SEBI Registration No.: IN000000494		Registered Office: Corporate One, 1 st 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: www.zuarimoney.com SEBI Registration No.: INR000003902	
ISSUE PROGRAMME			
Bid Opening & Closing: February 25, 2020		Pay-In: February 26, 2020	
Issue opening & Closing: February 25, 2020		Deemed Date of Allotment: February 26, 2020	
LISTING			

The Debentures are proposed to be listed on Wholesale Debt Market segment of the BSE Ltd. The BSE have granted the in-principle approval vide letter dated February 24, 2020.



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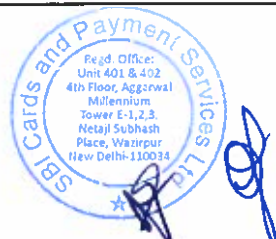
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SECTION I DEFINITIONS/ABBREVIATIONS	
AY	Assessment Year
Articles/Articles of Association/AoA	Articles of Association of our Company as amended from time to time.
Allotment/Allot	The issue and allotment of the Debentures to the successful Applicants 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 19
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	Capitaworld 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 Debentureholders. 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	Debt 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: U65999DL1998PLC093849.
"our"/" we"/"us"	Our Company on standalone basis
Issue/ Offer	Private Placement of Debentures of ₹ 300 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
NRIs	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 on the basis of 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 on the basis of 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, E 1,2,3, 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	:	U65999DL1998PLC093849
Company Registration Number	:	093849

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.

3.2. COMPLIANCE/NODAL OFFICER AND CHIEF FINANCIAL OFFICER

COMPLIANCE/NODAL OFFICER FOR THIS ISSUE	CHIEF FINANCIAL OFFICER
Ms. Payal Mittal Chhabra 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	Mr. Nalin Negi 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

SBI CAPITAL MARKETS LIMITED
SBI Capital Markets Limited 6 th Floor, World Trade Tower Barakhambha Lane New Delhi-110001 Tel: +91 -11-23485261 Fax: +91-11-23418773 E-mail: shweta.narang@sbicaps.com



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 th 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****Corporate Office:**

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****Registered Office:**

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: rta@adventz.zuarimoney.com
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	July 31, 2019

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.	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
2.	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.	2016-17	M/s Gandhi Minocha & Co. Firm Registration No. 000458N	B-6, Shakti Nagar Extension Near Laxmi Bai College New Delhi- 110052	Appointed on August 9, 2016 Cessation on July 11, 2017	Ceased to be the statutory auditors due to completion of term

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: www.linklegal.in



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

4.1. CONSTITUTION

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. Company has started issuing listed debentures effective December 2018 and listed commercial papers effective December 2019. Both the instruments 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, 04th 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 & 402, 04th 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"> Incorporation of our Company and registration to act as a non-public deposit taking NBFC by RBI
1999	<ul style="list-style-type: none"> Launch of our website
2005	<ul style="list-style-type: none"> Registration to act as a corporate agent (composite) by IRDAI
2006	<ul style="list-style-type: none"> Launch of our white label card with Tata Sons Limited Launch of our co-branded credit card with IRCTC
2013	<ul style="list-style-type: none"> Launch of our co-branded card with Air India Launch of our EMV chip and pin enabled card
2014	<ul style="list-style-type: none"> Launch of our co-branded card with FBB Launch of our mobile application
2016	<ul style="list-style-type: none"> Launch of our “SBI unnati” card
2017	<ul style="list-style-type: none"> Launch of “Project Shikhar” to introduce our credit cards to SBI customers



Calendar Year	Events and Milestones
	<ul style="list-style-type: none"> Exit of GE Capital from our Company and acquisition of its stake by both, SBI and CA Rover Launch of our co-branded card with BPCL
2018	<ul style="list-style-type: none"> Launch of our virtual assistant chatbot, 'Ask ILA' Launch of our co-branded card with Apollo Hospitals Enterprise Limited
2019	<ul style="list-style-type: none"> Amalgamation of SBIBPMSL with our Company Application for registration of our new logo under the Trademarks Act Launch of our co-branded card with Etihad Launch of our co-branded card with Allahabad Bank Launch of our co-branded card with OLA Money Conversion to a public limited company Launch of our "shaurya" card for defence personnel on the Rupay Network
2020	<ul style="list-style-type: none"> Grant of registration for our new logo under certain classes with the Registrar of Trademarks under the Trade Marks Act

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

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. For further details, please refer Section X (Capital Structure and Financial Position of the Issuer).

4.5. HOLDING ENTITY- OUR PROMOTER

Our Promoter is State Bank of India, holding 74% of our equity Share Capital as on December 31, 2019. Following are the details of shares held:

Number 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
1- State Bank of India	689,927,363*	689,927,363	74%	Nil	Nil

* This includes one share each of Shree. Prakash Singh, K. Pradeep, Usha Gautam, P.M. Mohan Patro and Sanjay Kumar Tiwari. 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.



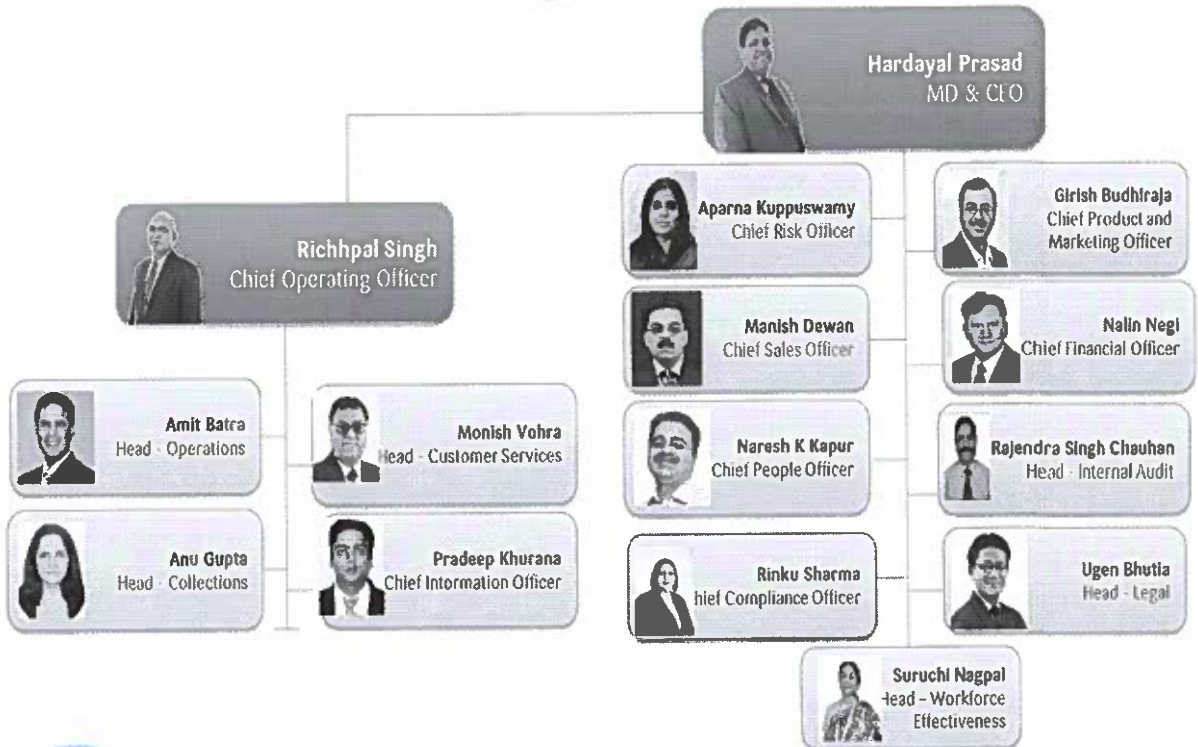
Online PSB Loans Limited (Formerly known as Capitaworld Platform Private Limited – “CWPPL”)

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). 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 Rajnish Kumar



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

6.1. OVERVIEW

SBI Cards and Payment Services Limited ('the Company') is a non-deposit taking systemically important non-banking financial Company ('NBFC-ND-SI') registered with the Reserve Bank of India ('RBI'). The Company was incorporated in 1998 as joint venture between State Bank of India (SBI) and GE Capital Corporation as a private limited company. On December 15, 2017, GE Capital Mauritius Overseas Investment (GECMOI shareholder holding GE Capital shareholding) sold its 40% stake in the Company to State Bank of India (14%) and CA Rover Holdings (26%). Presently, SBI holds 74% and CA rover holdings (Group Company of Carlyle) holds 26% stake in the Company. The Company was converted to a public limited company in August 2019.

Having its corporate office in Gurugram, the Company is a leading credit card issuer in India, and we offer 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 over 9 million as of March 2019. Beside Corporate Office & Registered Office, there are 21 office locations of SBI Card pan India.

Company has started issuing listed debentures effective December 2018 and listed commercial papers effective December 2019. Both the instruments are listed on BSE Limited (BSE).

Brief on Shareholders:

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 74% of our total outstanding equity share capital as on the date of this document. SBI is India's largest commercial bank in terms of deposits, advances and number of branches as of September 30, 2019 according to the RBI. 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 57.68% of SBI's equity shares as of December 31, 2019.

CA Rover Holdings

CA Rover was incorporated as a private limited company under the laws of Mauritius with the registrar of Companies on August 11, 2015. Its corporate identification number is 132306C1/GBL. CA Rover is currently engaged in the business of investment holdings.

CA Rover Holdings, an affiliate of the Carlyle Group, owns 26% of our total outstanding equity share capital. The Carlyle Group is a global investment firm with deep industry expertise with over \$224 billion of assets under management as of December 31, 2019.

Vision:

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



Mission:

We are customer centric. Our products and services continuously evolve to deliver high quality and superior value. We strive to provide prompt and convenient customer experience at every touchpoint, enabled by cutting edge Technology and employees that are motivated and empowered.

6.2. OPERATIONAL STRUCTURE

Prior to amalgamation of SBIBPMSL with our Company, credit card business of the Company was managed through a two-entity structure: Front End (SBI Card) and Back end (SBIBPMSL). Activities related to sales, marketing, risk management were part of SBI Card and activities like operations, customer service, collections, fraud control, IT are managed by separate legal entity "SBIBPMSL". SBIBPMSL was a payment processing Company having maximum revenues from SBI Card and operated on a cost-plus model with SBICPSL. In both the companies, SBI holds 74% and Carlyle group holds 26% stake. Post amalgamation both the entities has merged and operates as one legal entity.

6.3. BUSINESS DETAILS OF SUBSIDIARIES AND SPECIAL PURPOSE VEHICLES (SPV) (as on December 31, 2019)

There is no subsidiary or SPV of the Company as on December 31, 2019.

6.4. 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 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:

Customer Segment	Lifestyle Cards	Rewards	Shopping	Travel & Fuel	Banking Partnerships
Premium	Elite	Prime	SimplyCLICK Central	Etihad Signature	Allahabad Karur Vyasa
Affluent	Elite Advantage	Ola Money	SimplySAVE Fbb Styleup	Yatra Air India	Oriental Bank of Commerce Maharashtra
Mass Affluent	Doctor	Apollo	Shaurya	BPCL CMRL	Karnataka
Mass		Tata Platinum	Unnati	IRCTC	South Indian
New to Credit		Tata Titanium			

- Deliver customer value through superior products, partnerships and technology
- Largest co-brand credit card issuer ⁽¹⁾ - Credit card spends from co-branded credit cards represents 24.1% of total credit card spends ⁽²⁾

⁽¹⁾ As of December 31, 2018 - according to survey conducted by Kantar WFR in 2019, ⁽²⁾ According to CRISIL - in terms of number of co-branded partnerships, ⁽³⁾ For the period ended September 2019

6.5. 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:

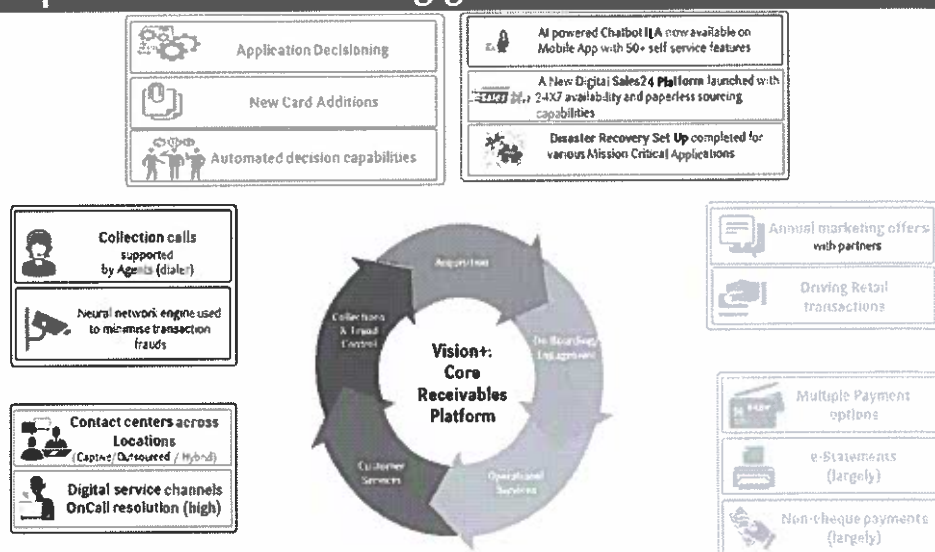
- Expand our customer acquisition capabilities to grow our cardholder base
- Tap into new cardholder segments by broadening our portfolio of credit card products
- Stimulate growth in credit card transaction volumes
- Continue to optimize our risk management processes
- Enhance cardholder experience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



6.6. 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 and every part of credit card lifecycle:

Robust processes . . . Enabling growth



6.7. PAN INDIA REACH & DISTRIBUTION

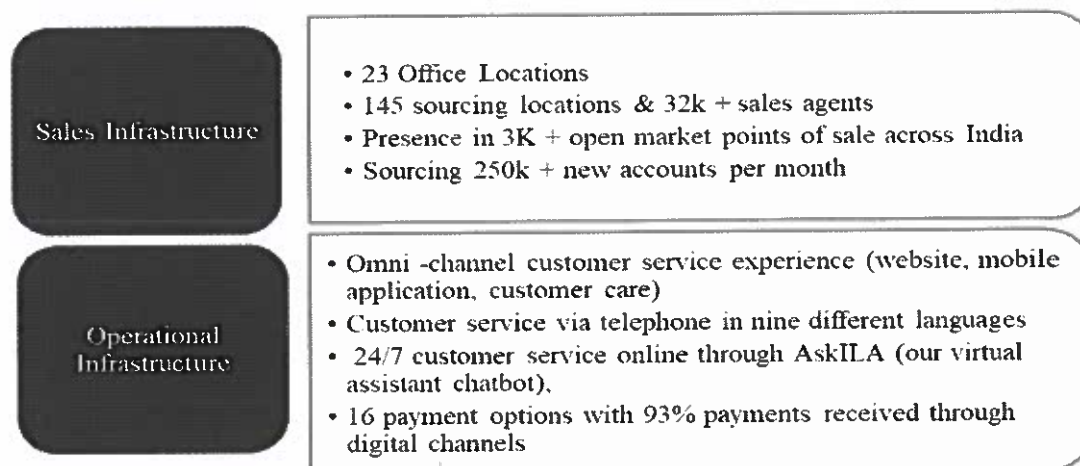
An effective distribution channel can be source of strategic advantage for the companies, specially catering to the needs of retail segment. With this philosophy in mind, SBICPSL has effectively used the traditional and the digital channels not only to penetrate deeper into the market but also to provide 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
SBI Branches	<ul style="list-style-type: none"> • Preapproved program on SBI customer base • SBI branch network
Direct to customer	<ul style="list-style-type: none"> • Presence in malls, stores, airports and all other high traffic locations • Large corporates • Tele calling on acquired databases
Digital & Alternate Channel	<ul style="list-style-type: none"> • Customers acquired through digital marketing • Customers acquired through SBI's digital assets
Co-brand partners	<ul style="list-style-type: none"> • Walk-in through partner stores • Tele calling on leads generated by partners

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:



6.8. 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.

Our SBI Card 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) 12 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 91.4% of our statements in fiscal 2019 and 93.0% of our statements for nine months ended December 31, 2019 were issued as e-statements.
- On an average 92.9% of our bill payments in fiscal 2019 and 96.4% of our bill payments for nine months ended December 31, 2019 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 AskILA, 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.

6.9. GOOD CORPORATE GOVERNANCE

The Company follows the footsteps of its promoter and follows the applicable corporate governance practices within the system. The Board along with various committees is responsible for overall compliance with regards to corporate governance of the Company and oversees the business affairs. Further the Board plays a vital role in the matters relating to policy formulation, implementation and strategic issues which are crucial for the long-term development of the organization.

Various committees formed includes 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 performance of the Company.

6.10. 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.

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 statistical and non-statistical measures that employ our historical data 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 have robust fraud management framework across customer lifecycle. We try and prevent any fraudulent application from entering our system through inconsistency and velocity checks on our application and account database, as well as real time access to an internal and external fraud repository.

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.

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.

6.11. 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
2013	Awarded VISA Recognition, "Best Issuing Institution" for excellence in Fraud Risk Management, 2013
2014	Awarded "AISA Outsourcing Excellence Award: Excellence in Customer Service" as part of CMO Asia Awards 2014
2015	Awarded "Gartner Global Eye on Innovation Award 2015" Awarded "Global Regulatory and Compliance GE Beliefs Award" by General Electric Awarded "Global Service Quality Award for Risk Efficiency-Domestic Issuer", 2015 by VISA
2016	Awarded VISA Recognition "Champion Security Award" South East Asia for Excellence in Fraud Risk Management- 2016 Awarded "Compliance Team of the Year- Rest of the World" by GRCI Awarded "Global Quality Service Award for Authorisation Approval Rate-Card Not Present Commercial Issuer 2016" by VISA
2017	Awarded "Best Data Quality Awards-Consumer Bureau Category- NBFC", 2017 by Transunion CIBIL Awarded "Visa Service Quality Award for Authorization Approval Rate- Card Not Present, Commercial Issuer", 2017 by VISA
2018	Awarded "Best Loyalty Program in Financial Sector: Non-Banking – 2018" under Customer Loyalty Awards Awarded "Best Data Quality Awards- Consumer Bureau (NBFC)", 2018 as part of CIBIL Data Quality Awards 2018 Awarded "Corporate Excellence Gold Award for Compliance Innovation" as a part of SKOCH Summit 2018 Awarded "VISA Global Service Quality Award for Pursuit of Excellence Global Fraud Rates 2018" by VISA Awarded "Financial Crime Compliance Team of the Year, Regulated Industries" by Global Women in Compliance Awards London Awarded "Learning Innovator Award," as part of GP Strategies Awards, 2018 Awarded "Corporate Excellence Gold Award" for Compliance Innovation by Skoch Awards



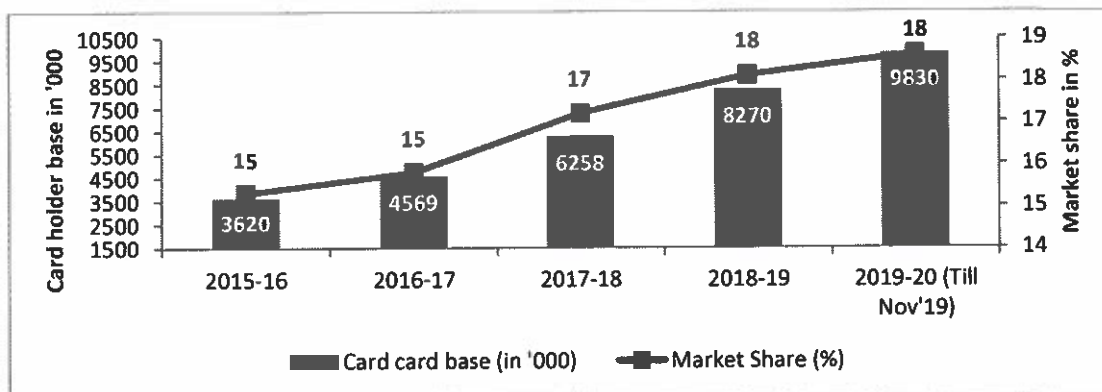
Calendar Year	Awards and accreditations
2019	<p>Awarded "Order of Merit" for Corporate Governance by Skoch Awards</p> <p>Awarded "Order of Merit" for Compliance by Skoch Awards</p> <p>Awarded "Best Loyalty Program in Financial Sector: Non-Banking – 2019" under Customer Loyalty Awards</p> <p>Awarded VISA Recognition "Champion Security Award", South East Asia for Excellence in Fraud Risk Management, 2019 as part of VISA Security Summit</p> <p>Awarded "Gold Winner: Customer Service Department of the Year" as part of Golden Bridge Awards, 2019</p> <p>Awarded "Gold Winner: Customer Service Team of the Year" as part of Golden Bridge Awards, 2019</p> <p>Awarded "Silver Winner: Customer Service Outstanding Performance of the Year" as part of Golden Bridge Awards, 2019</p> <p>Awarded "Best Data Quality- Consumer Bureau amongst NBFCs 2019" as part of Data Quality Awards 2019</p> <p>Awarded "ACAMS AML Professional of the Month" for January 2019 by ACAMS, US (Association of Certified Anti Money Laundering Specialists)</p> <p>Awarded "Gold Stevie Winner: Customer Service Executive of the Year" as part of Stevie Awards 2019</p> <p>Awarded "Silver Stevie Winner: Customer Service Department of The Year" as part of Stevie Awards 2019</p> <p>Awarded "Compliance Professional of the Year Award" as a part of GRCI Compliance Professional Awards, 2019</p> <p>Awarded "Most Effective Arrangements - Financial Crime and Sanctions Compliance" as a part of the Compliance Register Platinum Awards for Exemplary Service to Compliance and Regulation, 2019</p>
2020	<p>Awarded in the category of "Analytics/Big Data" as part of the DELL Technologies BFSI Technology Conclave, 2020</p>

6.12. SBICPSL MARKET SHARE

We are the second-largest credit card issuer in India, with a 17.6% and 18.1% market share of the Indian credit card market in terms of the number of credit cards outstanding as of March 31, 2019 and November 30, 2019, respectively, according to the RBI

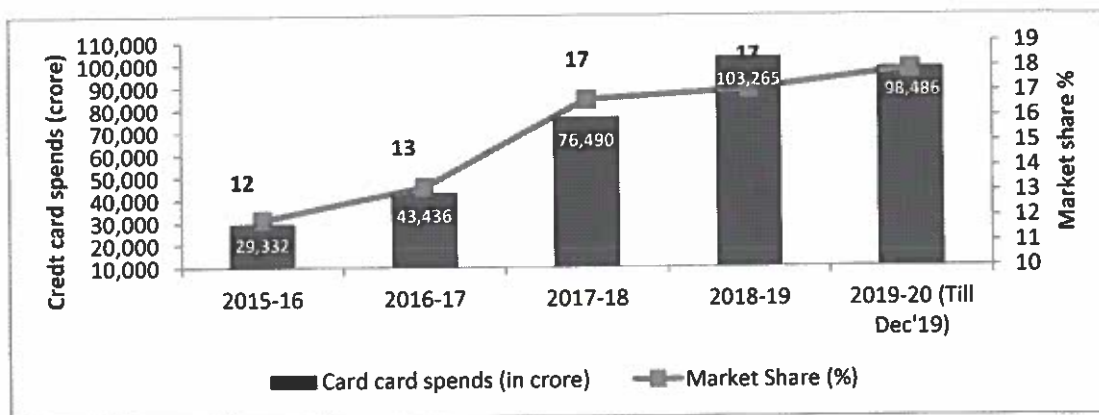
Credit Card base:

The Company has shown a healthy track record and clocked the year -on -year growth with the credit card base of over 8.27 million as on March 31, 2019 as compared to 6.26 million as on March 31, 2018. Our credit cards outstanding as on November 30, 2019 amount to 9.83 million.



Credit Card Spends:

The Company has shown a healthy track record and clocked the year-on-year growth of 35% with the annual credit card spends of Rs. 103,265 crores as on March 31, 2019 as compared to Rs. 76,490 crores as on March 31, 2018. The credit card spends has reached 98,486 crores as on December 31, 2019.

**6.13. 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	AAA/Stable	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)	A1+	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, 2017, 2018 and 2019. 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					
	2017 (I-GAAP Standalone)		2018 (Merged-IND AS)		2019 (Merged-IND AS)	
	Amount	%	Amount	%	Amount	%
Rupee	8,247.95	100.00	10,331.98	91.40%	12,232.51	90.28%
FCNR-B	0.00	0.00	972.01	8.60%	1,316.87	9.72%
Total	8,247.95	100.00	11,303.99	100.00	13,549.38	100.00



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 31st March for last three years:

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

Rupee Denominated	As on March 31					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Taxable Non-Convertible Debentures	540.00	6.55	1,607.86	15.56	3,156.27	25.80
Commercial Paper- Mutual Funds/Banks	7,510.67	91.06	2,339.10	22.64	2,119.84	17.33
Working Capital Demand Loan/ Cash Credit	195.32	2.37	6,330.26	61.27	6,880.65	56.25
Lease liabilities	1.96	0.02	54.76	0.53	75.74	0.62
Total	8,247.95	100.00	10,280.3	100.00	12,232.51	100.00

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

March 31, 2018 is \$ 149.45 MM (INR 972.00 crores).



SECTION VII OUR MANAGEMENT

7.1. DETAILS OF THE BOARD

As per the provisions of Section 35A of the SBI Act, SBI has the right to nominate Directors on the Board of our Company. Further, pursuant to our Articles of Association and Shareholders' Agreement, the Board of the Company shall comprise a maximum of 10 (ten) directors: 4 (Four) SBI Nominee Directors, including MD & CEO, on the Board of the Company and 1 (One) CARH nominee Directors and Five (5) Independent Directors.

Currently Company has ten (10) directors out of which (4) are SBI Nominee Directors, (1) is CARH Nominee Director and (5) are Independent Directors. Out of 10 directors, 9 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
Shri Rajnish Kumar S/o Shri Radhey Lal Singhal Non-Executive Chairman (Nominee of SBI) Occupation: Service DIN: 05328267 Age: 62 years Nationality: Indian	Dunedin, number 5, J. Mehta Road, Mumbai 400 006	December 13, 2017	<ul style="list-style-type: none"> SBI SBI Life Insurance Company Limited SBI General Insurance Company Limited SBI Foundation Indian Institute of Banking and Finance ECGC Limited SBI Capital Markets Limited National Credit Guarantee Trustee Company Limited 	Appointment
Shri Dinesh Kumar Khara S/o Shri Prem Nath Khara Non-executive (Nominee of SBI) Occupation: Service DIN: 06737041 Age: 58 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"> SBI SBI Capital Markets limited SBICAP Securities Private limited SBICAP Ventures Limited SBI Foundation SBI DFHI Limited SBI Global factors Limited SBI Funds Management Private Limited SBI Pension funds Private Limited SBI Infra Management Solutions Private Limited SBI Life Insurance Company Limited SBI General Insurance Company limited <u>Foreign entities:</u> <ul style="list-style-type: none"> SBICAP (Singapore) 	Appointment



Name, Father's/Husband's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
			Limited SBICAP (UK) Limited	
Shri Hardayal Prasad S/o Late Shri Prem Dayal Prasad Srivastava Managing Director and Chief Executive Officer (Nominee of SBI) Occupation: Service DIN: 08024303 Age: 59 years Nationality: Indian	Unitech World Spa (West), Apartment No. 202, 2 nd Floor, Block No. B3, Sector 30 & 41, Gurugram - 122001	February 01, 2018	• Nil	Appointment
Shri Sunil Kaul S/o Shri Omkar Nath Kaul Non-executive (Nominee of CA Rover Holdings) Occupation: Managing Director, Financial Investing DIN:05102910 Age: 59 years Nationality: USA	2A Lincoln Road, 29-09 Park Infinitia, Singapore 308364	December 15, 2017	<u>Indian Entities:</u> • PNB Housing Finance Limited <u>Foreign entities:</u> • Carlyle Singapore Investment Advisors Pte Ltd., Singapore • Sunil DRU LLC, USA	Appointment
Shri Shree Prakash Singh S/o Late Dr. Chandra Bhushan Singh Non-executive (Nominee of SBI) Occupation: Service DIN: 08026039 Age 59 Years Nationality: Indian	C-8, Kinellan Tower, 100-A, Nepean Sea Road, Mumbai 400 006	July 06, 2018	• SBI-SG Global Securities Services Private Limited • SBI Payment Services Private Limited • C-Edge Technologies Limited	Appointment
Dr. Tejendra Mohan Bhasin S/o Shri Madan Lal Bhasin Independent Director Occupation: Chairman, Advisory Board for Banking Frauds (constituted by the Central Vigilance Commission, in	331, Bhera Enclave, Pashchim Vihar, Sunder Vihar, Delhi - 110 087	June 28, 2019	• PNB Gilts Limited • IDBI Intech Limited • TMB Associates Private Limited • Centrum Capital Limited	Appointment

Name, Father's/Husband's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
consultation with RBI) DIN: 03091429 Age: 63 Years Nationality: Indian				
Shri Nilesh Shivji Vikamsey S/o Shivji Kunverji Vikamsey Independent Director Occupation: Chartered Accountant DIN: 00031213 Age: 55 years Nationality: Indian	Kalapataru Habitat, 184/A Wing, Dr S.S Rao Road, Parel, Mumbai- 400012	August 14, 2019	<ul style="list-style-type: none"> • IIFL Finance Limited • SBI Life Insurance Company Limited • IIFL Wealth Management Limited • Navneet Education Limited • Thomas Cook (India) Limited • PNB Housing Finance Limited • NSEIT Limited • India Infoline Finance Limited • SOTC Travel Limited 	Appointment
Shri Rajendra Kumar Saraf S/o-Mr. Madan Lal Saraf Independent Director Occupation: Independent Finance Professional DIN: 02730755 Age: 65 Nationality: Indian	Flat no. B/1302, Gundecha Altura, Opposite St. Xaviers School, L.B.S. Marg, Kanjur Marg (West), Mumbai – 400 078	August 14, 2019	<ul style="list-style-type: none"> • Hitech Insurance Broking Services Limited • JIO Payments Bank Limited • Mynd Solutions Private Limited 	Appointment
Shri Dinesh Kumar Mehrotra Independent Director S/o Mr. Jagdish Narayan Mehrotra Occupation: Professional DIN: 00142711 Age: 66 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"> • VLS Finance Limited • UTI Asset Management Company Limited • Metropolitan Stock Exchange of India Limited • Tata AIA Life Insurance Company Limited • Indo Star Capital Finance Limited • West End Housing Finance Limited • Computer Age Management Services Limited • Aidia Technologies Private Limited • Vardan Cequebe Advisors Private Limited 	Appointment
Smt Anuradha Shripad Nadkarni D/o Mr Vasant Herlekar Independent Director	2401, A-Tower, Beau Monde, A. Marathe Marg, Prabhadevi,	November 14, 2019	<ul style="list-style-type: none"> • Svakarma Finance Private Limited 	Appointment



Name, Father's/Husband's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
Occupation: Financial Services Professional DIN: 05338647 Age: 57 Nationality: Indian	Mumbai - 400 025			

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 and Companies Act, 2013.

Details of Changes in Directors in last 3 years:

Name	DIN	Designation	Date of Appointment	Date of Completion of tenure/ Resignation Date	Reason
Smt. Arundhati Bhattacharya	02011213	Chairman	October 25, 2013	October 06, 2017	Ceased to be a Director pursuant to resignation.
Shri Rajnish Kumar	05328267	Chairman	December 13, 2017	Continuing	Appointment as a Director
Shri Percival Sam Billimoria	01197535	Independent Director	April 30, 2015	June 12, 2017	Ceased to be a Director pursuant to resignation
Shri Ashish Sharma	01659506	Nominee Director	August 28, 2014	August 09, 2017	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 Vishal Gulati	07564924	Nominee Director	August 09, 2017	December 15, 2017	Ceased to be a Director pursuant to resignation
Shri Ryan Armand Zanin	07316506	Nominee Director	October 27, 2015	December 15, 2017	Ceased to be a Director pursuant to resignation
Shri Banmali Agrawala	00120029	Nominee Director	April 24, 2013	October 25, 2017	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 Devinjit Singh	02275778	Nominee Director	December 15, 2017	September 04, 2018	Ceased to be a Director pursuant to resignation
Shri Hardayal Prasad	08024303	Managing Director &	February 01, 2018	Continuing	Appointed as SBI Nominee Director



Name	DIN	Designation	Date of Appointment	Date of Completion of tenure/ Resignation Date	Reason
		CEO			holding the position of Managing Director and CEO w.e.f February 01, 2018
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	06 th July 2018	Continuing	Appointment as a Director w.e.f. 06 th July 2018
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
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	Continuing	Appointment as Independent Director
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
Smt Anuradha Shripad Nadkarni	05338647	Independent Director	November 14, 2019	Continuing	Appointment as Independent



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/CARH, if any.

8.2. INTEREST OF 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 PRECEDING 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 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)	31.03.19	31.03.18	31.03.17
Claims against the Bank not acknowledged as debts	43,358	35,153	28,971

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, unauthorised 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 linked Incentive/Ex-gratia (₹) including Perquisites, other Benefits
2019-20 (up to Dec'19)	Shri. Hardayal Prasad, Managing Director & CEO	59,75,358
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 st February 2018)	9,44,972
2017-18	Shri Vijay Jasuja, Managing Director & CEO w.e.f. 15 th December 2017, prior to this working in the capacity of Manager & CEO	61,74,917
2016-17	Shri Vijay Jasuja, Manager & CEO	58,59,576

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.

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 CARH 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
2019-20 (up to Dec'19)	8,55,000
2018-19	6,25,000
2017-18	4,00,000
2016-17	2,15,000

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 4 (Four) SBI Nominee Directors, including MD & CEO, on the Board of the Company and 1 (One) CARH nominee Directors.

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:

Particulars	(₹ in Crores)		
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
Trade Payables and Other liabilities			
Holding Company	23.76	16.65	14.58
Joint Ventures	0.00	0.00	0.26
Fellow Subsidiaries and entities / Entity under common significant influence	0.05	0.04	49.50
Trade Receivables			
Holding Company	0.96	1.06	0.00
Dividend Payable			
Holding Company	61.95	0.00	47.10



Fellow Subsidiaries and entities / Entity under common significant influence	21.77	0.00	0.00
Joint Ventures	0.00	0.00	31.40
Borrowings			
Holding Company	8,747.55	9,027.42	7,159.75
Fellow Subsidiaries and entities	26.00	0.00	0.00
Interest Payable			
Holding Company	0.09	0.00	0.00
Cash and Bank Balances			
Holding Company	43.78	194.49	138.37
Fellow Subsidiaries and entities	0.00	0.00	1.57
Loans and Advances			
Holding Company	0.10	0.20	0.16
Fellow Subsidiaries and entities / Entity under common significant influence	0.59	0.15	9.62
Key Management Personnel	0.00	0.00	0.01
Other non- current assets			
Holding Company			0.02
Fixed Deposits			
Holding Company	2.31	10.85	0.00
Investments			
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.00	0.00
Other Recoverable including Interest accrued			
Holding Company	0.01	11.64	0.00
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.00	0.07
Contribution to Other Fund			
Fellow Subsidiaries and entities	0.04	0.00	0.00
Interest Accrued			
Holding Company	0.08	13.41	0.00

Details of Transactions with the related parties:

(₹ in Crores)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
Advertisement and sales promotion (incentives)			
Holding Company	188.09	129.64	34.87
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.00	1.48
Services Rendered			
Holding Company	2.80	1.65	
Cost allocations received			
Holding Company	4.80	3.47	3.39
Joint Venture	0.00	0.03	0.12
Fellow Subsidiaries and entities / Entity under common significant influence	0.10	6.50	8.64
Processing charges paid			
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	441.64	462.06
Cost allocations made			
Joint Venture	0.00	0.00	1.03
Fellow Subsidiaries and entities / Entity under common significant influence	0.00	0.95	0.63
Right Issue Shares			
Holding Company	347.80	0.00	0.00
Fellow Subsidiaries and entities / Entity under common significant influence	122.20	0.00	0.00
Bank charges, fees and Commission Paid			
Holding Company	1.54	3.90	3.06
Fellow Subsidiaries and entities / Entity under common significant influence	0.19	1.41	0.05
Commission Received			
Fellow Subsidiaries and entities / Entity under common significant influence	0.03	0.00	0.01
Personnel Cost (Managerial – Salaries & Other Allowances)			
Key Management Personnel	4.08	2.32	1.35
Personnel Cost (Managerial remuneration – Post Employment Benefits)			
Key Management Personnel	0.48	0.09	0.00
Gratuity fund contribution			



Particulars	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
Fellow Subsidiaries and entities / Entity under common significant influence	21.41	0.30	0.00
Interest Income on fixed deposit			
Holding Company	0.55	0.19	0.00
Finance charges			
Holding Company	645.30	447.35	443.24
Fellow Subsidiaries and entities / Entity under common significant influence	0.59	0.00	0.00
Borrowings taken			
Holding Company	50,114.06	48,764.36	34,150.83
Fixed Asset Insurance			
Fellow Subsidiaries and entities / Entity under common significant influence	0.02	0.01	
Borrowings repaid			
Holding Company	50,211.49	47,172.17	32,557.27
Fellow Subsidiaries and entities / Entity under common significant influence	5.00	0.00	0.00
Income on investments			
Fellow Subsidiaries and entities / Entity under common significant influence	0.06	0.07	0.03
Investments purchased			
Fellow Subsidiaries and entities / Entity under common significant influence	195.00	190.00	148.00
Investments sold			
Fellow Subsidiaries and entities / Entity under common significant influence	195.00	190.00	148.00
CSR Contribution			
Fellow Subsidiaries and entities / Entity under common significant influence	0.75	1.99	0.00
Dividend Paid/Declared			
Holding Company	61.95	47.10	47.10
Joint Venture	0.00	31.40	31.40
Fellow Subsidiaries and entities / Entity under common significant influence	21.77	0.00	0.00
Fixed Deposit made			
Holding Company	12.04	2.26	0.02
Fixed deposit matured			
Holding Company	20.57	23.00	0.02
Royalty expenses			
Holding Company	15.78	10.29	7.81
Loans and Advances given and other adjustments			
Holding Company	2.18	3.32	3.72
Fellow Subsidiaries and entities / Entity under common significant influence	3.41	85.31	119.46
Key Management Personnel	0.57	0.32	0.19
Employee Insurance			
Fellow Subsidiaries and entities / Entity under common significant influence	0.68	0.00	0.00
Loans and Advances Repaid			
Holding Company	2.29	3.28	3.97
Fellow Subsidiaries and entities / Entity under common significant influence	3.37	85.38	117.59
Key Management Personnel	0.57	0.32	0.19
Contribution to Other Fund			
Holding Company	0.40	0.00	0.00

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 3.16 crores in 2018-19, Rs 3.48 crores in 2017-18 and Rs 4.95 crores in 2016-17. 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 has not issued any debt securities or agreed to issue any debt securities or availed any borrowings for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

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
2018-19	Nil
2017-18	Nil
2016-17	Nil
2015-16	Nil
2014-15	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 (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).



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 September 30, 2019 according to the RBI. 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 2019, 2018, and 2017, new accounts acquired from our Promoter's customer base accounted for 55.2%, 45.5% and 35.2%, 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, 2017, 2018 and 2019, and December 31, 2019, 97.3%, 98.2%, 98.7% and 98.6%, respectively, of our credit card portfolio was unsecured. As of December 31, 2019, and March 31, 2019, our gross NPAs as a percentage of gross advances was 2.47% and 2.44%, respectively, as compared to 2.83% as of March 31, 2018 and 2.34% as of March 31, 2017. 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:

<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



<i>As of and for the year ended March 31, 2018</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	29%	29%	29%
SBI Card	17%	15%	17%
ICICI Bank	13%	13%	11%
Axis Bank	12%	9%	10%
Citi Bank	7%	15%	11%

Source: RBI

<i>As of and for the year ended March 31, 2017</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	29%	30%	29%
SBI Card	15%	14%	13%
ICICI Bank	14%	14%	11%
Axis Bank	11%	8%	9%
Citi Bank	8%	16%	13%

Source: RBI

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 December 31, 2019, we had a total of 3,883 employees. We had 3,701 employees as of March 31, 2019, 3,642 employees as of March 31, 2018 and 3,041 employees (including SBIBPMSL), as of March 31, 2017. Our outsourced workforce as of December 31, 2019 was 38,244, 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. *One of our group companies is involved in SEBI proceedings in relation to certain non-compliances under securities related laws.*

One of our group companies, SBI Funds Management Private Limited ("SBI Funds") is involved in proceedings initiated against it by SEBI. The proceedings have been initiated pursuant to investigation by SEBI for alleged violations by SBI Funds of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the SEBI (Prohibition of Insider Trading) Regulations, 2015. While, SEBI had issued a show-cause notice, with respect to one of the proceedings, which has been responded to by SBI Funds, no order has yet been passed by SEBI in relation to such show-cause notice. We cannot assure you that the Adjudicating Officer, SEBI, Mumbai will not pass an order against our Company, its Promoters or its Directors and that penalty may be imposed under SEBI Act.

8. *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.

9. *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 (calculated as total provisions on Stage 3 assets divided by total Stage 3 assets) as of March 31, 2017, 2018 and 2019 was 67.9%, 67.3% and 66.5%, respectively, and 67.0% as of December 31, 2019. Although we maintain provisions for credit losses above the minimum levels prescribed by the RBI, 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.

10. *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. For details of our pending applications, see "Government and Other Approvals" on page 373. 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.

11. 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.

12. *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.

13. 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.

14. *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 19.3% and 24.7% of our total credit card spends in fiscal 2019 and in the nine months ended December 31, 2019, 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 29.6% and 35.2% of our total cardholder accounts sourced in fiscal 2019 and in the nine months ended December 31, 2019, 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 co-brand 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.

15. *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.

16. *Our Promoter has incurred losses in the past, which could have an adverse effect on our reputation and business.*

As a result of the RBI's supervisory review and assessment of our Promoter's compliance with extant prudential norms on income recognition, asset classification and provisioning, the RBI identified certain material divergences in our Promoter's asset classification and provisioning as reported in its financial statements for fiscal 2019. Such divergences amounted to ₹31,430 million in gross NPAs, ₹6,870 million in net NPAs and ₹46,540 million in provisioning.

Accordingly, the RBI required our Promoter to adjust its asset classification and provisioning to rectify such divergences in its financial statements for fiscal 2019. Such adjustments resulted in a net loss of ₹69,680 million by our Promoter for fiscal 2019 from an earlier reported net profit of ₹8,620 million for the same period. There can be no assurance that our Promoter will not incur similar losses in the future, which could have an adverse effect on our reputation and business.

17. *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 21.2% and 21.6% of our total revenue from operations in the nine months ended December 31, 2018 and 2019, respectively, and 22.5% in fiscal 2019, 21.5% in fiscal 2018 and 19.3% in fiscal 2017. 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.

18. *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 51.0% and 51.1% of our total revenue from operations in the nine months ended



December 31, 2019 and fiscal 2019, respectively, as compared to 53.2% in fiscal 2018 and 56.4% in fiscal 2017. 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.

19. 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.

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 authorising 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 February 14, 2020 and "CRISIL AAA/Stable" by CRISIL vide its letter dated February 14, 2020. 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. However the Company, in the year of maturity of the Debentures, shall invest/deposit an amount equal to 15% of the Debentures outstanding in that year, or any other amount as may be required under prevalent law in permitted investment/deposit, such that overall amount invested in the permitted investments/deposits, in the year of maturity shall not be less than 15% of the debentures outstanding in the relevant year. These investment/deposit will be utilised only towards the redemption of debentures and no other purpose.

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.***

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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 December 31, 2019, is set forth below:

	Aggregate value at nominal value (₹)
A) AUTHORISED SHARE CAPITAL	
1,500,000,000 Equity Shares of ₹10/- each	15,000,000,000
B) ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	
932,334,278 Equity Shares of face value of ₹10/- each fully paid up	9,323,342,780
C) SECURITIES PREMIUM ACCOUNT	4,177,777,760

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 December 31, 2019

Our Company has issued share under rights issue on July 31, 2018. The company has also allotted equity shares on July 22, 2019

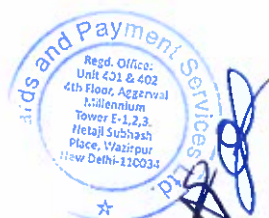
Date of Change	Rs.	Particulars
July 31, 2018	Paid up capital of the Company increased from Rs. 785.00 crore to Rs. 837.22 crore.	Rights issue
July 22, 2019	Paid up capital of the Company increased from Rs. 837.22 crore to Rs. 932.33 crore	Allotment of equity shares pursuant to Scheme of Amalgamation approved by Hon'ble NCLT on the date of June 4, 2019

Change in Authorised Share Capital as on December 31, 2019

Date of Change (AGM/EGM)	Rs.	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 December 31, 2019

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



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 (₹)
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

10.1.4. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company as on December 31, 2019:

S no.	Category	Pre-Issue		Post-Issue*		
		No. of shares held	% of shareholding	No. of Shares in De-mat form	No. of shares held	% of shareholding
A	Promoter's Holding					
1	Indian					
	Individual	5	0%	5	5	0%
	Bodies Corporate	689,927,358	74%	689,927,358	689,927,358	74%
	Sub-total	689,927,363	74%	689,927,363	689,927,363	74%
2	Foreign Promoters	0	0%	0	0	0%
	Sub-Total (A)	689,927,363	74%	689,927,363	689,927,363	74%
B	Non-Promoter's Holding					
1	Institutional Investors- Foreign Body Corporate (Financial Institution)	0	0%	0	0	0%
2	Non-Institutional Investors	0	0%	0	0	0%
3	Private Corporate bodies	0	0%	0	0	0%
4	Directors and relatives	0	0%	0	0	0%
5	Indian Public	0	0%	0	0	0%
6	Other Foreign Body Corporate (Financial Institution)	242,406,915	26%	242,406,915	242,406,915	26%
	Sub-Total (B)	242,406,915	26%	242,406,915	242,406,915	26%
	Grand Total (A+B)	932,334,278	100%	932,334,278	932,334,278	100%

*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 December 31, 2019:

Sl. No.	Name	Shares	% to Equity
1	S. P. Singh (on behalf on SBI)	1	0%

10.1.6. Our top ten shareholders and the number of Equity Shares held by them, as on December 31, 2019 are as follows:

Sl. No.	Name	Shares	% to Equity	Category
1	State Bank of India	689,927,358	74%	Bank
2	CA Rover Holdings	242,406,915	26%	Foreign Body Corporate (Financial Institution)
3	Shri S P Singh (holding share on behalf of SBI)	1	0%	Individual
4	Shri K Pradeep (holding share on behalf of SBI)	1	0%	Individual
5	Smt Usha Gautam (holding share on behalf of SBI)	1	0%	Individual
6	Shri P M Mohan Patro (holding share on behalf of SBI)	1	0%	Individual
7	Shri Sanjay Kumar Tiwari (holding share on behalf of SBI)	1	0%	Individual

10.1.7. List of top ten debenture holders of the Company as on December 31, 2019:

S. No.	Name	Total face value amount of Debentures held in ₹
1.	STATE BANK OF INDIA	13,75,00,00,000
2.	AZIM PREMJI TRUST	2,50,00,00,000
3.	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	2,00,00,00,000
4.	TATA SHORT TERM BOND FUND	1,75,00,00,000
5.	SBI GENERAL INSURANCE COMPANY LIMITED	1,50,00,00,000
6.	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA FIXED HORIZON FUND - XXXVIII - SERIES 06	1,10,00,00,000
7.	CENTRAL BANK OF INDIA	1,00,00,00,000
8.	HDFC BANK LTD	1,00,00,00,000
9.	THE NEW INDIA ASSURANCE COMPANY LIMITED	1,00,00,00,000
10.	FOOD CORPORATION OF INDIA CPF TRUST	85,70,00,000

10.1.8. No Equity Shares of the Company as on December 31, 2019 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 above.

10.1.13. Other than debt securities issued by the Company, outstanding as on December 31, 2019, 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.	04-Jun-19	4,000.00	5,00,000	27,477.50
2.	04-Jul-19	5,000.00	5,00,000	36,448.50
3.	18-Jul-19	5,000.00	5,00,000	34,955.00
4.	13-Aug-19	5,000.00	5,00,000	18,362.00
5.	11-Sep-19	3,000.00	5,00,000	15,930.50
6.	27-Sep-19	6,000.00	5,00,000	24,875.50
7.	04-Oct-19	1,500.00	5,00,000	23,773.50
8.	07-Oct-19	4,000.00	5,00,000	32,123.50
9.	18-Oct-19	4,000.00	5,00,000	6,812.00
10.	22-Oct-19	4,000.00	5,00,000	14,994.00
11.	07-Nov-19	2,500.00	5,00,000	32,098.00
12.	11-Nov-19	8,000.00	5,00,000	6,625.50
13.	21-Nov-19	4,000.00	5,00,000	14,994.00
14.	11-Dec-19	8,000.00	5,00,000	6,581.50
15.	18-Dec-19	10,000.00	5,00,000	6,570.00
16.	26-Dec-19	5,000.00	5,00,000	5,993.00

- in pursuance of an option.
- **Unsecured Debenture:**

Nature of the Debentures	Date of Allotment	Total value of Debenture (₹crores)	Amount outstanding As on March 31, 2019 (₹crores)	Coupon rate (%)	Tenor/ Period of maturity	Put / Call option	Put/ Call option date	Redemption Date	Credit Rating	Secured/ Unsecured
Series 11 Fixed Rate, Taxable, Unlisted NCD's	May 18, 2018	400	400	8.90 payable annually	3 years 6 Months	2 years	May 18, 2020	November 18, 2021	CRISIL: AAA/Stable ; ICRA: AAA/Stable	Unsecured

*These NCD'S have call and put option both exercise on 18th May 2020

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

Various bank guarantees amounting to Rs 8.46 crores has been issued to various authorities including its group companies.

S. No	Counterparty/Department	Total Value (Rs Crores)
1	State Bank of India for giving sub membership in SBI RTGS account with RBI	5.00
2	Telegraph Authority, Department of Telecom, (Chennai and Delhi)	3.00
3	Unique Identification Authority of India (UIDAI)	0.25
4	Others (VAT/Railways)	0.21
Total		8.46



10.2. FINANCIAL INDEBTEDNESS

10.2.1. Set forth below is a summary of our Company's significant outstanding secured borrowings of ₹ 10,430.95 crores and unsecured borrowings of ₹ 4,275.51 crores, as on December 31, 2019 (excluding commercial papers) together with a brief description of certain significant terms of such financing arrangements.

(1) Secured loans from banks and financial institutions availed by our Company

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

Sr. No.	Name of the Lender	Loan facility	Amount Sanctioned (₹crores)	Amount outstanding (₹crores) As on Dec 31, 2019	Rate of interest (%)	Repayment Date/Schedule	Security ³
1	State Bank of India	WCDL	12,500.00	1,325.00	7.80%	01-Jan-2020	Receivables
2	State Bank of India	WCDL		500.00	7.80%	28-Jan-2020	Receivables
3	State Bank of India	WCDL		650.00	7.80%	30-Jan-2020	Receivables
4	State Bank of India	WCDL		900.00	7.00%	20-Mar-2020	Receivables
5	State Bank of India	WCDL		300.00	7.00%	30-Jan-2020	Receivables
6	State Bank of India	WCDL		275.00	7.0%	28-Feb-2020	Receivables
7	State Bank of India	WCDL		300.00	7.00%	12-Mar-2020	Receivables
8	State Bank of India	WCDL		650.00	7.00%	30-Jan-2020	Receivables
9	State Bank of India	WCDL		300.00	7.00%	14-Jan-2020	Receivables
10	State Bank of India	WCDL		500.00	7.00%	14-Jan-2020	Receivables
11	State Bank of India (USD 126.87 MM USD INR 900 Crores)	FCNR (B) Loans		904.17	7.63% (LIBOR linked inclusive of hedging cost)	10-Feb-2020	Receivables
12	State Bank of India (USD 83.96 MM USD INR 600 Crores)	FCNR (B) Loans		598.40	7.54% (LIBOR linked inclusive of hedging cost)	14-Feb-2020	Receivables
13	State Bank of India (USD 28.04 MM USD INR 200 Crores)	FCNR (B) Loans		199.82	7.40% (LIBOR linked inclusive of hedging cost)	22-Nov-2019	Receivables



Sr. No.	Name of the Lender	Loan facility	Amount Sanctioned (₹crores)	Amount outstanding (₹crores) As on Dec 31, 2019	Rate of interest (%)	Repayment Date/Schedule	Security*
14	State Bank of India (USD 69.58 MM USD INR 500 Crores)	FCNR (B) Loans		495.91	6.98% (LIBOR linked inclusive of hedging cost)	18-Feb-2020	Receivables
15	State Bank of India (USD 79.87 MM USD INR 575 Crores)	FCNR (B) Loans		569.22	7.00% (LIBOR linked inclusive of hedging cost)	20-Feb-2020	Receivables
16	State Bank of India	Cash Credit		413.68	8.10%	On Demand	Receivables
17	Bank of Baroda	WCDL	1,000.00	200.00	8.15%	22-Jan-20	Receivables
18	Bank of Baroda	WCDL		100.00	7.90%	21-Feb-20	Receivables
19	Bank of Baroda	Cash Credit		249.75	8.40%	On Demand	Receivables
20	Punjab National Bank	WCDL	1,000.00	200.00	8.30%	07-Jan-2020	Receivables
21	Punjab National Bank	WCDL		300.00	8.30%	26-Jun-2020	Receivables
22	Central Bank	WCDL	1,900.00	150.00	7.80%	06-Jan-20	Receivables
23	Central Bank	WCDL		350.00	7.85%	08-Jan-20	Receivables
	Total of Term Loans from banks and financial institutions			10,430.95			

Primary Security:

- Pari passu 1st charge on the entire current asset of the company (Present & Future) incl. hypothecation of receivables and Hypothecation of Stock & Receivables.
- Pari passu 1st 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 1st charge Fixed Assets of the company on (both present & future) except Vehicles financed by other Banks.



(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 December 31, 2019	Rate of interest (% p.a.)	Repayment Date/ Schedule
A.	Unsecured Loans/Lease liabilities			185.32**		
B.	Foreign Currency Borrowings			Nil		
	Total Unsecured Loans from Banks and other Institutions			185.32**		
	Total Unsecured Loans – (2) (A + B)			185.32**		

**In Compliance to Ind AS 116, effective 1st 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 & 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 Dec 31, 2019	Interest Coupon rate (%)	Interest Coupon rate (%)	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
A.	Secured taxable Debentures									
	Set forth below is a brief summary of our secured outstanding taxable Debentures.									
	Total Secured Debentures through Private Placement of Institutional Debenture Series			Nil						
B.	Unsecured Debentures issued by our Company									
	Set forth below is a summary of certain of our other outstanding unsecured Debentures. These Debentures (except series 13 -18) are not listed on the whole sale debt market segment in the NSE/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 9 Fixed Rate,	August 09, 2017	500.00	500.00	7.55 payable annually	3 years	August 07, 2020	CRISIL: AAA/Stable	Unsecured	-



S. No.	Nature of the Debentures	Date of Allotment	Total value of Debentures (₹crores)	Amount outstanding As on Dec 31, 2019	Interest Coupon rate (%)	Interest Coupon rate (%)	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	Taxable, Unlisted NCD's							ICRA: AAA/Stable		
6	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	-
7	Series 11 Fixed Rate, Taxable, Unlisted NCD's	May 18, 2018	400.00	400.00	8.90 payable annually	3 years 6 Months (Put/call option- 2 years)	November 18, 2021	CRISIL: AAA/Stable ICRA: AAA/Stable	Unsecured	-
8	Series 12 Fixed Rate, Taxable, Unlisted NCD's	October 17, 2018	500.00	500.00	9.50 payable annually	2 years	October 16, 2020	CRISIL: AAA/Stable ICRA: AAA/Stable	Unsecured	-
9	Series 13 Fixed Rate, Taxable, Listed 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	-
10	Series 14 Fixed Rate, Taxable, Listed 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	-
11	Series 15 Fixed Rate, Taxable, Listed 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	-
12	Series 16 Fixed Rate, Taxable, Listed 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	-
13	Series 17 Fixed Rate, Taxable, Listed 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	-
14	Series 18 Fixed Rate, Taxable, Listed 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	-
Total Un-secured Debentures through Private Placement of Institutional Debenture Series				4,095.00						



S. No.	Nature of the Debentures	Date of Allotment	Total value of Debentures (₹crores)	Amount outstanding As on Dec 31, 2019	Interest Coupon rate (%)	Interest Coupon rate (%)	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	Less: Unamortized Expense			4.81						
	Total of Debentures - (3) (A and B)			4,090.19						

10.2.2. Details of Commercial Paper

Company has issued Commercial Paper of Rs 22,475 crore during last one year and only Commercial Papers worth Rs. 3,950 Crores are outstanding as on December 31, 2019 and will be maturing as per following details:

Maturity Month	Units	Face Value of Commercial Papers Outstanding as on December 31, 2019
January 2020	4,000	200.00
February 2020	8,000	400.00
March 2020	35,000	1,750.00
April 2020	4,000	200.00
May 2020	4,000	200.00
June 2020	12,500	625.00
July 2020	5,000	250.00
September 2020	4,000	200.00
November 2020	2,500	125.00

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 December 31, 2019

10.2.4. Corporate Guarantees

Company has issued various bank guarantees amounting to Rs 8.46 crores to various authorities including its group companies as at December 31, 2019.

S. No	Counterparty/Department	Total Value (Rs Crores)
1	State Bank of India for giving sub membership in SBI RTGS account with RBI	5.00
2	Telegraph Authority, Department of Telecom, (Chennai and Delhi)	3.00
3	Unique Identification Authority of India (UIDAI)	0.25
4	Others (VAT/Railways)	0.21
	Total	8.46



KEY FINANCIAL AND OPERATIONAL PARAMETERS

(₹ in crores)

Particulars	Year ended 30.09.19 (Audited) IND_AS	Year ended 31.03.19 (Audited) IND_AS	Year ended 31.03.18 (Audited) IND_AS	As on/for the year ended 31.03.17 (Audited) Standalone IGAAP
For Financial Entities				
Net worth	4,388.20	3,659.29	2,428.38	1,450.89
Total Debt	17,427.05	13,549.38	11,303.99	8,247.17
of which – Non Current Maturities of Long Term Borrowing	3,715.24	3,163.56	1,600.76	501.18
- Short Term Borrowing	12,811.95	10,335.82	9,653.26	7,705.98
- Current Maturities of Long Term Borrowing	899.86	49.99	49.97	40.00
Net Fixed Assets	335.50	216.39	175.46	3.61
Non-Current Assets	3,420.78	2,918.31	2,023.69	809.33
Cash and Cash Equivalents	492.73	776.78	472.68	282.95
Current Investments	-	-	-	-
Current Assets	21,044.84	17,227.86	13,558.95	10,019.73
Current Liabilities	17,402.89	13,295.13	11,552.07	8,829.09
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	2,211.56	3,575.71	2,759.98	1,767.72
Finance Costs	621.28	1,009.36	707.56	521.58
Net interest income	1,590.28	2,566.36	2,052.42	1,246.13
Provisioning & Write-offs	725.80	1,027.02	799.03	347.25
PAT	726.60	864.97	603.55	390.41
Gross NPA (%)	2.33%	2.44%	2.83%	1.63%
Net NPA (%)	0.78%	0.83%	0.94%	1.21%
Tier I Capital Adequacy Ratio (%)	14.79%	14.86%	12.62%	12.75%
Tier II Capital Adequacy Ratio (%)	4.24%	5.28%	5.94%	4.35%
Capital Adequacy ratio (%)	19.03%	20.14%	18.56%	17.10%
Return on Net worth (average)	19.33%	28.42%	31.13%	29.96%
Debt equity ratio (times)	3.97	3.70	4.65	5.68
Total Assets	24,465.62	20,146.17	15,582.64	10,829.05
Return on assets (average)	3.46%	4.84%	4.58%	4.17%



STATEMENT OF ASSETS AND LIABILITIES (IND-AS)

(₹ in crores)

Particulars	As at Sep 30, 2019	As at March 31, 2019	As at March 31, 2018
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	447.15	733.50	311.90
(b) Bank Balance other than (a) above	45.58	43.27	160.77
(c) Derivative financial instruments	-	0.10	-
(d) Receivables	-	-	-
(i) Trade Receivables	179.83	148.82	23.00
(ii) Other Receivables	102.85	146.20	127.73
(e) Loans	22,279.48	17,908.73	14,045.54
(f) Investment	1.46	1.46	0.00
(g) Other financial assets	29.03	30.61	113.92
Total financial assets	23,085.38	19,012.70	14,782.87
2 Non-financial assets			
(a) Current tax assets (Net)	64.59	-	-
(a) Deferred tax assets (Net)	126.29	163.26	85.99
(c) Property plant and equipment	54.17	131.62	96.43
(d) Capital work in progress	10.87	4.34	13.34
(f) Intangible assets	65.53	64.60	43.98
(g) Intangible assets under development	17.22	15.83	21.72
(h) Right-of-use Assets	187.70	-	-
(i) Other non Financial assets	853.86	753.82	538.31
Total non-financial assets	1,380.24	1,133.47	799.76
Total Assets (1+2)	24,465.62	20,146.17	15,582.64
LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
(a) Derivative financial instruments	19.65	109.53	2.85
(b) Payables	-	-	-
(i) Trade payables	-	-	-
(ii) total outstanding dues of micro enterprises and small enterprises	-	0.00	0.16
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	86.16	661.49	518.06
(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	5.18	3.56	11.34
(c) Debt Securities	6,496.82	4,079.32	2,948.93
(d) Borrowings (Other than Debt Securities)	9,683.87	8,273.26	7,357.02
(e) Subordinated Liabilities	1,246.35	1,196.80	998.04
(f) Other financial liabilities	1,049.43	957.69	644.85
Total financial liabilities	18,587.47	15,281.66	12,481.25
2 Non-financial liabilities			
(a) Current Tax liabilities (Net)	-	76.23	10.40
(b) Provisions	1,066.29	628.42	392.41
(c) Other non financial liabilities	495.17	572.09	341.69
Total non financial liabilities	1,561.47	1,276.74	744.51
Total liabilities (1+2)	20,148.94	16,558.39	13,225.76
3 Equity			
(a) Equity Share capital	932.33	837.22	785.00
(b) Other equity	3,384.35	2,750.56	1,571.87
Total equity	4,316.68	3,587.78	2,356.87
Total liabilities and equity (1+2+3)	24,465.62	20,146.17	15,582.64



STATEMENT OF PROFIT AND LOSS (IND-AS)

(₹ in crores)

	Particulars	For the period ended Sep 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Revenue from Operations			
(i)	Interest income	2,211.56	3,575.71	2,759.98
(ii)	Income from fees and services	1,937.84	3,072.04	2,177.27
(iii)	Service Charges	52.74	125.86	79.61
(iv)	Business development incentive income	156.61	216.67	162.84
(v)	Insurance commission income	5.29	8.73	7.28
(vi)	Net gain on fair value changes	(0.10)	0.10	-
	Total Revenue from operations	4,363.93	6,999.11	5,186.98
2	Other Income	314.90	287.74	183.22
3	Total Income (1+2)	4,678.84	7,286.85	5,370.19
4	EXPENSES			
(i)	Finance costs	621.28	1,009.36	707.56
(ii)	Employee benefits expenses	210.77	386.08	190.16
(iii)	Depreciation, amortisation and impairment	48.57	55.22	13.47
(iv)	Operating and other expenses	2,036.57	3,459.91	2,727.17
(v)	CSR expenses	1.51	14.19	9.77
(vi)	Impairment losses & bad debts	725.80	1,027.02	799.03
	Total expenses	3,644.51	5,951.77	4,447.17
5	Profit before tax (3-4)	1,034.33	1,335.08	923.02
6	Tax expense:			
	Current tax charge / (credit)	267.33	540.31	285.49
	Current tax charge / (credit) - previous year	3.81	7.15	(19.21)
	Deferred tax charge / (credit)	(5.78)	(70.86)	33.57
	Deferred tax charge / (credit) - previous year	42.38	(6.49)	19.62
	Total Tax Expenses	307.73	470.12	319.48
7	Profit after tax for the year (5-6)	726.60	864.97	603.55
8	Other Comprehensive Income			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)	(4.30)	(5.02)	(2.76)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1.08	1.75	0.95
	Subtotal (A)	(3.22)	(3.27)	(1.80)
B	(i) Items that will be reclassified to profit or loss			
	(a) Gain/(loss) on forward contracts in hedging relationship	5.78	0.22	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	(1.45)	(0.08)	-
	Subtotal (B)	4.32	0.14	-
	Other comprehensive income (A+B)	1.10	(3.13)	(1.80)
9	Total Comprehensive Income for the year (7+8)	727.71	861.84	601.75
10	Earnings per equity share (for continuing operation):			
	(1) Basic	7.79	10.55	7.69
	(2) Diluted	7.79	10.55	7.69



STATEMENT OF CASH FLOWS (IND-AS)

(₹ in crores)

Particulars	For the period ended Sep 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax for the period	1,034.33	1,335.08	923.02
Adjustments for :			
Depreciation and amortisation expense	48.57	55.22	13.47
Liabilities written back	(163.41)	(1.09)	(1.77)
Impairment loss and provision for doubtful debts	725.80	1,146.48	800.06
Other Interest Income	(2.44)	(17.81)	(7.64)
Finance Cost	621.28	1,009.36	707.56
Loss/ (Profit) on sale of property, plant & equipment	0.28	(0.02)	0.11
Profit on sale on investments	(0.31)	(0.38)	(0.54)
Fair valuation of derivatives	0.10	(0.10)	2.85
Operating profit before working capital changes	2,265.92	3,526.73	2,437.13
Adjustment for changes in working capital			
Adjustments for (increase) / decrease in operating assets:			
Trade Receivables	(31.00)	(125.82)	133.68
Other Receivables	206.76	(17.37)	(71.83)
Other financial assets	1.12	79.71	(36.41)
Other non financial assets	(100.04)	(211.76)	(279.12)
Loans	(5,096.55)	(4,890.21)	(4,861.72)
Adjustments for increase / (decrease) in operating liabilities:			
Other financial liabilities	45.13	237.41	295.62
Other non financial liabilities	(76.92)	230.40	171.98
Provisions	332.64	9.32	(36.18)
Trade payables	(573.72)	135.50	305.61
Cash from/ (used) in operations	(3,026.66)	(1,026.10)	(1,941.23)
Finance Cost Paid	(533.61)	(894.62)	(691.72)
Cash from/ (used) in operations before taxes	(3,560.27)	(1,920.72)	(2,632.95)
Direct taxes paid (net of refunds)	(411.94)	(478.84)	(258.25)
Net cash generated/ (used) in operating activities	(3,972.21)	(2,399.56)	(2,891.20)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment	(175.57)	(129.19)	(41.95)
Proceeds from sale of property, plant and equipment	(0.06)	33.07	2.41
Investment purchased	(665.00)	(766.46)	(1,430.00)
Investment sold	665.31	765.38	1,430.54
Interest Income	2.90	21.41	3.24
NET CASH USED IN INVESTING ACTIVITIES (B)	(172.42)	(76.79)	(35.77)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Share Capital	-	52.22	-
Proceeds from securities premium	-	417.78	-
Proceeds from Debt Securities	12,359.65	19,928.35	22,100.86
Repayment of Debt Securities	(9,989.31)	(18,735.14)	(26,622.84)
Borrowings (Other than Debt Securities)	1,368.03	916.24	7,109.76
Proceeds from Subordinated Liabilities	100.00	250.00	500.00
Repayment of Subordinated Liabilities	(50.00)	(50.00)	(40.00)
Interim Dividend Paid	100.94	-	(94.48)
Lease payment made	(28.72)	-	-
NET CASH (USED) / GENERATED IN FINANCING ACTIVITIES (C)	3,860.58	2,779.45	2,953.30
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	(284.05)	304.10	26.32
Cash and bank balances as at the beginning of the year	776.78	472.68	282.95
Cash and bank balance on account of Amalgamation	-	-	163.40
Cash and bank balances as at the end of the year	492.73	776.78	472.68
	(284.05)	304.10	26.32



Supplementary information:			
Restricted cash balance, refer note 6	44.57	43.26	35.21
Note:			
1. The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Ind AS 7, Statement of Cash Flows, as per Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015.			
2. Cash and cash equivalents include:	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)
Cash in hand	-	-	-
Balance with Scheduled banks on			
- Current accounts	6.10	6.91	9.81
-Funds in transit (Lying in nodal account of intermediatory/payment gateway aggregator)	441.05	460.57	247.60
-Deposit with maturity less than 3 months	-	266.02	54.50
Cash and cash equivalents at the end of the year	447.15	733.50	311.90
Add : Earmarked balances with bank	44.57	43.26	35.21
Add : Deposits with original maturity for more than 3 months but less than 12 months	-	0.01	117.02
Add : Fixed Deposits (under Lien for guarantees)	1.01	-	8.55
Cash and bank balances at the end of the year	492.73	776.78	472.68



STANDALONE STATEMENT OF ASSETS AND LIABILITIES (I-GAAP)

(₹ in crores)

	Particulars	As at 31.03.2018	As at 31.03.2017
I.	EQUITY AND LIABILITIES		
(1)	Shareholders' Funds		
	(a) Share Capital	785.00	785.00
	(b) Reserves and Surplus	1,029.02	665.89
	Sub-total (1)	1,814.02	1,450.89
(2)	Non-current Liabilities		
	(a) Long-term Borrowings	1,562.23	501.18
	(b) Deferred Tax Liabilities (Net)	0.00	0.00
	(c) Other Long-term Liabilities	0.00	0.00
	(d) Long-term Provisions	72.02	47.89
	Sub-total (2)	1,634.25	549.07
(3)	Current Liabilities		
	(a) Short-term Borrowings	9,641.71	7,705.98
	(b) Other current liabilities	1,406.02	591.76
	(c) Short-term Provisions	692.76	531.34
	Sub-total (3)	11,740.68	8,829.09
	Total (1+2+3)	15,188.95	10,829.05
II.	ASSETS		
(1)	Non-current Assets		
	(a) Fixed assets		
	(i) Tangible Assets	4.69	3.61
	(ii) Intangible Assets	0.00	0.00
	(iii) Capital work-in-progress	0.00	0.00
	(iv) Intangible Assets under Development	0.00	0.00
		4.69	3.61
	(b) Deferred Tax Asset (Net)	197.75	128.11
	(c) Non-current Investments	0.00	0.00
	(d) Long-term Loans & Advances	1,374.49	677.58
	(e) Other Non-current Assets	0.27	0.02
	Sub-total (1)	1,577.20	809.33
(2)	Current Assets		
	(a) Current Investments	0.00	0.00
	(b) Cash & Bank Balances	287.95	282.95
	(c) Short-term Loans & Advances	13,183.37	9,637.29
	(d) Other Current Assets	140.43	99.49
	Sub-total (2)	13,611.25	10,019.73
	Total (1+2)	15,188.95	10,829.05



STANDALONE STATEMENT OF PROFIT AND LOSS (I-GAAP)

(₹ in crores)

	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
I.	Revenue from Operations	4,965.57	3,238.65
II.	Other Income	178.79	124.45
III.	Total Revenue (I+II)	5,144.36	3,363.10
IV.	Expenses		
(i)	Finance Costs	701.27	521.58
(ii)	Employee Benefits Expense	139.44	101.14
(iii)	Depreciation & Amortization	1.19	1.04
(iv)	Corporate Social Responsibility Expenses	9.09	7.04
(v)	Other Expenses	3,027.84	1,786.59
(vi)	Provisions and Contingencies	709.75	347.25
	Total Expenses (IV)	4,588.57	2,764.64
V.	Profit before Prior Period Items & Tax (III-IV)	555.79	598.46
VI.	Prior Period Items	-	-
VII.	Profit before Tax (V-VI)	555.79	598.46
VIII.	Tax Expense:		
(i)	Current Year	276.83	232.26
(ii)	Earlier Years/ (Refunds)	-14.53	-1.13
(iii)	MAT	0.00	14.82
(iv)	Deferred Tax	-69.65	-37.90
	Total Tax Expense (i+ii+iii)	192.66	208.05
IX.	Profit for the period from Continuing Operations (VII-VIII)	363.13	390.41
X.	Profit from Discontinuing Operations (after tax)		-
XI.	Profit for the period (IX+X)	363.13	390.41
XII.	Earnings per Equity Share (in ₹ for an equity share of ₹ 10 each)		
	(1) Basic	4.63	4.97
	(2) Diluted	4.63	4.97



STANDALONE STATEMENT OF CASH FLOWS (I-GAAP)

(₹ in crores)

PARTICULARS	Year ended 31.03.2018	Year ended 31.03.2017
A. Cash Flow from Operating Activities:		
Net Profit before Tax	555.79	598.46
Adjustments for:		
Depreciation	1.19	1.04
(Profit)/ Loss on sale of assets (net)	0.16	-0.01
Employees stock options	0.00	-0.08
Liabilities written back	-1.57	-2.17
Bad debts written off / provision for doubtful debts	709.75	347.25
Interest on fixed deposits	0.00	-0.01
Provision for other doubtful advances	0.55	-0.62
Unamortized membership fees	51.61	44.05
Profit on sale of Investment	-0.54	-0.43
Debenture issue expenses expensed off during the period	0.44	0.76
Amortization of Interest on commercial papers	482.91	466.24
Amortization of Forward Contract Premium on Foreign Currency loans	27.31	0.00
Lease equalization reserve	0.15	0.09
Commercial paper issuing cost	4.45	5.07
Interest on debentures	103.17	39.63
Interest on cash credit	70.01	15.67
Interest on FCNR borrowings	17.87	0.00
Unrealized foreign exchange (Gain)/loss (net)	3.43	-0.38
Operating profit before Changes in Operating Assets & Liabilities:	2026.70	1514.56
Increase / Decrease:		
(Increase)/ decrease in long and short-term loans and advances	-4718.41	-3225.14
(Increase)/ decrease in other non-current assets	-0.25	0.00
(Increase)/ decrease in other current assets	-40.94	-31.86
Increase/ (decrease) in trade Payables	275.54	32.86
Increase/ (decrease) in other current Liabilities	391.41	96.94
Increase/ (decrease) in long & short-term provisions	28.53	148.33
Cash from/ (used) in operations	-2037.42	-1464.32
Finance Cost Paid:		
- Interest on cash credit	-70.01	-15.67
- Commercial paper issuing cost	-4.45	-5.07
- Interest paid on FCNR borrowings	-16.96	0.00
- Interest paid on debentures	-47.59	-32.33
- Interest paid on commercial papers	-522.16	-449.23
Cash generated from operating activities before taxes	-2698.60	-1966.62
Direct taxes paid (net of refunds)	-246.13	-230.45
Net cash generated/ (used) in operating activities	-2944.73	-2197.06
B. Cash Flow from Investing Activities		
Purchase of fixed assets (except assets taken on lease)	-0.14	-1.54
Investment purchased	-1430.00	-1270.00
Investment sold	1430.54	1270.43
Interest received	0.00	0.00
Sale of assets	0.13	0.26
Net Cash Flow from Investing Activities	0.52	-0.85
C. Cash Flow from Financing Activities		
Foreign currency borrowing raised/repaid during the year	972.01	0.00
Cash credit raised/ (repaid) during the year	6134.95	-2638.07



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PARTICULARS	Year ended 31.03.2018	Year ended 31.03.2017
Finance lease paid during the year	-1.29	-1.08
Debentures issued/(repaid) during the year	1070.00	200.00
Commercial papers raised/(repaid) during the year	-5131.98	4740.06
Increase in equity share capital during the year	0.00	0.00
Investment in Mutual Fund	0.00	0.00
Interim dividend paid	-94.48	-78.50
Tax on dividend	0.00	-15.98
Net Cash flow from Financing Activities	2949.21	2206.42
Net Increase/Decrease in Cash & Cash Equivalents	5.00	8.51
Cash & Cash Equivalents as at the beginning of the year	282.95	274.44
Cash & Cash Equivalents as at the end of the year	287.95	282.95



Explanation of transition to Ind AS :

The transition as at April 01, 2017 to Ind AS was carried out from Indian GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First-time adoption of Indian Accounting Standards, the reconciliation of equity and total comprehensive income is explained below.

Exemptions from retrospective application: The Company has applied the following exemption(s):

- (a) In accordance with Ind-AS transitional provisions, the Company opted to consider previous GAAP carrying value of property, plant and equipment as deemed cost on transition date.
- (b) In accordance with Ind-AS transitional provisions, the Company opted to determine whether an arrangement existing at the date of transition contains a lease based on facts and circumstances existing at the date of transition rather than at the inception of the arrangement.

In accordance with Ind-AS transitional provisions, the Company opted to apply the provisions of day one gain or loss provisions prospectively on transactions occurring on or after the date of transition to Ind-AS and has not evaluated historical data. Reconciliation of equity and comprehensive income as previously reported under Indian GAAP to Ind-AS:

(Rs in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at April 01, 2017
Equity as reported under IGAAP		214,042.23	145,088.97
a. Ind-AS Adjustments that lead to increase in equity:			
Recognition of borrowings using effective interest rate	1	34.23	92.39
Amortisation of card acquisition cost	2	37,144.41	16,803.02
Business development incentive income	3	6,680.53	3,917.04
Fair valuation of derivatives	4	173.91	0.00
b. Ind-AS Adjustments that lead to decrease in equity:			
Recognition of loan processing fee using effective interest rate	5	(3,052.38)	(2,347.36)
Impairment of financial assets as per Ind AS 109 (Expected credit loss)	6	(7,577.66)	(18,567.27)
Deferred tax adjustment	7	(11,560.12)	35.36
Restatement of prior period items	8	(197.87)	0.00
Equity as reported under Ind-AS		235,687.28	145,022.15

Particulars		For the year ended March 31, 2018
Profit as reported under IGAAP		38,462.70
a. Increase (decrease) in net income for:		
Recognition of borrowings using effective interest rate	1	(58.16)
Amortisation of card acquisition cost	2	20,341.39
Business development incentive income (anticipated basis)	3	2,763.49
Fair valuation of derivatives	4	173.91
Recognition of loan processing fee using effective interest rate	5	(705.02)
Impairment of financial assets as per Ind AS 109 (Expected credit loss)	6	10,989.61
Deferred tax adjustment of GAAP adjustments	7	(11,595.48)
Restatement of prior period items	8	(197.88)
Remeasurement of defined benefit obligation recognised in other comprehensive income under Ind AS (net of tax)	9	180.20
Total effect of transition to Ind AS		21,892.06
Profit for the year as per Ind AS		60,354.76
Other comprehensive income (loss) for the period	9	(180.20)
Total comprehensive income as reported under Ind AS		60,174.56

*Opening Equity and opening Profit reported under I Gaap is merged numbers of SBICPSL and SBIBPMSL.

Notes:

1. Under Ind-AS borrowings are measured at effective interest rate as a result of which any upfront fees paid on borrowings is recognized over the usage pattern of the loan. Under older Indian GAAP such upfront fees are charged off when they were payable and interest cost is recognized based on the contractual interest rate.
2. Under Ind AS, the incremental costs of obtaining a contract with a customer are recognized as an asset if the entity expects to recover those costs from future revenue. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Under older Indian GAAP all incremental costs are charged off to statement of profit and loss when incurred.



3. Under Ind AS for contracts with variable considerations, revenue is recognized based on the anticipated revenue in future. Under older Indian GAAP, such income was recognized after fulfilling the conditions associated with such arrangements.
4. As per Ind-AS 109, all derivatives are recognized at fair value. Under older Indian GAAP, the company amortized the premium paid on forward contract as an expense over the life of the contract.
5. Under Ind AS, the initial fee received have been deferred and amortized over the life of the loan using the effective interest rate and to be recorded along with the interest income from loan. Under older Indian GAAP, Company follows the processing fee was recognized as an income at inception of the contract.
6. Under Ind AS the Company recognizes loss allowances on loans (and other financial assets) at an amount equal to the 12-month expected credit loss and a lifetime expected credit loss for cases where there is a significant increase in credit risk of the borrower. Under older Indian GAAP, Company follows Income Recognition, Asset Classification and Provisioning (IRACP) norms for impairment of loans and advances given to customers.
7. Consequential deferred tax on all the above adjustments are taken into consideration.
8. During the financial year 2017-18, Royalty expenses was understated by Rs. 302.61 lakhs. As this error was made in the financial year ended March 31, 2018, the balances as at March 31, 2018 were adjusted as follows:

Particulars	Impact	Amount (Rs in Lakhs)
Provision for expenses	Increase	302.61
Provision for taxes	Decrease	104.73
Retained earnings	Decrease	197.88

9. As per Ind-AS 19, actuarial gain and losses are recognized in other comprehensive income (net of tax) and not reclassified to profit and loss in a subsequent period.

Scheme of Amalgamation

On July 31, 2018, the board of our Company approved the scheme of amalgamation under sections 230 and 232 of the Companies Act, 2013 which provided for amalgamation of SBIBPMSL with our Company. The Scheme of Amalgamation was approved by the NCLT, Delhi pursuant to its order dated June 4, 2019. The appointed date of the scheme was April 1, 2018. The Scheme of Amalgamation became effective on June 14, 2019, which is the date on which it was filed with the RoC. The scheme of amalgamation became effective from appointed date (April 1, 2018) vide NCLT order dated June 4, 2019. Pursuant to the Scheme of Amalgamation, the entire undertaking of SBIBPMSL, including all assets, licenses, employees, contracts, intellectual property, rights and obligations and liabilities of SBIBPMSL, were transferred to and vested in our Company as a going concern and for every 100 fully paid up Equity Share of ₹ 10 each of SBIBPMSL held by its shareholders, 403 fully paid up equity shares were allotted to the shareholders of SBIBPMSL. Further, the authorised share capital of SBIBPMSL amounting to ₹ 500,000,000 divided into 50,000,000 equity shares of ₹ 10 each was merged with the authorised share capital of our Company.

The Transferee Company, upon the Scheme becoming operative, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013.

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.

The financial information in the financial statements in respect of prior period were restated as if business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination to be in line with the Ind AS 103 guidelines. However, where the business



combination had occurred after that date, the prior period information is restated only from that date. Transferor Company and Transferee Company came under common control upon increase of stake by parent entity SBI from 40% to 74% in Transferor Company w.e.f December 15, 2017, therefore, prior periods have been restated in accordance with guidance in Ind AS 103 with effect from the date when common control was established.

Details of assets and liabilities acquired on amalgamation and treatment of the difference between the net assets acquired and cost of investment by the Transferee Company in the Transferor Companies together with the shares issued to the minority shareholders is given in the table below: (Rs In Lakhs)

Particulars	As at December 15, 2017 *
Value of assets and liabilities acquired from Transferor Company:	
ASSETS	
(a) Property, plant and equipment	8,414.34
(b) Capital work in progress	909.29
(c) Other intangible assets	3,731.68
(d) Intangible assets under development	1,532.80
(e) Financial Assets	
(i) Trade receivables	7,833.96
(ii) Cash and cash equivalents	4,785.79
(iii) Bank balances other than (ii) above	11,554.70
(iv) Others	7,063.62
(f) Deferred tax assets (Net)	976.80
(g) Other assets (current & non-current)	4,800.90
(h) Current Tax assets	
Total (A)	51,603.88
EQUITY AND LIABILITIES	
(a) Other Equity	28,130.49
(b) Financial Liabilities	
(i) Trade payables	10,487.55
(ii) Borrowings	3,990.61
(iii) Others	1,545.33
(c) Other liabilities (current & non-current)	2,618.70
(d) Provisions	2,407.48
(e) Current Tax liabilities	63.62
Total (B)	49,243.78
Net assets acquired from Transferor Company (A-B)	2,360.10
Purchase consideration payable to Transferor Company #	9,511.20
Considered as capital reserve (As per Para 5.1.2 (d) of scheme)	(7,151.10)
* Date of establishment of common control	

Accordingly, upon this Scheme becoming effective, the shareholders of the Transferor Company are entitled to receive equity shares of the Transferee Company in accordance with the following share exchange ratio:

For every 100 (One Hundred) fully paid-up equity shares of Rs. 10 each held in the Transferor Company, the shareholders of the Transferor Company shall be entitled to receive 403 (Four Hundred) fully paid-up equity shares ("Exchange Shares") of Rs. 10 each of the Transferee Company ("Share Exchange Ratio").

The purchase consideration has been (pending allotment/ issue of equity share) disclosed as 'Shares pending allotment pursuant to scheme of amalgamation' in Financial statements.

The Share Exchange Ratio has been determined by the Boards of the Transferor Company and the Transferee Company based on the Valuation Report and their independent judgment and evaluation. The fully paid-up equity shares of the Transferee Company to be issued, free from all encumbrances, to the shareholders of the Transferor Company shall, upon this Scheme becoming effective, rank pari-passu in all respects to the existing fully paid-up equity shares of Transferee Company.

The Company recognised following expenses in relation to aforesaid in the statement of Profit and Loss account

Particulars	Amount (Rs in Lakhs)
Professional & consultancy fees	83.24



In absence of any specific entry in the Indian Stamp Act, 1899 for amalgamation, which is open to interpretation of the stamp collector, the Company would be preferring the adjudication application with the Stamp Collector. Hence it is difficult to provide an estimate of the actual stamp duty that would be leviable on the Company and therefore no provision has been made in the financial statements for the period ended March 31, 2019.

To give effect to the scheme of amalgamation, prior period figures have been restated from the date of common control (December 15, 2017) in conformity with paragraph 9(iii) of Appendix C to Ind AS 103. Accordingly, figures in profit and loss statement for the year ended March 31, 2018 includes figures for the period December 15, 2017 to March 31, 2018 in respect of the transferor entity. To this extent, previous year figures are not comparable.

10.3. OTHER FINANCIAL PARAMETERS

Particulars	FY 2018-19	FY 2017-18	FY 2016-17
Dividend declared (As %age on FV)	10.00%	0.00%	10.00%
Interest Coverage Ratio (times)	2.21	1.79	2.15
Profit before tax (Rs Crores)	1335.08	923.02	598.46
Profit after tax (Rs Crores)	864.97	603.55	390.41

Profit for FY 2018-19 & FY 2017-18 are as per IND-AS, whereas profit for FY 2016-17 is as per I-GAAP

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
2018-19	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 1st April 2017 is ₹ (66.82) lakhs.
2017-18	NIL
2016-17	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 January 20, 2020 and delegation provided thereunder;
- (ii) special resolution passed by the shareholders of the Company under section 42 of the Companies Act, 2013 and sub-rule 1 of rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in Extra Ordinary General Meeting held on February 05, 2020;
- (iii) 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 demand draft(s)/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. pre-poned/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 15 days where the investor is an authorised foreign entity and in 20 days where the investor is a domestic entity.



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 from the Deemed Date of Allotment. 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

In respect of Investors who get Allotment of Debentures in the Issue, interest on Application Money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) on the aggregate face value amount of Debentures for the period starting from and including the date of realization of Application Money in Issuer's Bank Account upto but excluding the Deemed Date of Allotment. Such interest on Application Money shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment. The credit will be made in the bank account linked to the depository account only.

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 letter is valid

The Private Placement Offer 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.

(c) 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 2019:

Particulars	No. of Investors	Number of securities issued	Consideration in ₹	Remarks
Non-Convertible debentures	2	1,750	1,750,000,000	Through private placement of non-convertible debentures on May 13, 2019
Non-Convertible debentures	1	1,000	1,000,000,000	Through private placement of non-convertible debentures on June 12, 2019
Non-Convertible debentures	2	4,100	4,100,000,000	Through private placement of non-convertible debentures on November 14, 2019
Non-Convertible debentures	2	3,000	3,000,000,000	Through private placement of non-convertible debentures on December 16, 2019
Equity Shares	2	95,112,054	951,120,540	Equity Shares worth Rs. 951,120,540/- issued pursuant to amalgamation.

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. However the Company, in the year of maturity of the Debentures, shall invest/deposit an amount equal to 15% of the Debentures outstanding in that year, or any other amount as may be required under prevalent law in permitted investment/deposit, such that overall amount invested in the permitted investments/deposits, in the year of maturity shall not be less than 15% of the debentures outstanding in the relevant year. These investment/deposit will be utilised only towards the redemption of debentures and no other purpose.

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 ₹ 300 Crore under Debenture Series 19

Security Name	7.40% SBICPSL Debenture Series 19
Issuer	SBI Cards and Payment Services Limited
Type 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"> 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.
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 by ICRA
Issue Size	₹ 300 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	7.40% p.a.
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Annual
Coupon Payment Date*	First Interest payment on February 26, 2021, Second Interest payment on February 28, 2022, Third Interest payment on February 27, 2023, Fourth Interest payment on February 26, 2024 and Last interest payment on February 25, 2025 along with maturity proceeds. (Refer Illustration for cash flows)
Coupon Type	Fixed
Coupon Reset	N.A.
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	In respect of Investors to whom Debentures are Allotted in the Issue, interest on Application Money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) on the aggregate face value amount of Debentures for the period starting from and including the date of realization of Application Money in Issuer's Bank Account up to but excluding the Deemed Date of Allotment. Such interest on Application Money shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment.
Interest on Refunded Money against which Allotment is not made	In respect of applications, which are valid but rejected on account of oversubscription, interest on refunded money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) (excluding the valid rejections) for the period starting from and including the date of realization of Application Money in Issuer's Bank Account up to but excluding the Deemed Date of Allotment. The refund amounts together with interest thereon shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment.
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.
Tenure	5 years
Redemption Date	February 25, 2025
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 25, 2020
Issue Timing	
1. Issue Opening Date	February 25, 2020
2. Issue Closing Date	February 25, 2020
3. Pay-in Date	February 26, 2020
4. Deemed Date of Allotment	February 26, 2020
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).
Effect of Holidays	<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</p>



	<p>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.
Security	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"> 1. Letter appointing Trustees to the Debenture holders; 2. Debenture Trusteeship Agreement; 3. Debenture/Debenture Trust Deed; 4. Rating letter from CRISIL; 5. Rating letter from ICRA; 6. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Debentures in dematerialized form; 7. Tripartite Agreement between the Issuer; Registrar and CDSL for issue of Debentures in dematerialized form; 8. Letter appointing Registrar; 9. Application made to BSE for seeking their in-principle approval for listing of Debentures; 10. Listing Agreement with BSE 11. Electronic bidding platform agreements with NSE EBP dated November 22, 2018.
Additional Covenants	<p>The Company shall allot the Debentures within sixty (60) days from the date of receipt of the application money for such Debentures and if the Company is not able to allot the Debentures within such period, it shall repay the application money to the subscribers within fifteen days from the date of completion of sixty days and if the Company fails to repay the application money within the aforesaid period, it shall be liable to repay such money with interest at the rate of 12% p.a. from the expiry of the sixtieth day.</p> <p>Listing: The Issuer shall complete all the formalities and seek listing permission within 15 days from the Deemed Date of Allotment in case where investor includes foreign investor and 20 days where investors only include domestic investor.</p> <p>In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of atleast 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.</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>



	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 annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed.
Events of Default	As specified in the Debenture Trust Deed
Remedies	As mentioned in Debenture Trust Deed
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.
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"> 1. Rating letters from ICRA and CRISIL not being more than one month old from the issue opening date; 2. Seek a written consent letter from the Trustees conveying their consent to act as Trustees for the Debenture holders; 3. Making an application to BSE for seeking their in-principle approval for listing of Debentures.
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"> 1. 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 holders, monies are paid from the bank account of the person whose name appears first in the Application Form; 2. 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 & 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; 3. 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 & 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; 4. 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; 5. Taking steps for listing of Debentures with BSE within 15 days from the Deemed Date of Allotment of Debentures; 6. Submission of Debenture/Debenture Trust Deed with BSE within five working days of execution of the same for uploading on their website. 7. Filing of Form PAS-4 and PAS- 5 with SEBI, if applicable. <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	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.



	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.
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 06-10-1998 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 19

Company	SBI Cards & Payment Services Limited
Face Value (per security)	₹ 10,00,000/-
Date of Allotment	February 26, 2020
Tenure	5 years
Coupon Rate	7.40% p.a.
Frequency of the Interest Payment with specified dates	Annual
Day Count Convention	Actual / Actual

Particulars	Original Date	Revised Date	No. of Days	Cash Flow
1st Coupon	February 26, 2021 (Friday)	February 26, 2021 (Friday)	366	74,000.00
2nd Coupon	February 26, 2022 (Saturday)	February 28, 2022 (Monday)	365	74,000.00
3rd Coupon	February 26, 2023 (Sunday)	February 27, 2023 (Monday)	365	74,000.00
4th Coupon	February 26, 2024 (Monday)	February 26, 2024 (Monday)	365	74,000.00
5th Coupon	February 25, 2025 (Tuesday)	February 25, 2025 (Tuesday)	365	73,797.81
Principal Repayment	February 25, 2025 (Tuesday)	February 25, 2025 (Tuesday)		10,00,000.00
TOTAL: -				13,69,797.81



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 recognise any new assets or liabilities. The only adjustments were made to harmonize accounting policies. For further details, refer section X (Capital Structure and financial position of the issuer).
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.
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 'U65999DL1998PLC093849'.
4. The Company has received the approval of its Board of Directors for initial public offer of equity shares ("Offer") of the Company on August 14, 2019 and of the shareholders through a special resolution on September 27, 2019. Subsequently, the Company has filed the draft red herring prospectus dated November 26, 2019 ("DRHP") with the Securities and Exchange Board of India ("SEBI") on November 27, 2019. The Offer is subject to receipt of requisite approvals, market conditions and other considerations. The DRHP is available on the websites of SEBI, Kotak Mahindra Capital Company Limited, Axis Capital Limited, DSP Merrill Lynch Limited, HSBC Securities and Capital Markets (India) Private Limited, Nomura Financial Advisory and Securities (India) Private Limited and SBI Capital Markets Limited at www.sebi.gov.in, at www.investmentbank.kotak.com, at www.axiscapital.co.in, at www.ml-india.com, at www.hsbc.co.in/1/2/corporate/equities-global-investment-banking, at www.nomuraholdings.com/company/group/asia/india/index.html and at www.sbicaps.com, respectively.

The Company has received observations from SEBI, post which it has filed a red herring prospectus dated February 18, 2020 with the RoC which is available on the websites of SEBI, Kotak Mahindra Capital Company Limited, Axis Capital Limited, DSP Merrill Lynch Limited, HSBC Securities and Capital Markets (India) Private Limited, Nomura Financial Advisory and Securities (India) Private Limited, SBI Capital Markets Limited, BSE Limited and National Stock Exchange Limited at www.sebi.gov.in, at www.investmentbank.kotak.com, at www.axiscapital.co.in, at www.ml-india.com, at www.hsbc.co.in/1/2/corporate/equities-global-investment-banking, at www.nomuraholdings.com/company/group/asia/india/index.html, at www.sbicaps.com, at www.bseindia.com and at www.nseindia.com respectively. The initial public offer comprises of a fresh issue of ₹ 5,000 million and an offer for sale of up to 130,526,798 equity shares of the Company.



**SECTION XIV
CREDIT RATING & RATIONALE THEREOF**

CRISIL Limited (“**CRISIL**”) vide letter dated February 14, 2020 has reaffirmed a credit rating of “**CRISIL AAA/Stable**” to the long-term borrowing programme of SBICPSL aggregating to ₹ 500 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 February 14, 2020 has assigned a credit rating of “**ICRA AAA**” to the long-term borrowing programme of SBICPSL aggregating to ₹ 500 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 19, 2020 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 19) 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#
Debt		
Short Term Debt	15,749.66	15,749.66
Long Term Debt	2,828.10	3,128.10
Total Debt (A)	18,577.76	18,877.76
Equity		
Share Capital	932.33	932.33
Reserves & Surplus	3,825.09	3,825.09
Deferred Revenue Expenses		
Total Equity (B)	4,757.42	4,757.42
Debt / Equity (A/B)	3.91	3.97

* Pre-issue figures are as on December 31, 2019.

No effect has been given for changes in equity and debt instruments after December 31, 2019 except Rs 300 crores towards current Bond Series.



SECTION XVIII WILFUL DEFAULTER

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

Name of the bank declaring entity to be a wilful defaulter	Year in which entity is declared as wilful defaulter	Outstanding amount at the time of declaration	Name of the entity declared as wilful defaulter	Steps taken from the removal from the list of wilful defaulters	Other disclosures	Any other disclosure
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 standalone financial statements prepared under IND-AS for the financial year ending March 31, 2019 (along with comparative figures of March 31, 2018 and April 01, 2017)
7. Auditor's Report and standalone financial statements prepared under I-GAAP for the financial year March 31, 2018 and 2017
8. Annual Report of the Company for the last three Fiscals (FY 2018-19, FY 2017-18, FY 2016-17)
9. Board Resolutions dated January 20, 2020 authorizing issue of Debentures offered on private placement basis.
10. Shareholders' Resolution dated February 05, 2020 under Section 42 of the Companies Act, 2013 authorizing issue of Debentures offered on private placement basis.
11. Letter of consent from Trustee dated February 19, 2020 for acting as Trustees for and on behalf of the holder(s) of the Debentures.
12. Tripartite Agreement between SBICPSL, NSDL and Zuari Finserv Limited for issue of Debentures in Dematerialized form.
13. Tripartite Agreement between SBICPSL, CDSL and Zuari Finserv Limited for issue of Debentures in Dematerialized form.
14. Debenture Trustee Agreement between the Company and Debenture Trustee.
15. Debenture Trust Deed in favour of Trustee.
16. 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.

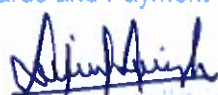
The Issuer accepts no responsibility for the statement made otherwise than in the Private Placement Offer Letter or in any other material issued by or at the instance of the Issuer and that anyone who places reliance on any other source of information would be doing so at his own risk.

The undersigned has been authorized by the Board of Directors of the Company vide resolution number 25 (1) dated January 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)**

SBI Cards and Payment Services Ltd.



Mr. Richhpal Singh
Chief Operating Officer

Vinay Gupta
Finance Controller

SBI Cards and Payment Services Ltd.


Authorized Signatory

Place: Gurugram

Date: February 25, 2020

- (i) Copy of resolution of the Board of Directors authorizing the present Issue of Debentures.
- (ii) Copy of special resolution passed by the shareholders of the Company under section 42 of the Companies Act, 2013 and sub-rule 2 of rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, dated February 05, 2020
- (iii) Copy of rating letters from ICRA and CRISIL.
- (iv) 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 SPECIAL RESOLUTION DATED FEBRUARY 05, 2020 AND BOARD RESOLUTION DATED JANUARY 20, 2020

Annexed as Annexure- III



ATSL/CO/19-20/0146
February 19, 2020

SBI Cards & Payment Services Ltd
11th Floor, Tower C, DLF Infinity Towers,
Block 2, Building No. 3, DLF Cyber City,
Gurgaon - 122002

Kind Attn: Mr. Munish Gupta

Dear Sir,

Sub: SBI Cards & Payment Services Ltd (the "Company"):- Consent Letter to act as Debenture Trustee for the Listed, Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Senior Non-Convertible Debentures aggregating to Rs. 300 Crores

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


Rahul Vaishya
Senior Manager



Corporate Identity Number: U74999MH2008PLC182264 | MSME Registered UAN: MH19E0033585

Registered Office:

Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025

Corporate Office:

The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai - 400 028
Tel No: 022-62300451 Fax No.: 022-6230 0700 Website: www.axistrustee.com



AXIS TRUSTEE

CONFIDENTIAL

SBIC/SPL/241428/NCI/022000528

February 14, 2020

Mr. Nalin Negi
Chief Financial Officer
SBI Cards and Payment Services Limited
Floor 12, Tower C
DIF Infinity Towers, DIF Phase - 2
DIF Cyber City,
Gurgaon - 122002

Dear Mr. Nalin Negi,

Re: CRISIL Rating on the Rs.500 Crore Non-Convertible Debentures of SBI Cards and Payment Services Limited

We refer to your request for a rating for the captioned Non-Convertible Debentures.

CRISIL has, after due consideration, assigned its "CRISIL AAA/Stable" (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned debt instrument. 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.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL 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 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 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. This will enable CRISIL 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

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

With warm regards,

Yours sincerely,


Subhasri Narayanan
Director - CRISIL Ratings


Nivedita Shibu
Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's 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. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating 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. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial interest in the instrument. CRISIL makes no representation or warranty to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crsil.com. For the latest rating information on any instrument of any commodity rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800
www.crsil.com



Rating Rationale

February 14, 2020 | Mumbai

SBI Cards and Payment Services Limited

'CRISIL AAA/Stable' assigned to debt instruments

Rating Action

Total Bank Loan Facilities Rated	Rs.19000 Crore (Enhanced from Rs.16500 Crore)
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Rs.250 Crore Lower Tier II Bonds	CRISIL AAA/Stable (Assigned)
Rs.500 Crore Non Convertible Debentures	CRISIL AAA/Stable (Assigned)
Non-Convertible Debentures Aggregating Rs.4000 Crore	CRISIL AAA/Stable (Reaffirmed)
Lower Tier II Bonds Aggregating Rs.1500.2 Crore	CRISIL AAA/Stable (Reaffirmed)
Rs.19000 Crore Commercial Paper (Enhanced from Rs.16500 Crore)	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 Rs 500 crore of non-convertible debentures (NCD) and Rs 250 crore of lower tier II bonds of SBI Cards and Payment Services Limited (SBI Cards) while reaffirmed its ratings on the existing debt instruments and bank facilities at 'CRISIL AAA/Stable/CRISIL A1+'.

CRISIL's ratings 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+¹/FAAA²/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.

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 98 lakh cards in circulation and market share of around 18.1% as of December 31, 2019. Profitability is also above average, with return on assets of 4.8% during fiscal 2019. However, given the unsecured and inherently risky nature of the business, the company remains susceptible to asset quality challenges.

In June 2019, NCLT approved the joint merger petition which was filed by SBI Cards and SBI Business Process and Management Services Pvt Ltd (SBI BPMSL). The new entity will now be known by the former's name. SBI Cards and SBI BPMSL have been the front end and back end entities for SBI's credit cards business wherein SBI and Carlyle held 74% and 26% stake respectively in each of these entities. This merger is effective from April 1, 2018.

SBI Cards intends to tap capital markets via IPO through Offer for Sale by dilution of up to 14% of the paid up capital (out of which ~4% would be from SBI and rest ~10% would be from Carlyle) and another primary issuance of up to Rs. 500 crores by the end of March 31, 2020. Post the IPO, SBI will continue to hold majority stake and provide funding and managerial support both on an ongoing basis and in the event of distress.

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.



Ratings

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 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 18.1% as of December 31, 2019 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 23,933 crore in net card receivables, as of December 31, 2019. 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 contiguous years of high growth.

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 December 31, 2019. As of December 31, 2019, company had Rs 12,470 crores of scheduled repayments over the next 3 months against expected collections of Rs 14,128 crores over the same period. Moreover, company has Rs 6,351 crore of unutilized bank lines as of Dec-19. The company's commercial paper borrowings are also backed by unutilized bank lines.

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 credit cost crossing 10%) leading to significant increase in provisioning cost on a continuous basis



Ratings

CRISIL

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About the Company

SBI Cards is the second-largest player in the credit card business with about 83 lakh cards in force out of a total market size of over 471 lakh cards, enjoying a healthy market share of 17.6% as of March 31, 2019. As per IND AS, net profit was Rs 865 crore on a total income of Rs 7286 crore during fiscal 2019, against a net profit of Rs 604 crore on a total income of Rs 5370 crore in the previous fiscal. Return on assets stood at 4.8% in fiscal 2019. Gross stage 3 assets stood at 2.4% at the end of fiscal 2019 compared to 2.8% at the end of previous fiscal, however, credit cost witnessed some spike in fiscal 2019.

¹The ratings pertain to Tier-I bonds (under Basel III)

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

Key Financial Indicators - (As per IND AS)

As On/For The Period Ended March 31	Unit	2019	2018
Total assets	Rs cr	20146	15583
Total income	Rs cr	7286	5370
Profit after tax	Rs cr	865	604
Gross stage 3 assets	%	2.4	2.8
Gearing	Times	3.8	4.8
Return on assets	%	4.8	4.6

*Base for Fiscal 2017 is as per I-GAAP.

Note: Above financials are for the merged entity (SBI Cards and SBI BPMSL).

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.



Ratings

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon rate (%)	Maturity Date	Issue size (Rs. Cr)	Rating Assigned with Outlook
INE018E08045	Lower Tier II Bonds	28-Sep-12	9.50%	28-Sep-19	50	CRISIL AAA/Stable
INE018E08052	Lower Tier II Bonds	26-Nov-14	9.00%	26-Nov-21	100	CRISIL AAA/Stable
INE018E08060	Lower Tier II Bonds	25-Feb-16	9.65%	25-Apr-22	100	CRISIL AAA/Stable
INE018E08078	Lower Tier II Bonds	17-Oct-16	8.10%	17-Oct-23	200	CRISIL AAA/Stable
INE018E08086	Lower Tier II Bonds	17-Jul-17	8.30%	17-May-23	500	CRISIL AAA/Stable
INE018E08144	Lower Tier II Bonds	29-Jan-19	9.55%	29-Jan-29	250	CRISIL AAA/Stable
INE018E08169	Lower Tier II Bonds	12-Jun-19	8.99%	12-Jun-29	100	CRISIL AAA/Stable
INE018E08094	Non-Convertible Debentures	09-Aug-17	7.55%	07-Aug-20	500	CRISIL AAA/Stable
INE018E08102	Non-Convertible Debentures	18-Jan-18	8.10%	10-May-21	110	CRISIL AAA/Stable
INE018E08110	Non-Convertible Debentures	18-May-18	8.90%	18-Nov-21	400	CRISIL AAA/Stable
INE018E08136	Non-Convertible Debentures	18-Dec-18	9.15%	17-Jun-22	450	CRISIL AAA/Stable
INE018E08151	Non-Convertible Debentures	13-May-19	8.55%	12-Aug-22	175	CRISIL AAA/Stable
INE018E08128	Non-Convertible Debentures	17-Oct-18	9.50%	16-Oct-20	500	CRISIL AAA/Stable
INE018E08177	Non-Convertible Debentures	14-Nov-19	7.60%	14-Feb-23	410	CRISIL AAA/Stable
INE018E08185	Non-Convertible Debentures	16-Dec-19	7.50%	09-Mar-23	300	CRISIL AAA/Stable
NA	Lower Tier II Bonds*	NA	NA	NA	450.2	CRISIL AAA/Stable
NA	Non-Convertible Debentures*	NA	NA	NA	1,655	CRISIL AAA/Stable
NA	Commercial Paper	NA	NA	7 to 365 Days	19,000	CRISIL A1+
NA	Cash Credit & Working Capital demand loan	NA	NA	NA	16,500	CRISIL AAA/Stable
NA	Proposed Long Term Bank Loan Facility**	NA	NA	NA	2,500	CRISIL AAA/Stable

*Yet to be issued

**Cash credit/working capital demand loan



Ratings

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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+			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	2845.00 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	1300.00 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			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.

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	16500	CRISIL AAA/Stable	Long Term Bank Facility**	14000	CRISIL AAA/Stable
Proposed Long Term Bank Loan Facility**	2500	CRISIL AAA/Stable	Proposed Long Term Bank Loan Facility**	2500	CRISIL AAA/Stable
Total	19000	--	Total	16500	--

*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](#)



Ratings

CRISIL

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For further information contact:

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Ratings

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL. However, CRISIL alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

About CRISIL Limited

CRISIL is a leading agile and innovative, global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 1,00,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

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ICRA

ICRA Limited

Ref: D/RAT/2019-20/S-72/27

Date: February 14, 2020

Mr. Hardayal Prasad
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. 500 crore Non-Convertible Debenture (NCD) Programme of SBI Cards and Payment Services Limited

Please refer to your Rating Agreement dated January 24, 2020, seeking rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a "[ICRA]AAA" (pronounced as ICRA Triple A) rating to the captioned programme. The outlook on the long-term rating is "Stable". 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.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "[ICRA] AAA (Stable)".

We would request if you can sign the acknowledgement and send it to us latest by February 20, 2020 as acceptance on the assigned rating. In case you do not communicate your acceptance/non-acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non-accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' Issued by the Securities and Exchange Board of India.

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

Manish

Harsh

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ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

For ICRA Limited

Manushree Saggər
Vice President

manushrees@icraindia.com

Deep Inder Singh
Assistant Vice President
deep.singh@icraindia.com

Encl:-

- 1) Acknowledgement
- 2) No-Default Statement Format



February 18, 2020

SBI Cards and Payment Services Limited: [ICRA]AAA(Stable)/[ICRA]A1+ assigned; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debentures	4,000	4,000	[ICRA]AAA(Stable); outstanding
Non-convertible Debentures	-	500	[ICRA]AAA(Stable); assigned
Subordinated Debt Programme	1,590	1,590	[ICRA]AAA(Stable); outstanding
Subordinated Debt Programme	-	250	[ICRA]AAA(Stable); assigned
Long-term Short-term Bank Lines/ Commercial Paper Programme^	16,500	19,000	[ICRA]AAA(Stable)/[ICRA]A1+; assigned/outstanding
Total	22,090	25,340	

*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

Rationale

The ratings continue to factor in the strong parentage of SBI Cards and Payment Services Limited (SBICPSL) with majority shareholding held by India's largest public sector bank 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 also continue to factor in SBICPSL's track record of strong profitability with a five-year average RoA and RoE of 4.4% and 30%, respectively, and adequate capitalisation with a capital to risk weighted assets ratio (CRAR) of 19.0% and a gearing of 4.0 times as on September 30, 2019. Further, ICRA notes that SBICPSL's asset quality indicators have remained under control, notwithstanding some moderation seen in Q1FY2020. The gross stage 3 percentage reverted to 2.3% in Sep-19 after having increased to 2.7% as on June 30, 2019 from 2.4% as on March 31, 2019. The adverse movement in Q1FY2020 was largely driven by one large slippage in the company's corporate portfolio. Nevertheless, 98% of SBICPSL's receivables are accounted for by the retail portfolio, wherein the asset quality trajectory has remained favourable. The company's retail portfolio's 30+ dpd and 90+ dpd were estimated to be 5.1% and 2.0%, respectively, as on July 31, 2019 compared to four-year averages of 5.5% and 2.1%, respectively.

However, 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. In this regard, SBICPSL's ability to maintain the asset quality indicators through economic cycles remains a key rating monitorable, though its track record of range-bound asset quality metrics over several years provides comfort.



Key rating drivers and their description

Credit strengths

Strong parentage with majority shareholding held by India's largest public-sector bank – SBICPSL is a subsidiary of India's largest and oldest bank i.e. SBI (SBI held a 74% stake in SBICPSL as on December 31, 2019). 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 borrowing and liquidity profile of the company.

SBICPSL is in the process of coming out with an initial public offering (IPO), following which SBI's shareholding would decline from the current level. However, ICRA believes that SBI will continue to hold a majority stake in the company and support from the parent, including operational synergies will continue, going forward as well.

Track record of strong profitability – Driven by high lending spreads and sizeable interchange and fee-based income, SBICPSL has consistently reported strong profitability, as reflected by the five-year average RoA and RoE of 4.4% and 30%, respectively. The company's credit cost has inched up on the transition to Ind-AS and the operating expenses (primarily acquisition and marketing costs) have also been witnessing an upward trend, reflecting high competition and the company's focus on gaining market share. However, the growing interchange/fee-based income has been supporting the profitability, thereby keeping it range-bound at a strong level.

Adequate capitalisation – The company remains adequately capitalised with a net worth of Rs. 4,316 crore as on September 30, 2019 and a CRAR of 19.0% against the regulatory requirement of 15%, and gearing of 4.0 times. In ICRA's opinion, a prudent capitalisation level is one of the key risk mitigants and a monitorable, given the monoline nature of operations with an unsecured portfolio. In this regard, the company is expected to maintain a prudent capitalisation level, and ICRA believes that capital and liquidity support from SBI will be forthcoming, if required. Also, ICRA notes that SBICPSL intends to tap the capital markets in the current financial year via an IPO through an offer-for-sale by dilution of up to 14% of the issued and paid up capital and primary issuance of Rs. 500 crore. Earlier, in FY2019, the company had raised Rs. 470 crore from the existing shareholders, which augmented its capital position.

Stable asset quality in retail portfolio; despite deterioration in corporate portfolio in Q1 FY2020, overall asset quality metrics remain under control – SBICPSL's asset quality indicators have remained under control, notwithstanding some moderation seen in Q1FY2020. The gross stage 3 percentage reverted to 2.3% in Sep-19 after having increased to 2.7% as on June 30, 2019 from 2.4% as on March 31, 2019. The adverse movement in Q1FY2020 was largely driven by one large slippage in the company's corporate portfolio. Nevertheless, 98% of SBICPSL's receivables are accounted for by the retail portfolio, wherein the asset quality trajectory has remained favourable. The company's retail portfolio's 30+ dpd and 90+ dpd were estimated to be 5.1% and 2.0%, respectively, as on July 31, 2019 compared to four-year averages of 5.5% and 2.1%, respectively. ICRA notes that SBICPSL's management had earlier undertaken measures like revising the screening policy to exclude higher delinquency segments, proactive blocking, reduction in credit lines, focussed collection activities, etc. This resulted in the stabilisation of delinquencies, following the modest uptick in delinquencies in 2018 due to the incremental portfolio originated in 2017.

Credit challenges

Monoline nature of operations with presence in relatively risky target segment – Due to the nature of its business, SBICPSL's product diversification remains low, being concentrated only in the credit cards business. Also, the company's portfolio remains relatively risky as it is largely unsecured with only 1.6% of the portfolio being secured in nature as on June 30, 2019. In this regard, SBICPSL's ability to maintain the asset quality indicators through economic cycles remains a key rating monitorable, though the track record of range-bound asset quality metrics over several years provides comfort.

Liquidity position: Strong

Given the relatively shorter tenure of assets, SBICPSL's ALM profile continues to be characterized by positive cumulative mismatches in the near-term and medium-term buckets. Basis the ALM profile as on December 31, 2019, even if we stress the inflows by assuming 90% collection efficiency, the liquidity profile stands comfortable with no cumulative negative mismatches. Also, the company typically maintains sufficient sanctioned and unutilized bank lines to take care of such gaps, if any. As on December 31, 2019, the company had unutilised bank lines of over Rs. 2,000 crore. Company's commercial paper borrowings are also backed by unutilized bank lines. The liquidity profile of the company also benefits from easy access to funding sources from its parent i.e. SBI.

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	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Impact of Parent or Group Support on an Issuer's Credit Rating
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

SBICPSL, incorporated in 1998, is a non-deposit taking systemically important non-banking finance company registered with the Reserve Bank of India. It is the second largest credit card provider in the country, with a card base of over 8 million as of March 31, 2019. Apart from the corporate office in Gurgaon and the registered office in New Delhi, SBICPSL has 21 branches across India with 145 sourcing locations, 32,000 sales agents, 4 call centres and over 6,000 collection agents across 145 cities.

SBICPSL is a subsidiary of SBI wherein SBI holds 74% and rest 26% is held by CA Rover Holdings (an affiliate of Carlyle Asia Partners IV). While it 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.

Earlier, SBI's credit card business was operated through SBICPSL (front-end operations¹) and SBI Cards and SBI Business Process and Management Services Pvt Ltd (SBIBPMSL; back-end operations²), wherein SBI and CA Rover Holdings held 74% and 26% stakes, respectively, in each of these entities. In June 2019, the National Company Law Tribunal (NCLT) approved the joint merger petition, which was filed by SBICPSL and SBIBPMSL. This merger is effective from April 1, 2018, and the new entity is now known by the former's name.

SBICPSL reported a profit after tax (PAT) of Rs. 865 crore on an asset base of Rs. 20,764 crore in FY2019 vis-à-vis PAT of Rs. 604 crore on an asset base of Rs. 16,107 crore in FY2018 (Ind-AS based restated financials for the merged entity). In H1 FY2020, the company reported PAT of Rs. 726 crore, and its capital adequacy ratio was 19.0% as on September 30, 2019.

Key financial indicators (audited)

	FY2018	FY2019	H1 FY2020
PAT	604	865	726
Net worth	2,357	3,588	4,310
Receivables	14,721	18,821	22,279
Total assets	16,107	20,764	24,459
Return on average assets (%)	4.4%	4.7%	6.4%
Return on average net worth (%)	31.7%	29.1%	36.8%
Gearing (times)	4.8	3.8	4.0
CRAR (%)	18.6%	20.1%	19.0%
Gross stage 3 (%)	2.8%	2.4%	2.4%
Net stage 3 (%)	0.9%	0.8%	0.8%
Net stage 3/Net worth (%)	5.7%	4.2%	4.2%

Source: SBICPSL's financial results, ICRA research

Note: Amounts in Rs. crore; All figures and ratios are as per ICRA's calculations/adjustments

¹ Sales, marketing, and risk management

² Operations, customer service, collections, fraud control, IT; SBIBPMSL was a payment processing company with revenues from SBICPSL and it operated on a cost-plus model with SBICPSL



Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

	Instrument	Current Rating (FY2020)				Chronology of Rating History for the Past 3 Years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating		Date & Rating in FY2019		Date & Rating in FY2018	Date & Rating in FY2017
					18-Feb-20	01-Oct-19	21-Sep-18	18-Apr-18	06-Apr-17	21-Sep-16
1	NCD	LT	4,000	2,845*	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
2	NCD	LT	500	-	[ICRA]AAA (Stable)	-	-	-	-	-
3	Sub-debt	LT	1,590	1,250*	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
4	Sub-debt	LT	250	-	[ICRA]AAA (Stable)	-	-	-	-	-
5	LT/ST Bank Lines	LT/ST	19,000	~10,616^	[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	Commercial Paper^^	ST	19,000	~3,871^	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

*As of February 14, 2020; ^ As of December 31, 2019; 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. 16,500 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 [click here](#)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE018E08094	NCD	8-Sep-17	7.55%	7-Aug-20	500	[ICRA]AAA(Stable)
INE018E08102	NCD	18-Jan-18	8.10%	10-May-21	110	[ICRA]AAA(Stable)
INE018E08110	NCD	18-May-18	8.90%	18-Nov-21	400	[ICRA]AAA(Stable)
INE018E08128	NCD	17-Oct-18	9.50%	16-Oct-20	500	[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)
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+

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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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.

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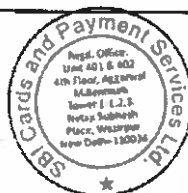
CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT 119TH MEETING OF THE BOARD OF DIRECTORS OF SBI CARDS AND PAYMENT SERVICES LIMITED (SBICPSL) HELD ON MONDAY, JANUARY 20, 2020 AT 02:45 P.M. AT SBI CORPORATE CENTRE, STATE BANK BHAVAN, MADAME CAMA ROAD, NARIMAN POINT, MUMBAI

To consider and approve the issue of Non-Convertible Debentures (NCDs) of Rs. 1,000 Crore and the offer documents (PAS 4)

"RESOLVED THAT 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, and subject to approval of the shareholders in general meeting the Company be and is hereby authorized to issue Fixed Rate, Unsecured or Secured, Rated, Taxable, Redeemable, Non-Convertible Debentures (NCDs) aggregating Rs. 1,000 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. 1,000 crores
Method of Distribution	Private Placement
Face value of Debenture(s)	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture



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, Gurgaon - 122002,
Haryana, India

Tel: 0124-4529603
Email: customer.care@sbi-card.com
Website: sbi-card.com

Registered Office:
Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower,
1, 2, 3, Netaji Subhash Place, Wazirpur, New Delhi - 110034
CIN: U65999DL1998PLC093849

Instrument Structure	Fixed Rate, Unsecured or Secured, Rated, Taxable, Redeemable, Non-Convertible Debentures (NCDs), Listed/unlisted with a maturity: a) between one year to 5 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 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.

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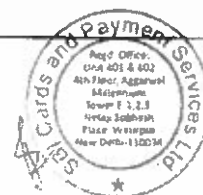
Website: sbiCARD.com

Registered Office

Unit 401 & 402, 11th Floor, Aggarwal Millennium Tower,

E-12/3, Netaji Subhash Place, Wazirpur, New Delhi - 110034

CIN - U65999DL1998PLC093849





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 any two of Chief Financial Officer/Chief Operating Officer/Finance Controller jointly 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.

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:

- 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, 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,

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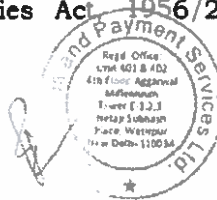
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guidelines issued by the RBI, SEBI or any other competent regulatory or statutory authority;

f. 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:

- a. the company has complied with the provisions of the Act and the rules made thereunder;
- b. 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;
- c. 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

Membership no: AC519608
G-5/11, Malviya Nagar
New Delhi - 110017



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CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE EXTRA ORDINARY GENERAL MEETING OF SBI CARDS AND PAYMENT SERVICES LIMITED (SBICPSL) HELD ON WEDNESDAY, FEBRUARY 05, 2020 AT 02:30 PM AT SBI CARD, BOARD ROOM, 02ND FLOOR, TOWER B, INFINITY TOWERS, DLF CYBER CITY GURUGRAM-122002

To consider and approve the issue of Non-Convertible Debentures (NCDs) of Rs. 1,000 Crore

"RESOLVED THAT 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., the Company be and is hereby authorized to issue Fixed Rate, Unsecured or Secured, Rated, Taxable, Redeemable, Non-Convertible Debentures (NCDs) aggregating Rs. 1000 Crores in one or more tranches with/without Green Shoe Option over the period of 1 year from the date of shareholders' approval 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	Rs. 1000 crores in one or more tranches with/without Green Shoe Option.
Method of Distribution	Private Placement.
Face value of Debenture(s)	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.

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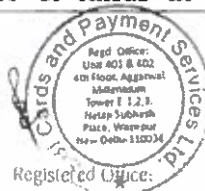


Instrument Structure	Fixed Rate, Unsecured or Secured, Rated, Taxable, Redeemable, Non-Convertible Debentures (NCDs) with a maturity between one year to 5 year for senior bonds />5 years for subordinate debt (Listed/unlisted).
Tenor	To be decided by Board/by any other person or Committee as authorised by the Board.
Interest Rate	To be decided by Board/ by any other person or Committee as authorised by the Board.
Redemption	At par on the Face Value of the Debentures on Maturity Date.
Issuance Mode	Dematerialized form.
Trustees	To be decided by Board/ by any other person or Committee as authorised by the Board.
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

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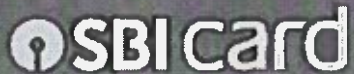
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Company may not be possible. The proceeds will be used to enhance the long-term resources in accordance with the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions. Issue proceeds will not 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 the 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 for the purpose of giving effect to this resolution, Board of Directors of the Company be and is hereby authorized, for and on behalf of the Company to do all such acts, deeds, matters and things as may be considered necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

**Certified True Copy
For SBI Cards and Payments Services Limited
(Formerly known as SBI Cards and Payment Services Private Limited)**


Payal Mittal Ghabra
Company Secretary
Membership no: ACS 19608
G-5/11, Malviya Nagar, New Delhi-110017



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