

SBI Cards and Payment Services Private Limited

Annual Report

FY - 2014-15

SBI Cards and Payment Services Private Limited

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

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Company will be held on Friday, September 11, 2015 at 11:00 AM at the registered office of the Company at Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower, E- 1,2,3, Netaji Subhash Place, Wazirpur, New Delhi – 110034 to consider the following items of business:

Ordinary Business:

1. Adoption of Accounts

To consider, approve and adopt the financial statements of the Company for the Financial Year ended 31st March 2015 including the Audited Balance Sheet of the Company as at 31st March 2015 and Profit & Loss Account and the Cash Flow Statement along with the schedules and notes appended thereto for the year ended on that date together with the report of the Auditors and Directors thereon along with the report of Comptroller and Auditor General of India.

2. Fixing of Auditors Remuneration

To consider fixation of Statutory Auditors Remuneration or to determine the manner of fixing the remuneration for the Financial Year 2015-16.

3. To approve Interim Dividend

To confirm the interim dividend of Rs. 0.50 (i.e. 5 %) per equity share for the financial year ended March 31, 2015, amounting to Rs. 392,500,001 declared by the Board of directors.

By Order of the Board of Directors
For SBI Cards and Payment Services Pvt. Ltd.



Date : 18-08-2015
Place : Gurgaon
NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company.
2. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. All the relevant documents in respect of accompanying notice are open for inspection at the Registered Office of the Company on all days (except on Saturday and Sunday), between 11.00 AM to 5.00 PM. up to the date of AGM.

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN: U65999DL1998PTC093849

Name of the company: 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, Delhi - INDIA - 110034

Name of the member (s)
: Registered address :
E-mail Id:
Folio No/ Client Id
: DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature :..... or failing him

2. Name :
Address:
E-mail Id :
Signature:....., or failing him

3. Name :
Address:
E-mail Id:
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting/ ~~Extraordinary general meeting~~ of the company, to be held on the 11th day of September, 2015 At 11:00 a.m. at Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower, E- 1,2,3, Netaji Subhash Place, Wazirpur, New Delhi – 110034 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. 1.....
2.....
3.....

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
DIRECTORS' REPORT TO THE MEMBERS OF THE COMPANY

Dear Members,

Your Directors are pleased to present the Seventeenth Annual Report along with the Audited Annual Accounts of your Company for the financial year ended March 31, 2015.

FINANCIAL SUMMARY & STATE OF COMPANY'S AFFAIRS

The financial performance of the company for the financial year ended March 31, 2015 and for the previous year is summarized below:-

S.No	Particulars	Rs. In Crores	
		2014-15	2013-14
1	Income	1905.48	1510.41
2	Finance Cost	372.83	300.26
3	Operating & Other Expenses	1261.21	917.60
4	Depreciation and Amortization	0.78	0.71
5	Profit /(Loss) Before Tax & Prior Period	270.67	291.85
6	Prior period Item- Interest on Income Tax Refund	0	1.24
7	Profit /(Loss) Before Tax	270.67	293.09
8	Tax	3.98	0
9	Profit /(Loss) After Tax	266.69	293.09
10	Add: Opening surplus in statement of profit and loss	(176.41)	(410.88)
11	Less: Transfer to Statutory Reserve	53.34	58.62
12	Interim equity dividend (amount Rs. 0.50 per share)	39.25	0
13	Tax on Interim equity dividend	7.85	0
14	Balance of P&L Account C/F to Balance Sheet	(10.15)	(176.41)

In FY'14-15, your company has generated Profit Before Tax of Rs. 270.67 Cr as against Rs. 293.09 Cr in FY'13-14. Excluding the undernoted accounting policy adjustments which have lowered the profits by Rs. 107 Cr, the PBT has grown significantly over last year.

From this fiscal, the company has changed its accounting policy on acquisition cost by recognizing the same upfront unlike the earlier policy of amortizing it over a period of 12 months. Renewal fees which was being recognised upfront is being recognised over a period of 12 months from this fiscal. The above changes led to a one-off hit of Rs.

90.6 Cr. The changes are in line with opinion received from Institute of Chartered Accountants of India (ICAI).

In a further step towards increased financial prudence the company has changed its NPA norms to 90 days past due from existing 120 days past due causing an impact of Rs. 16.5 Cr.

During the year, our cards base grew YOY by 10.5% from 2.86 MM to 3.16 MM. The Company acquired 688K new customer accounts which is 25% higher than FY 2013-14.

While the industry spends have grown by 24% in the current year, your Company registered a 32% increase in Retail and Corporate Spends. Retail spends have grown to Rs. 18,807 Cr at a growth rate of 29% in FY 2014-15. Commercial Card channel has also shown a 57% growth in spends from Rs. 1,683 Cr in FY 2013-14 to Rs, 2,640 Cr in FY 2014-15. The increase in cards base and spend levels have led to a growth of 31% in receivables.

The company continues to keep a close watch on portfolio quality and has taken initiatives to improve sourcing quality. Our 30+ contractual delinquency has shown an improvement at 70 bps at the end of Mar'15 compared to Previous Year.

Your Company has launched FBB SBI StyleUP Card in partnership with Future Retail Group. This will amplify our presence in the Retail segment and allows us entry into the fast growing affordable fashion and life style segments.

SBI Card in association with State Bank of India has successfully designed and implemented new approaches to educate and cross-sell our products to the large customer base of the bank. The two teams have collaborated to rollout new initiatives - Lead generation at SBI Inbound Contact Centre, Online SBI & ATM and first-of-its-kind Pre-Selection of SBI customer base which is aimed at profitable sourcing model and leverage SBI relationship with customer.

On the technological front, SBI Card launched a new Customer Relationship Management System (CRM) Card One in 2015 which is the state of art customer servicing platform. Card One has consolidated multiple systems into a single platform and has enhanced our customer service efficiencies providing capabilities to handle the next level of growth. We also launched our new originations sytem, WCP (World Class Platform) for managing customer acquisitions. WCP provides an integrated platform to handle wing to wing card acquisition processes from Lead Management to Credit Underwriting processes.

This year, we have introduced on-line tools for redemption of reward points which has received wide acceptance amongst our cardholders. We have also introduced mobile websites compatible with all the three mobile platforms (Android, Windows, IOS).

Your company has won the Reader Digest's Most Trusted Brand Award for the sixth time in 2014-15.

PROSPECTS

SBI Cards is committed towards continuous growth in the next financial year by focussing on profitable sourcing. Our customer acquisition strategy is based on leveraging SBI customer platform as well as building a strong sourcing platform in the Open Market and Co-Brand acquisition channels. The company has a rich bouquet of products appealing to all segments ranging from Simply Save product to premium products like Platinum & Signature cards. The company has various Co-Brand relationships, offering products in partnerships with Tata Capital, IRCTC, Air-India, Future Group etc and other Banking partners namely Oriental Bank of Commerce, Bank of Maharashtra and Karur Vysya Bank. The company is also committed to improve the portfolio quality by focussing on delinquency trends and strengthening our underwriting norms.

In line with our focus on building a profitable portfolio, the company is focussing on increasing its premium base by increasing premium penetration in new acquisitions. The company already has an active upgrade programme targeting existing portfolio to promote conversion to higher category cards. Premium contribution in new acquisitions have shown an increase of 1.9% and we aspire for a higher contribution of premium accounts in the next fiscal. With its focus to acquire with profits, SBI Cards has discontinued Secured Plus product early this year to channelize resources on profitable segments.

We are targeting to achieve growth of 31% in total spends which includes 33% increase in Retail Spends in the next fiscal. The company will continue to synergise partnership with State Bank of India for joint campaigns for both Debit & Credit Cards for maximising shared benefits. We will also focus on the E-Commerce spends category which is the fastest growing category in the market.

SBI Cardholder is central to the company's overall strategy. SBI Card believes and is committed to "Make Life Simple" to customers and would continue to strive towards operational and service excellence to provide maximum value to its customers. With the advent of Contactless Technology in Cards, the company shall explore opportunities to issue Contactless Cards to customers for faster payments at point of sale. During the year the company has invested in various technology platforms to achieve wing to wing process optimisations in all spheres ranging from Sales to Services. The company will leverage on the initiatives undertaken and build further to provide "Customer Delight".

The company will continue to invest in technology for improving efficiency in operations and greater customer delight. In the next fiscal, we will revamp SBI Card website adding new features for the customers including self-service options. We shall further enhance the mobile websites and offer similar self-service options on mobile phones.

The company will continue to improve value proposition to customers and keep a close watch on the market to provide best in class products in line with customer expectations. We shall endeavour to introduce new products and explore new Co-Brand relationships to expand our customer base.

On the Commercial Card segment, SBI Card will explore new corporate relationships and continue to achieve spends growth. We shall strive for an increase market share by adding more value to our corporate customers.

SBI Card is firmly placed on path of growth and is poised to deliver on its financial commitments and customer satisfaction.

There has been no change in the nature of business during the year under review.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT

General Electric (GE), the parent company of one of the shareholders (GE Capital Mauritius Overseas Investments) has made a public announcement on the 10th of April 2015, that to create a simpler, more valuable industrial company it would be reducing the size of the financial business (GE Capital).

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, is presented in a separate section forming part of the Annual Report.

DIVIDEND

Your Directors have declared an interim dividend of Rs. 0.50 (i.e. 5 %) per equity share (last year nil per equity share) during the financial year ended March 31, 2015, amounting to Rs. 392,500,001 and Tax on the same amounting to Rs. 78,476,912 aggregating to Rs. 470,976,913 which is being put up to the shareholders in the Annual General Meeting. No further dividend is being declared this year.

RESERVES

During the year ended March 31, 2015, the Company appropriated Rs. 533,384,218/- towards the Statutory Reserves (Rs. 586,172,738/- in FY 2013-14) in accordance with Section 45-IC of the Reserve Bank of India Act, 1934.

Also, an amount of Rs. 5,64,516 was transferred to Capital Reserve towards Share based employee compensation cost for the FY 2014-15.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as

Annexure 1 to the Board's Report. Further, the policy on dealing with Related Party Transactions is also appended as Annexure 2 to the Board's Report.

CAPITAL ADEQUACY

As per the Reserve Bank of India norms applicable for NBFC, the company is required to keep a Capital Adequacy Ratio (CAR) of 15%. Your directors are pleased to report that the company's CAR is well above the regulatory requirement at 18.63% with 15.02% as Tier 1 CAR.

DEBENTURES

a. Issue and Allotment

During the Financial Year 2014-15, your Company raised Rs. 100 Crores by issue and allotment of 1000 Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Subordinated Non-Convertible Debentures of Rs. 10,00,000/- each in the nature of subordinated debt constituting Tier II Capital of the Company.

b. Appointment of Trustee in place of retiring Trustee

Further, Axis Bank trustee for the Debenture Series 2 had submitted notice of retirement from its capacity as trustee for the Debenture Holders vide letter dated May 21, 2015, pursuant to prevailing applicable laws in relation to debenture issuance and debenture trusteeship, in particular the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (including any amendments thereto). Under the referred provisions Axis Bank cannot continue to act as debenture trustee and therefore is in the process of winding up its existing debenture trusteeship business. The retirement shall be effective from June 15, 2015.

Your Company has with effect from June 12, 2015, with the permission of the Board appointed Axis Trustee Services Limited (ATSL) as joint trustee, to act jointly with Axis Bank as trustees and subsequent to the retirement of Axis Bank from its capacity as trustee to act as sole trustee of the Debenture Holders of Debenture allotted on January 22, 2008 under Debenture Series 2.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Composition of the Board of Director is in terms of the Companies Act, 2013 and the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015. Board consist of eight Directors namely Smt. Arundhati Bhattacharya, Shri Dipankar Basu, Shri Vellur Gopalaraghavan Kannan, Shri B. Sriram, Shri Banmali Agrawala, Shri Ashwini Kumar Sharma, Shri Ashish Sharma and Shri Percival Sam Billimoria as on July 30, 2015.

Following changes are being reported in the composition of Board of Directors during the FY 2014-15 and up to the date of the report:

S.No.	Director	Appointment	Cessation
1.	Shri Anish Shah	-	July 31, 2014 Resignation from GE

2.	Shri Vellur Gopalaraghavan Kannan	03-11-2014	-
3.	Shri Ashwini Kumar Sharma	28-08-2014	-
4.	Shri Ashish Sharma	28-08-2014	-
5.	Shri A. Krishna Kumar	-	November 30, 2014 (Consequent to his Superannuation from SBI)
6.	Shri B. Sriram	31-03-2015	-
7.	Shri Peter Ronald Herbert	29-09-2014	May 18, 2015 consequent to his retirement from GE
8.	Shri Percival Sam Billimoria Independent Director-01197535	30-04-2015	-

Your Directors place on record their sincere appreciation for the contribution made by Shri A. Krishna Kumar, Shri Peter Herbert and Shri Anish Shah during their tenure on the Board of the Company.

Company has three Key managerial Personnel namely Shri Vijay Kumar Jasuja, CEO & Manager, Shri Digmanu Gupta, CFO and Ms. Payal Mittal, Company Secretary as on July 30, 2015.

During the financial year 2014-15, Shri Vijay Kumar Jasuja has been appointed as Manager designated as Chief Executive Officer of the Company w.e.f July 9, 2014. From October 1, 2012 to July 8, 2014 Shri Pallav Mohapatra was the Manager and CEO of the Company

NUMBER OF MEETINGS OF THE BOARD

8 meetings of the Board of Directors were held during the year. The Board met on 15-04-2014, 13-06-2014, 30-07-2014, 02-09-2014, 13-10-2014, 03-11-2014, 29-01-2015, 31-03-2015.

The details of the meetings attended by directors during the financial year 2014-15 are as follows:

S. No.	Name of Directors/ Member	DIN	Status	No. of Meetings Attended
1.	Smt Arundhati Bhattacharya	02011213	Chairman	2
2.	Shri V G Kannan	03443982	Director	3
3.	Shri B Sriram	02993708	Director appointed on 31-03-2015	0
4.	Shri Dipankar Basu	00009653	Director	5
5.	Shri Ashwini Kumar Sharma	00157371	Director	5
6.	Shri Banmali Agrawala	00120029	Director	2

7.	Shri Ashish Sharma	01659506	Director	5
8.	Shri A. Krishna Kumar	00871792	Ex-Director Cessation w.e.f 30-11- 2014	2
9.	Shri Peter Ronald Herbert	06713702	Ex-Director Cessation w.e.f 18-05- 2015	2
10.	Shri Anish D Shah	02719429	Ex-Director Cessation w.e.f 31-07- 2014	3

COMPOSITION OF AUDIT COMMITTEE

The composition of the Audit Committee and the details of the 6 Audit Committee meetings held in accordance with the applicable guidelines and rules, during the year ending March 31, 2015 are as follows:

S. No.	Name of Directors/ Member	Status	No. of Meetings Attended
1	Shri Dipankar Basu	Chairman	4
2	Shri B Sriram	Member wef 31-03-2015	0
3	Shri Ashish Sharma	Member	3
4	Shri A Krishna Kumar	Ex Member w.e.f 30-11- 2014	2
5	Shri Anish D Shah	Ex Member w.e.f 31-07- 2014	3

The Audit Committee met on 15-04-2014, 12-06-2014, 30-07-2014, 25-09-2014, 03-11-2014, 19-01-2015.

COMPOSITION OF RISK MANAGEMENT COMMITTEE

The composition of the Risk Management Committee and the details of the 4 Risk Management Committee meetings held, in accordance with the applicable guidelines and rules, during the year ending March 31, 2015 are as follows:

S. No.	Name of Directors/ Member	Status	No. of Meetings Attended
1	Shri Dipankar Basu	Chairman	3
2	Shri B Sriram	Member wef 31-03-2015	0
3	Shri Ashish Sharma	Member	3
4	Shri A Krishna Kumar	Ex Member w.e.f 30-11- 2014	1
5	Shri Anish D Shah	Ex Member w.e.f 31-07- 2014	1

The Risk Management Committee met on 12-06-2014, 25-09-2014, 03-11-2014, 19-01-2015.

COMPOSITION OF NOMINATION COMMITTEE

The composition of the Nomination Committee and the details of the 2 Nomination Committee meetings held, in accordance with the applicable guidelines and rules, during the year ending March 31, 2015 are as follows:

S. No.	Name of Directors/ Member	Status	No. of Meetings Attended
1	Shri Dipankar Basu	Member	2
2	Shri B Sriram	Member wef 31-03-2015	0
3	Shri Ashish Sharma	Member	2
4	Shri A Krishna Kumar	Ex Member w.e.f 30-11-2014	0
5	Shri Anish D Shah	Ex Member w.e.f 31-07-2014	0

The Nomination Committee met on 03-11-2014, 31-03-2015.

The Nomination Committee has been re-named as Nomination and Remuneration Committee with effect from June 2, 2015 in compliance with RBI Guidelines on Corporate Governance.

COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Composition of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company and the details of the 3 CSR Committee meetings held, in accordance with the applicable guidelines and rules, during the year ending March 31, 2015 are as follows:

S. No.	Name of Directors/ Member	Status	No. of Meetings Attended
1	Shri Dipankar Basu	Member	3
2	Shri B Sriram	Member wef 31-03-2015	0
3	Shri Ashish Sharma	Member wef 03-11-2014	3
4	Shri A Krishna Kumar	Ex Member w.e.f 30-11-2014	1
5	Shri Banmali Agrawala	Ex Member w.e.f 03-11-2014	0

The CSR Committee met on 03-11-2014, 26-11-2014, 19-01-2015.

The terms of reference of CSR Committee include the following:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;

- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The CSR Policy along with the details of CSR activities during the year as per Corporate Social Responsibility Policy Rules, 2014 has been appended herewith as Annexure 3.

VIGIL MECHANISM

In accordance with the provisions of the Companies Act, 2013, the Company has established a Vigil Mechanism for Directors and Employees to provide a mechanism which provides adequate safeguards to employees and Directors from any victimization on raising of concerns of any unethical practice/non-compliance/irregularity observed. The Policy on the Vigil Mechanism of the Company is displayed on the Website of the Company.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Company follows the fit and proper criteria as laid down by Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 for appointment of Directors. Nomination Committee of the Board recommends for appointment of a Director based on the fit and proper criteria Policy of the Company. Further the Nomination Committee is responsible to ensure 'fit and proper' status of proposed/existing directors.

Pecuniary transactions of Directors with the Company during the financial year 2014-15 are as under:

Sitting Fee at the rate of Rs. 15,000 per Board Meeting and Rs. 10,000 per Committee Meeting has been paid to Shri Dipankar Basu and Shri Ashwini Kumar Sharma for the meetings attended by them during the FY 2014-15.

Closing Balance as on March 31, 2015 of the credit cards issued to Directors of the Company is Rs. 13,48,706/-

AUDITORS & COMMENTS ON AUDITORS REPORT

During the year under review, the office of the Comptroller and Auditor General of India (hereinafter referred to as "CAG") exercising the power conferred under section 139 of the Companies Act, 2013, appointed M/s. Gandhi Minocha & CO., Chartered Accountants (Registration No. 000458N), as the Statutory Auditor of the Company for the financial year 2014-15. Supplementary Audit of the Company was conducted by Principal Director of Commercial Audits on behalf of CAG in accordance with Section 143 of the Companies Act, 2013. There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditor and CAG in their reports.

The Statutory Auditors' report and CAG Audit Report are self-explanatory in nature and does not require any comments from Directors of the Company.

Further, the Statutory Auditors for the Financial Year 2015-16 are being appointed by the Comptroller and Auditor General of India on such terms and conditions as CAG may prescribe.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

While the business activity of the Company does not result in any material consumption of energy, still the Company is committed to continue its efforts towards the conservation of energy. Energy conservation and technology updates are a part of the ongoing processes in your Company. The efforts made towards technology update have been detailed in this Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During Financial Year 2014-15, the Company incurred foreign currency expense of an amount of Rs. 51,39,33,112/- on network and other service charges, purchase of plastic cards, professional fees and other expenses (2013-14: Rs. 450309435/-).

The dividend remitted during the year 2014-15 in foreign currency was Rs. 157,000,000 (2013-14: Nil).

The foreign exchange earnings during the year 2014-15 were Rs. 26,434,230/- (2013-14: Rs. 25,420,992/-).

CORPORATE GOVERNANCE

Your Company has a strong and committed corporate governance framework, which encompasses policies, processes and people, by directing, controlling and managing activities with objectivity, transparency and integrity.

Your Company is committed to ensure fair and ethical business practices, transparent disclosures and reporting. The focus of the Company is on statutory compliance, regulations and guidelines and ethical conduct of business throughout the organization with primary objective of enhancing stakeholder's value while being a responsible corporate citizen.

CREDIT RATING

The credit ratings of the company as at the end of 31st March, 2015 are as below:

Instrument	Rating	Rating Agency	Comments
Debentures/Bonds	AAA/Stable	CRISIL	These are highest level of ratings and Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Debentures/Bonds	AAA/Stable	ICRA	
Short Term Ratings(Bank Lines/Commercial Paper)	A1+	CRISIL	

INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies, processes and structure for ensuring the orderly and efficient conduct of its business with adequate and effective internal financial control across the organization, including adherence to the Company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Also, the company has an internal audit system commensurate with the size of the company and has appointed Grant Thornton LLP for conducting periodic audits of the internal functions and processes of the company. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

RISK MANAGEMENT AT SBI CARDS

Your Company has developed and implemented a Risk Management Policy that recognizes risk as an integral and unavoidable component of business and is characterized by both threat and opportunity. The Company has adopted a comprehensive Risk Management program to formalize risk based decision-making and risk management processes. The risk reports prepared by the Chief Risk Officer are reviewed by the board of directors at regular intervals. The risk management process is reviewed periodically in order to keep it aligned with the emerging risks. Risk management program involves risk identification, assessment and risk mitigation planning for financial, credit, strategic, operational, liquidity, legal, reputation, contagion, concentration, model and regulatory related risks across various levels of

the organization. The process facilitates monitoring risks and its mitigation across the Company, using dashboards, heat maps and charts.

FRAUD REPORTING

Certain instances of customer frauds on the Company, primarily relating to fraudulent usage of credit cards issued by the Company, have been reported during the FY 2014-15. The total amount involved in these frauds was Rs. 26,181,971/-.

PARTICULARS OF EMPLOYEES

Your Directors would like to place on record their sincere appreciation for the contributions made by employees of your Company at all levels. The information required under the provisions of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as annexure 4 of this Report.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public as defined in the Non-Banking Financial Companies (Reserve Bank of India) Directions, as amended to date.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sec 134 (3) C of the Companies Act, 2013 your Directors state that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from Independent Director that he meets the criteria of independence as provided in section 149(6) of the Companies Act 2013.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form MGT-9 is appended as Annexure 5 to this Report.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and subsequent notification of rules in this regard, the Company has adopted the Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

Internal Complaint Committee formed under the Provisions of the Act comprises of Ms. Aparna Kuppaswamy – Presiding Officer, Mr. Manish Dewan, Ms. Nidhi Bhardwaj, Mr. Ugen Bhutia, and Ms Seema Misra Sinha as the members of the Committee.

During the calendar year 2014, one case was reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The case was investigated by ICC (Internal Complaints Committee) members and has been duly closed.

ACKNOWLEDGEMENT

Your Directors wish to thank the Reserve Bank of India, Company's Bankers, customers, shareholders, employees and collaborators for their valuable assistance, support and co-operation.

Date: 30-07-2015

Place: Mumbai

For and on behalf of the Board

A. Bhattacharya

CHAIRMAN
DIN: 02011213

JP

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis

S. NO.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Amount paid in advance, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1	SBI, Holding Company	Services	Jan to March 2015	Renewal of arrangement for availment of CMP Services from SBI at the max unit cost of Rs. 13.50	For the continuation of services to customers during the transition period for availing services from L1 contender	No	27-02-2015

2. Details of material contracts or arrangement or transactions at arm's length basis

S. NO.	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	SBI, Holding Company	Services	Ongoing	*Day to day operations of bank accounts with SBI	No
2	SBI, Holding Company	Services	01-04-2014 - Ongoing	*Over The Counter services given to customers	No
3	SBI, Holding Company	Services	01-04-2014 - Ongoing	*Annual charges levied for SBI Card drop boxes placed at SBI branches to the tune of Rs. 50,00,000	Yes
4	SBI, Holding Company	Services	3 years expired on 31 st December'14	*Cash Management services	No
5	SBI, Holding Company	Services	Ongoing	*ATM Withdrawal services given to customers Rs. 16 per transaction	No
6	SBI, Holding Company	Services	Ongoing	*Issuing & Paying agent for commercial paper issued by the Company	No
7	SBI, Holding Company	Services	30-04-14 to 19-05-2014	*Fixed Deposit on standard terms and conditions	No
8	SBI, Holding Company	Services	01-04-2008 - Ongoing	*Royalty paid for use of Logo	No
9	SBI, Holding Company	Services	01-04-2013 - ongoing (Initial term 3 years form Oct 2013, automatic renewal thereafter)	*Agreement for selling the Company's Credit Cards through SBI's networks	No
10	SBI, Holding Company	Services	Ongoing	*Customer document verification/validation fee	No
11	SBI, Holding Company	Services	3 months from 01-11-2014	*Hosting of Sbi Card Link on Online SBI' website	Yes

12	SBI, Holding Company	Services	Ongoing	*Compensation and Benefits of SBI Deputee as per the Policy of SBI	No
13	GE Capital Business Process Management Services Pvt. Ltd, Common Directors	Services	01-04-2014-31-03-2015	*Business Process Management Services	No
14	GE Capital Business Process Management Services Pvt. Ltd, Common Directors	Services	01-04-2014-31-03-2015	*Seat Sharing & Other shared cost received	No
15	GE Capital Business Process Management Services Pvt. Ltd, Common Directors	Services	3 Years, Renewable after every 3 year till Sep 30, 2023	*Seat Sharing & Other shared cost charged from GECBPMSL for Tower B, Infinity, Gurgaon office	No
16	State Bank of Travancore, Fellow Subsidiary	Services	2013 - Ongoing	*Arrangement for selling the Company's Credit Cards through Bank networks	No
17	State Bank of Hyderabad, Fellow Subsidiary	Services	2013 - Ongoing	*Arrangement for selling the Company's Credit Cards through Bank networks	No
18	State Bank of Patiala, Fellow Subsidiary	Services	2013 - Ongoing	*Arrangement for selling the Company's Credit Cards through Bank networks	No
19	State Bank of Bikaner &	Services	2013 - Ongoing	*Arrangement for selling the Company's Credit Cards through	No

	Jaipur, Fellow Subsidiary				Bank networks	
20	State Bank of Mysore, Fellow Subsidiary	Services	2013 - Ongoing		*Arrangement for selling the Company's Credit Cards through Bank networks	No
21	State Bank of Travancore, Fellow Subsidiary	Services	Ongoing		*Day to day operations of bank accounts with SBI	No
22	State Bank of Hyderabad, Fellow Subsidiary	Services	Ongoing		*Day to day operations of bank accounts with SBI	No
23	State Bank of Patiala, Fellow Subsidiary	Services	Ongoing		*Day to day operations of bank accounts with SBI	No
24	State Bank of Bikaner & Jaipur, Fellow Subsidiary	Services	Ongoing		*Day to day operations of bank accounts with SBI	No
25	State Bank of Mysore, Fellow Subsidiary	Services	Ongoing		*Day to day operations of bank accounts with SBI	No
26	SBI Life Insurance Company Limited, Fellow Subsidiary	Services	11-06-2010 –Initial term 3 years, automatic renewal thereafter		*Commission Received	NA
27	SBI Cap Trustee Co. Ltd, Fellow Subsidiary	Services	26-Sep-2012 – till 28-09-2019		*Appointed as trustee for Debenture series 4 issued on 28-09-2012	No
28	SBI General Insurance Company Ltd., Fellow Subsidiary	Services	06-08-2014 to 05-08-2015		D&O Policy cover of Rs. 10 crores	Yes
29	SBI Funds Mgmt Pvt	Services	Ongoing		*Investments done in accordance with Investment Policy of the Company	NA

	Limited, Fellow Subsidiary	Services			
30	General Electric Capital Corporation, Joint Venturer	Services	Ongoing		No
31	KMP remuneration	Service	Ongoing	As per Policy of the Company	No
32	Sitting Fee to Directors	Service	NA	Rs. 15,000 for Board Meeting Rs. 10,000 for Committee Meeting Paid to directors who are not employees of JV Partners	No

*Please refer to point 28 of Notes to Financial statements

**Necessary approvals required for the transactions have been duly taken.

Date 30-07-2015

Place: Mumbai

A. Bhattacharya

Chairman



DIN 02011213

SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED

Related Party Transaction Policy

**Secretarial Department – V05
12/4/2015**

Related Party Transaction Policy

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Related Party Transaction Policy

1. Preamble

SBI Cards and Payment Services Private Limited (the "Company") has formulated this policy on Related Party Transactions in line with the requirements of Section 188 of the Companies Act, 2013 ("Act") and the RBI Circular no. RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014.

Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements transactions between the Company and Related Parties. The related party transactions falling under the provisions of Section 188(1) of the Act are required to be disclosed in the Boards' Report along with the justification for entering into such transactions. In terms of the aforesaid RBI Circular the Company is required to disclose the details of all material transactions with related parties in the Boards' Report and is also required to disclose the policy on dealing with Related Party Transactions on its website and in its Boards' Report.

2. Objective

The objective of this policy is to regulate transactions between the Company and its related parties based on the laws and regulations applicable on the Company. All Related Party Transactions, as that term is defined in this policy, shall be subject to review /approval/ratification in accordance with the procedures set forth below in order to ensure the transparency and procedural fairness of such transactions. Section 188 requires a company to obtain approval of the Board and of the members, in certain situations, prior to entering of any transaction or agreement with a related party.

3. Definitions

- a. "Arm's length transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest or vested interest in that transaction.
- b. "Ordinary Course of business"

Related Party Transactions that are part of regular operative activities, and connected financial activities, of any organization in similar business and size shall be considered to be in the ordinary course of business operations.

Following are some of the criteria that may be considered for determining whether the transaction is in the ordinary course of business:

- i. Nature: Whether the scope of the transaction is generally consistent with the Company's business activities and whether the Company enters into, or can enter into, similar transactions with a third party;

Related Party Transaction Policy

- ii. **Frequency:** Whether the transaction is of a nature regularly carried out by the Company, is an important indication that classifies the transaction to be within the Company's ordinary course of business operations;
- iii. **Size of transaction:** Whether the transaction value is within the reasonable range for similar types of other transactions. An exceptionally large value transaction should invite closer scrutiny.

These are not exhaustive criteria and the Company will assess each transaction considering its specific nature and circumstances.

- c. **"Board"** means Board of Directors of the Company.
- d. **"The Company"** means SBI Cards and Payment Services Private Limited
- e. **"Control"** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;
- f. **"Key Managerial Personnel ("KMP")"** means key managerial personnel as defined under the Companies Act, 2013 and includes the following, if applicable;
 - a) the Chief Executive Officer or the Managing Director or the Manager;
 - b) the Company Secretary;
 - c) the Whole-time Director;
 - d) the Chief Financial Officer; and
 - e) Such other officer as may be prescribed under the Act.
- g. **"Associate Company"**, means any company in which the Company controls at least twenty per cent of total share capital or of business decision under an agreement, but which is not a subsidiary of the Company but includes a Joint Venture Company.
- h. **"Material Related Party Transaction"** means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the company.
- i. **"Policy"** means Related Party Transaction Policy.
- j. **"Related Party"** shall have the same meaning as assigned to in the Companies Act 2013, as amended from time to time.
- k. **"Related Party Transaction"** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged. A

Related Party Transaction Policy

"transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

- I. "Relatives" mean such person as defined in Section 2(77) of the Companies Act 2013, as amended from time to time.

As per Section 2(77) of the Companies Act, 2013 and Rule 4 of Companies (specification of definitions details) Rules, 2014 following are covered under definition of relatives:

- 1) Members of HUF
 - 2) Spouse
 - 3) Father (includes step-father).
 - 4) Mother (includes the step-mother).
 - 5) Son (includes the step-son).
 - 6) Son's wife
 - 7) Daughter
 - 8) Daughter's husband
 - 9) Brother (includes the step-brother).
 - 10) Sister (includes the step-sister).
4. Identification of Related Parties and Process for entering into a Related Party Transaction

The following process shall be followed to ensure all related parties are identified in order to obtain the requisite approvals for any transactions with such related parties:

- 1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals, including his shareholding, shall furnish Form MBP-1 "Notice of Interest by Director" pursuant to Section 184(1) and Rule 9 of the Companies (Meeting of Board and its Powers) Rules, 2014.
- 2) Every Director shall also furnish declaration in relation to their relatives, their relatives' partnership in firms, interest/shareholding/directorships in private companies and public companies.
- 3) Declaration by KMPs of the Company regarding relatives and entities over which they are able to exercise significant influence etc.
- 4) Declaration by the Director and Manager whether the Board of Directors, managing director or manager of any other body corporate is accustomed to act in accordance with his/her advice, directions or instructions (given otherwise than in a professional capacity)

Related Party Transaction Policy

- 5) Declaration by directors and manager of Company whether they are accustomed to act in accordance with the advice, directions or instruction of any person (given otherwise than in a professional capacity) and if yes particular of such persons(s).
- 6) Declaration by the CFO whether any company is a holding, subsidiary or an associate company (including a joint venture company) of the company or a fellow subsidiary company, if yes, particulars of relevant companies to be provided.
- 7) Declaration by Company Secretary regarding any individual owning, directly or indirectly, an interest in the voting power of the Company that gives such individual control or significant influence over the Company.

The Company strongly prefers to receive such declarations/ notice of any potential Related Party Transaction well in advance so that the Board has adequate time to obtain and review information about the proposed transaction. The above declarations shall be collated and maintained by the Company Secretary. Further, the declarations so collated shall be revisited on a quarterly basis to add, remove and modify the name of the identified related party.

On the basis of declaration received as detailed above, Corporate Secretarial Department shall maintain a database of Company's Related Parties. The Related Party List shall be updated whenever necessary and shall be reviewed at least once a year, as on 1st April every year and share the same with the senior management team of the Company.

The process for entering into a Related Party Transaction will be as set out below:

Transactions with Related Parties shall generally be in the form of master agreements which would define the terms governing individual transactions / work orders / purchase orders (Sub-transactions) to be undertaken under the agreement.

The Company will:

- a. identify the transactions with Related Parties;
- b. perform tests to determine whether the transaction is in the ordinary course of business operations or otherwise;
- c. review the commercial terms involved in the transaction and analyze whether the transaction is at 'arm's length' as if the party is unrelated;
- d. determine the approval requirements applicable to the transaction in accordance with this Policy and applicable laws ;
- e. prepare and maintain relevant documentation supporting the basis of its assessment;
- f. present the required details to the Board or Shareholders for approvals as required; and
- g. execute agreement once the approvals are obtained.

Related Party Transaction Policy

In connection with its review of a Related Party Transaction, the Company will take into account, among other factors it deems appropriate, whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Party's interest in the Related Party Transaction. Company shall inter alia refer to the transfer pricing provisions under Income Tax Act or OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administration for determining the arms' length criteria.

Company shall also consider, whether the Related Party Transaction would present a conflict of interest with respect to any director or KMP of the Company, taking into account the size of the transaction, the overall financial position of the director/KMP or other Related Party, the direct or indirect nature of the director's, KMP's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors deems relevant

5. Approval of Board

All related party transaction will require approval of the Board. However, related party transactions which are required to be approved by the Board of the Company under the provisions of the Companies Act, 2013 shall be entered into and acted upon, only after such approval is accorded by the Board.

Any director of the Company who is concerned or interested in a contract or arrangement, shall in terms of the provisions of the Act, disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting.

The Chief Compliance Officer shall certify on quarterly basis to the Board of Directors on the due compliance of laws on related party transactions of the Company.

Management shall present to the Board the following information, to the extent relevant, with respect to the Related Party Transactions for their approval:

- 1) the name of the related party and nature of relationship;
- 2) the nature, duration of the contract and particulars of the contract or arrangement;
- 3) the material terms of the contract or arrangement including the value, if any;
- 4) any advance paid or received for the contract or arrangement, if any;
- 5) justification for entering into such contract arrangement or transaction;
- 6) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- 7) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- 8) any other information relevant or important for the Board to take a decision on the proposed transaction

Related Party Transaction Policy

6. Transactions with related parties requiring shareholders approvals

- a. Subject to the exemptions as prescribed under the Companies Act, 2013, the Company shall take necessary approvals from the shareholders while entering into the related party transactions in case the value of the transactions exceeds the limits as prescribed under the provisions of the Act.
- b. The related party in the context to the contract or arrangement, shall abstain from voting on such resolution wherever the approval of the shareholders are required.

7. Exemption from approval

Notwithstanding the foregoing, the following transactions shall not require approval of Board or Shareholders:

- 1) Any transaction that involves the providing of reimbursements or advances to a director or KMP to meet expenditure in the course of his or her duties as such Director or KMP of the Company;
- 2) Any remuneration paid to a director or KMP as per the policy of the Company and/or under the provisions of the Companies Act, 2013;
- 3) Sitting fees paid to director(s) in terms of the provisions of the Companies Act, 2013;

8. Exceptions

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Board. The Board shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction.

9. Amendment or modification in the policy

The policy on Related Party Transactions shall be amended or modified as and when required by the approval of Board.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy

Format for the Annual Report on CSR activities to be included in the Board's Report of SBICPSL

- a. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The company's mission is to be part of initiatives that work for the overall betterment of the people of the nation, ensuring development across different strata of society, geography and ability. We look to extend our guiding principles to bring about impactful change that is sustainable and scalable.

The vision of the company is to empower the community through education, skills and access to quality health and sanitation facilities.

The organization has outlined the following key focus areas for CSR activities:

1. Education
2. Health & Sanitation
3. Skill Empowerment &
4. Contributions to approved funds including the Prime Ministers Relief Fund and Swachh Bharat Kosh

The CSR Policy is available on the SBI Card website at:

https://www.sbicard.com/header_footer_pages/about_us_0_011709.html

- b. The composition of the CSR committee.**

The members of the CSR Committee for SBICPSL are as follows:

Mr. Dipankar Basu

Mr. B. Sriram

Mr. Ashish Sharma

- c. Average net profit of the company for last three financial years**

The average net profit for the company for the last three financial years is Rs. 136,67,33,339 as per the prescribed computational norms.

- d. Prescribed CSR expenditure (two per cent. of the amount as in item 3 above)**

The prescribed CSR expenditure is Rs.2,73,34,667.

- e. Details of CSR spent during the financial year.**

The organization has contributed to two approved funds as outlined below

- | | | |
|-----|------------------------------|-------------------|
| i. | Swach Bharat Kosh | : Rs. 1,43,34,667 |
| ii. | Prime Minister's Relief Fund | : Rs. 1,30,00,000 |

f. Total amount to be spent for the financial year;

The total amount to be spent for the financial year 2014-15 is Rs.2,73,34,667.

g. Amount unspent, if any;

The stipulated amount has been spent.

h. Manner in which the amount spent during the financial year is detailed below.

The organization has undertaken extensive work in identifying strategic focus areas, evaluating projects, identifying agencies and accordingly formulating a CSR Plan for the FY 2015-16. Investments in approved CSR projects apart from the Government approved funds will commence in FY 2015-16.

The summary of amount spent in the FY 2014-15 is stated below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1)local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: (1)direct expenditure on projects or programs. (2) overheads:	Cumulative expenditure upto to the reporting period	Amount spent: direct or through implementing agency *
1.	Swachh Bharat Kosh	Health & Sanitation	-	Rs. 1,43,34,667	Rs. 1,43,34,667	Rs. 1,43,34,667	NA
2.	Prime Minister Relief Fund	Prime Minister Relief Fund	-	Rs. 1,30,00,000	Rs. 1,30,00,000	Rs. 1,30,00,000	NA

* Give details of implementing agency:

i. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

The organization has spent the stipulated amount

j. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.



The organization has followed the specified norms and procedures in identification and contribution of funds, in accordance with the CSR Objectives and approved policy.


(CEO)


(CHAIRMAN CSR COMMITTEE)


(CHAIRMAN)



Annexure to the Directors' Report in accordance with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name of the Employee	Designation and Nature of Duties	Relation with any director /CEO of the Company	Nature of Employment, whether contractual or otherwise and other Terms and Conditions	Remuneration per Annum (Rs.)	Qualification and Age	Experience (Years)	Shareholding %	Date of Commencement of Employment	Last Employment
1	Amit Batra	Vice President - Sales	NA	Full Time Employee (FTE), other terms and conditions as per letter of appointment	9,033,474	IHM, Calcutta, 42 years	22	NA	1-Apr-08	GE Capital Business Process Management Services Private Limited
2	Manish Dewan	Vice President - Sales	NA	Full Time Employee (FTE), other terms and conditions as per letter of appointment	9,249,127	BE Mechanical MBA from IIM, 48 years	23	NA	1-Oct-11	GE Capital Business Process Management Services Private Limited
3	Aparna Kuppaswamy	Chief Risk Officer, SBI Cards	NA	Full Time Employee (FTE), other terms and conditions as per letter of appointment	9,421,401	BSc Chem (H)+ Master of Finance and control, 44 years	19	NA	1-Apr-09	GE Money

4	Tarun Mehndiratta	Vice President - Sales	NA	Full Time Employee (FTE), other terms and conditions as per letter of appointment	7,459,750	BCOM(H)+ PGDM in Marketing Science from Institute of Marketing & Mgt, 45 years	18	NA	1-Jun-11	GE Capital Services India
5	Girish Budhiraja	Vice President - Marketing	NA	Full Time Employee (FTE), other terms and conditions as per letter of appointment	8,600,800	B.Tech from Indian School Of Mines, LLB from DU, PGDBM from IIM, Bangalore, 43 years	22	NA	22-Oct-12	American Express
6	Ugen Tashi Bhutia	Vice President -Legal	NA	Full Time Employee (FTE), other terms and conditions as per letter of appointment	6,086,364	LLB,	13	NA	2-Jan-12	Lakshmi Kumaran and Sridharan (Law Firm)

Annexure - 5

Extract of Annual Return {form (Form No. MGT 9)}

1. Registration and other details of Company

- i) CIN: U65999DL1998PTC093849
- ii) Registration Date: 15-05-1998
- iii) Name of the Company: SBI Cards and Payment Services Private Limited
- iv) Category / Sub-Category of the Company: Private Limited Company
- v) Address of the Registered office and contact details
UNIT 401 & 402, 4TH FLOOR, AGGARWAL MILLENNIUM TOWER, E-1,2,3, NETAJI SUBHASH PLACE, WAZIRPUR, NEW DELHI - 110034
Telephone with STD : 0124-4589798
Fax Number : 0124-3987306
E-Mail Address : payalm.chhabra@sbicard.com
- vi) Whether listed company: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

Debentures:

Name of Registrar & Transfer Agents:	Zuari Investments Limited
Address	First Floor, 5 Commercial Centre, Jasola
Town / City :	New Delhi
State : Pin Code:	110025
Telephone :	91-11-46581300/41697900
With STD Area Code Number	011
Fax Number :	011-40638679
Email Address :	rta@adventz.zuarimoney.com

Equity Shares:

Name of Registrar & Transfer Agents:	Sharepro Services (I) Pvt. Limited
Address	13AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka, Andheri (E)
Town / City :	Mumbai
State : Pin Code:	400072
Telephone :	67720300
With STD Area Code Number	022

Fax Number :
Email Address :

28591568
sharepro@shareproservices.com

2. Principal Business Activity of the Company:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Credit Card Business	65924 Activities through credit cards	100%

3. Particulars of Holding, subsidiary and associate Company

Sl. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable Section
1	STATE BANK OF INDIA State Bank Bhavan, Corporate Centre, Madame Cama Road, Nariman Point, Mumbai, Maharashtra 400021	-	Holding	60%	Section 2(46)

4. Shareholding Pattern of the Company

a. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian Banks / FI SBI	471,000,000	2	471,000,002	60%	471,000,000	2	471,000,002	60%	0

Sub-total (A) (1):-	471,000,000	2	471,000,000	60%	471,000,000	2	471,000,000	60%	0
(2) Foreign Bodies Corp. GE CAPITAL MAURITIUS OVERSEAS INVESTMENTS	294,000,000	20,000,000	314,000,000	40%	294,000,000	20,000,000	314,000,000	40%	0
Sub-total (A) (2):-	294,000,000	20,000,000	314,000,000	40%	294,000,000	20,000,000	314,000,000	40%	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	765,000,000	20,000,000	785,000,000	100%	765,000,000	20,000,000	785,000,000	100%	0
B. Public Shareholding	NIL								
Sub-total (B)(1):-	Nil								
C. Shares held by Custodian for GDRs & ADRs	Nil								
Grand Total (A+B+C)	765,000,000	20,000,000	785,000,000	100%	765,000,000	20,000,000	785,000,000	100%	0

b. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the comp	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the comp	% of Shares Pledged / encumbered to total	% change in share hold

			any	shares		any	shares	ing duri ng the year
1.	SBI	471,00 0,002	60%	0	471,00 0,002	60%	0	0
2	GE CAPITAL MAURITI US OVERSE AS INVEST MENTS	314,00 0,000	40%	0	314,00 0,000	40%	0	0

- c. Change in Promoters' Shareholding: **No Change**
- d. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): **Nil**
- e. Shareholding of Directors and Key Managerial Personnel: **Nil**

5. Indebtness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	33,134,724,445	2,248,000,000	-	35,382,724,445
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	434,931,571	104,567,397	-	539,498,968
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	33,569,656,016	2,352,567,397	-	35,922,223,414
Change in Indebtedness during the financial year	132,622,921,768	8,436,846,329	-	141,059,768,097
• Addition	121,607,418,961	8,326,206,329	-	129,933,625,289
• Reduction	-	-	-	-
Net Change	11,015,502,808	110,640,000	-	11,126,142,808
Indebtedness at the end of the financial year	43,546,285,886	2,400,000,000	-	45,946,285,886
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	1,038,872,938	63,207,397	-	1,102,080,335
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	44,585,158,824	2,463,207,397	-	47,048,366,222

Besides this Secured Finance Lease obligation as on 31st March 2015 was Rs. 7,376,246 and as on 31st March 2014 was Rs. 7,201,347.

6. Remuneration of Directors and Key Managerial Personnel mentioning their gross salary, value of perquisites, profits in lieu of salary, etc

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Total Amount	
		Manager/CEO – Shri Pallav Mohapatra (01-04-2014 to 08-07-2014)	Manager/CEO – Shri Vijay Jasuja (09-07—2014 to 31-03-2015)
1.	*Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2)Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	962072	2954771
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others, specify...	0	0
5.	Others, please specify	0	0

	Total A	962072	2954771
	Ceiling as per the Act	NA	NA

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
	Non-Executive Director	Sh Dipankar Basu	Shri Ashwini Kr Sharma	
1.	Sitting Fee	1,95,000	75,000	2,70,000
	Total			2,70,000
	Ceiling as per the Act	NA	NA	

C. Remuneration to key managerial personnel other than MD/manager/WTD

Sl. no.	Particulars of Remuneration	Total Amount	
		CFO	Company Secretary
1.	*Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3201391	1984614
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others, specify...	0	0
5.	Others, please specify	0	0
	Total A	3201391	1984614

*PLI for Manager pertaining to FY 2013-14 paid during FY 2014-15:

- Mr Vijay Jasuja Manager/CEO - Nil
- Mr. Pallav Mohapatra Manager/CEO: Rs 454639

7. Penalties/punishment/compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Date: 30-07-2015

Place: Mumbai

A. Bhattacharya

CHAIRMAN

DIN: 02011213

tb *td*

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO ECONOMIC OUTLOOK

Indian economy has weathered many challenges successfully in recent times and is currently placed at a cyclical upturn, on the back of strong policies and a whiff of new optimism. In the recent past, the economy faced testing times with issues like lower growth, high levels of inflation and widening current account deficit; escalated by an unsupportive external environment. Growth is back, with its desirable concomitants of mild inflation and manageable current account balance with stable rupee and rising foreign exchange reserves, signaling improvements in macro-economic stability

As per the Advance Estimates released by the Central Statistics Office, the Indian economy is estimated to register a growth rate of 7.4 per cent in 2014-15, as compared to a growth of 5.1 per cent and 6.9 per cent respectively in 2012-13 and 2013-14

Headline WPI inflation moderated to 3.4 per cent in 2014-15 (April-December) from 6 per cent in 2013-14 due to lower food and fuel inflation. Headline CPI Inflation as per the Consumer Price Index- New Series (with base year 2010) averaged 6.8 per cent in 2014-15 (April-December) as against 9.5 per cent in 2013-14. In view of the continuing easing of inflationary pressures, on 15th January 2015, the RBI reduced the policy repo rate under the liquidity adjustment facility from 8.0 per cent to 7.75 per cent and further to 7.5 per cent on 4th March, 2015

In the latest bi-monthly policy statement announced by RBI on June 2, 2015, the policy repo rate under the liquidity adjustment facility (LAF) was reduced by 25 basis points from 7.5 per cent to 7.25 per cent ; the cash reserve ratio (CRR) of scheduled banks was kept unchanged at 4.0 per cent of net demand and time liabilities (NDTL).

(Source: Macro Economic Framework Statement 2015-16-Union Budget & RBI Monetary Policy Statements)

INDUSTRY DEVELOPMENTS

In the Financial Year 2014-15 overall cards -in-force witnessed an increase of 10% rise over previous year. Number of credit cards in circulation has also risen to 21 Mn in 2014-15 from 19.2 million in the previous year. Retail spends continued to grow from Rs. 1,541 Bn to Rs. 1,905 Bn (24%) in FY 2014-15.

(Source: Reserve Bank of India website)

As against industry growth of 24% SBI Cards spends grew by 31.9% during the same period. The company is ranked 3rd in terms of Cards in force with 15% market share. In terms of spends, the company maintained 5th rank with 11.3% market share in FY '14-15 as against 10.6% in FY'13-14. The company is ranked consistently at 4th position in terms of Market share of spends in Jan'15-Mar-15.

OPPORTUNITIES

Credit Card market in India is amongst the least penetrated markets globally. There are around 21 million credit cards in circulation, which represents a penetration rate of ~1.6% of the country's 1.3 Bn population. This provides a huge potential for increasing the credit card base. While there is a good penetration in the Metros, there is immense scope as we move to Tier 2/ Tier 3 cities. With strong and evolved credit bureaus and all major banks participating in bureau reporting it provides a huge opportunity for banks to increase the penetration without compromising the customer risk profile.

With the popularity of online shopping portals growing, the credit card usage has also seen a jump. Same is evident in the increasing contribution of online (web & mobile) spends to overall card spends.

In his speech while Presenting Union Budget 2015, Finance Minister Arun Jaitley proposed to introduce several measures that will incentivise debit and credit card payments and dis-incentivise cash payments. The government initiative is expected to provide opportunities to the card industry to increase volumes.

THREATS

RBI issued banking licenses to two new players, IDFC and micro-lender Bandhan on April 1, 2014 after a decade. Further, RBI has invited applications for Small Finance Banks and Payments Banks and is expected to issue licences by end of August 2015. Payment banks can accept deposits up to Rs. 1 lakh and can offer current and savings account deposits. They can also issue debit cards and offer internet banking. Though these banks will not be allowed to issue credit cards, the opening up of new players in the banking sector and the new payment technologies may provide a challenge to the company in the long run.

RISKS AND CONCERNS

One of the major factors limiting the growth of the card industry is the low penetration of the acquiring terminals. There has been low incremental growth in terms of acceptance of credit card at tier 2/ tier 3 cities.

There has been an increased focus by Reserve Bank of India on the credit card market with various guidelines issued over the years. The company is required to gear up for increased scrutiny in its regulatory environment.

NEW PAYMENT TECHNOLOGIES

The year saw a lot of initiation and adoption of new payment technologies. Almost 100% of the acquiring terminals in the country are now Chip + PIN enabled and all the issuers are now issuing Chip + PIN cards. Also issuers are gradually replacing the existing magstripe cards with Chip + PIN cards.

Contactless Card payment technology got RBI acceptance and was launched in the market. Good progress was made in both the acquiring infrastructure and card issuance with various banks including State Bank of India issuing contactless cards and acquiring machines.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Company has adopted a comprehensive Risk Management program to formalize risk based decision-making and risk management processes. The risk management process is reviewed periodically in order to keep it aligned with the emerging risks. Risk management program involves risk identification, assessment and risk mitigation planning for financial, credit, strategic, operational, liquidity, legal, reputation, contagion, concentration, model and regulatory related risks across various levels of the organization

The internal audit process is synchronised with the Risk Management Framework of the company. The company has an internal audit system commensurate with the size of the company and has appointed Grant Thornton LLP for conducting periodic audits of the internal functions and processes of the company for the year.

HUMAN RESOURCES

On employee front, your company has initiated various programs to enhance the retention and engagement of employees.

- Organization wide Job evaluation exercise conducted through global consultants Towers Watson . This exercise has resulted in structured grading of various roles in the organization fostering organized career development
- Organisation wide salary benchmarking exercise conducted through Aon Hewitt to determine the salary levels of various roles in comparison to market
- Building and bolstering talent pipeline and campus relationships by hiring from top grade institutes like , JNU, MDI, DSE, IMI, IIM (Lucknow), ISI etc
- Structured employee recognition program through Quarterly CEO award and various functional awards.

- Revival of various employee fun and engagement clubs like Fundoo, Team Masti, Funtoosh etc
- Increased focus on employee communication via regular Quarterly Town Halls, Round Tables, Skip sessions etc
- Consolidation of SMT positions for better span of control and organizational effectiveness.
- Building Managerial Talent by trainings at various levels
- More structured employee orientation program across various levels of new joiners.

BUSINESS PERFORMANCE

In FY'14-15, Your company has generated Profit Before Tax of Rs. 270.67 Cr as against Rs. 293.09 Cr in FY'13-14. Excluding the undernoted accounting policy adjustments which have lowered the profits by Rs. 107 Cr, the PBT has grown significantly over last year.

From this fiscal, the company has changed its accounting policy on acquisition cost by recognizing the same upfront unlike the earlier policy of amortizing it over a period of 12 months. Renewal fees which was being recognised upfront is being recognised over a period of 12 months from this fiscal. The above changes led to a one-off hit of Rs. 90.6 Cr. The changes are in line with opinion received from Institute of Chartered Accountants of India (ICAI).

In a further step towards increased financial prudence the company has changed its NPA norms to 90 days past due from existing 120 days past due causing an impact of Rs. 16.5 Cr.

During the year, our cards base grew YOY by 10.5% from 2.86 MM to 3.16 MM. The Company acquired 688K new customer accounts which is 25% higher than FY 2013-14. While the industry spends have grown by 24% in the current year, your Company registered a 32% increase in Retail and Corporate Spends. Retail spends have grown to Rs. 18,807 Cr at a growth rate of 29% in FY 2014-15. Commercial Card channel has also shown a 57% growth in spends from Rs. 1,683 Cr in FY 2013-14 to Rs, 2,640 Cr in FY 2014-15. The increase in cards base and spend levels have led to a growth of 31% in receivables .

The company continues to keep a close watch on portfolio quality and has taken initiatives to improve sourcing quality. Our 30+ contractual delinquency has shown an improvement at 70 bps at the end of Mar'15 compared to Previous Year.

Your Company has launched FBB SBI StyleUP Card in partnership with Future Retail Group. This will amplify our presence in the Retail segment and allows us entry into the fast growing affordable fashion and life style segments.

SBI Card in association with State Bank of India has successfully designed and implemented new approaches to educate & cross-sell our products to the large customer base of the bank. The two teams have collaborated to rollout new initiatives - Lead generation at SBI Inbound Contact Centre, Online SBI & ATM and first-of-its-kind Pre-Selection of SBI customer base which is aimed at profitable sourcing model and leverage SBI relationship with customer.

On the technological front, SBI Card launched a new Customer Relationship Management System (CRM) Card One in 2015 which is the state of art customer servicing platform. Card One has consolidated multiple systems into a single platform and has enhanced our customer service efficiencies providing capabilities to handle the next level of growth. We also launched our new originations system, WCP (World Class Platform) for managing customer acquisitions. WCP provides an integrated platform to handle wing to wing card acquisition processes from Lead Management to Credit Underwriting processes.

This year, we have introduced on-line tools for redemption of reward points which has received wide acceptance amongst our cardholders. We have also introduced mobile websites compatible with all the three mobile platforms (Android, Windows, IOS).

PROSPECTS

SBI Cards is committed towards continuous growth in the next financial year by focussing on profitable sourcing. Our customer acquisition strategy is based on leveraging SBI customer platform as well as building a strong sourcing platform in the Open Market and Co-Brand acquisition channels. The company has a rich bouquet of products appealing to all segments ranging from Simply Save product to premium products like Platinum & Signature cards. The company has various Co-Brand relationships, offering products in partnerships with Tata Capital, IRCTC, Air-India, Future Group etc and other Banking partners namely Oriental Bank of Commerce, Bank of Maharashtra and Karur Vysya Bank. The company is also committed to improving the portfolio quality by focussing on delinquency trends and strengthening our underwriting norms.

In line with our focus on building a profitable portfolio, the company is focussing on increasing our premium base by increasing premium penetration in new acquisitions. The company already has an active upgrade programme targeting existing portfolio to promote conversion to higher category cards. Premium contribution in new acquisitions have shown an increase of 1.9% and we aspire for a higher contribution of premium accounts in the next fiscal. With its focus to acquire with profits, SBI Cards has discontinued Secured Plus product early this year to channelize resources on profitable segments.

We are targeting to achieve growth of 31% in total spends which includes 33% increase in Retail Spends in the next fiscal. The company will continue to synergise partnership with State Bank of India for joint campaigns for both Debit & Credit Cards for maximising shared benefits. We will also focus on the E-Commerce spends category which is the fastest growing category in the market.

SBI Cardholder is central to the company's overall strategy. SBI Card believes and is committed to "Make Life Simple" to customers and would continue to strive towards operational and service excellence to provide maximum value to its customers. With the advent of Contactless Technology in Cards, the company shall explore opportunities to issue Contactless Cards to customers for faster payments at point of sale. During the year the company has invested in various technology platforms to achieve wing to wing process optimisations in all spheres ranging from Sales to Services. The company will leverage on the initiatives undertaken and build further to provide "Customer Delight".

The company will continue to invest in technology for improving efficiency in operations and greater customer delight. In the next fiscal, we will revamp SBI Card website adding new features for the customers including self-service options. We shall further enhance the mobile websites and offer similar self-service options on mobile phones. We shall be

The company will continue to improve our value proposition to customers and keep a close watch on the market to provide best in class products in line with customer expectations. We shall endeavour to introduce new products and explore new Co-Brand relationships to expand our customer base.

On the Commercial Card segment, SBI Card will explore new corporate relationships and continue to achieve spends growth. We shall strive for an increase market share by adding more value to our corporate customers.

SBI Card is firmly placed on path of growth and is poised to deliver on its financial commitments and customer satisfaction.

A. Bealechary

Date: 30-07-2015
Place Mumbai

Chairman
02011213

A



Gandhi Minocha & Co.

Chartered Accountants

B-6, Shakti Nagar Extension, Near Laxmi

Bai College, New Delhi -110052 (INDIA)

Telephone: +91 98100 37334, 42273690

Telefax : +91-11-2730800, 27303070

E-mail : gandhica@yahoo.com

REVISED INDEPENDENT AUDITOR'S REPORT

To the Members of SBI Cards and Payment Services Private Limited

Report on the Financial Statements

Audit report dated 24th April 2015, is being revised to include the reporting on directions/ sub directions issued by the C & AG under Section 143(5) of the Companies Act, 2013 .The same has been incorporated at point no. 2 of Report on Other Legal and Regulatory Requirements.

We have audited the accompanying financial statements of SBI Cards and Payment Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principal generally accepted in India including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit in accordance with the Standards on Auditing Specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of the Matter

We draw attention to the following matters in the Notes to the financial statements:

- (a) Note No. 42 to the financial statement on change of Accounting Policy which is having the following impacts

Particular	Impact on profitability	
	Decrease	Increase
Recognising of productive sales force compensation, card acquisition cost, consumption of plastic cards and delivery charges upfront on accrual basis. (refer note 42(i))	557,589,400.00	0
Recognising the first annual membership fee and renewal membership fee over a period of one year and joining fee on upfront basis(refer note 42(ii))	348,840,963.00	0



Increase in provision on advances on account of change in NPA classification (refer note 42(iii))	7,58,11,726.00	0
Decrease in interest and fees income consequential to change in NPA classification (refer note 42(iv))	8,93,75,221.00	0
Revision in depreciation rate Pursuant to Companies Act, 2013 (refer note 42(v))	2,80,038.00	0
Total (Rs)	1,071,897,348	0

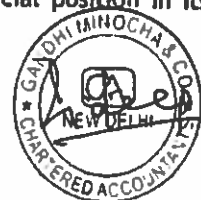
Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies(Auditor's Report) Order 2015("the Order"),issued by the Central Government of India in term of sub-section(11) of section 143 of the Companies Act 2013,we give in the Annexure "1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Comptroller and Auditor General of India has issued the directions indicating the areas to be examined in term of Sub Section (5) of Section 143 of the Companies Act, 2013, the compliance of which is set out in annexure "2".

As required by section 143(3) of the Act, we report that:

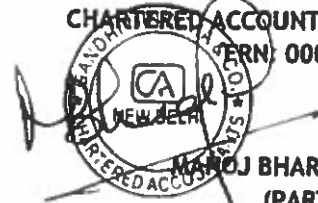
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representation received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as director in terms section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 33 to the financial statements.



- ii. The Company did not have any long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

PLACE: DELHI
DATED: 09/06/15

FOR GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS
FERN: 000458N



MANOJ BHARDWAJ
(PARTNER)
M.NO. 098606

**Annexure "1" to Revised Independent Auditors' Report
(Referred to in our report of even date)**

- i) In respect of fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii) The company does not hold any physical inventories. Thus paragraph 3(ii)(a) to (c) of the order is not applicable.
- iii) The Company has granted unsecured loans in form of credit cards to nine directors who are parties covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount outstanding during the year was Rs 46, 62,590/- and the year-end balance of such loans was Rs. 13,48,706/-. The Company has granted unsecured loans in form of credit cards, to 12 companies covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount outstanding during the year was Rs 1, 57, 99,687/- and the year-end balance of such loans was Rs 65, 65,980/-.
- (b) In case of loans granted to parties listed in the register maintained under section 189 of the Companies Act, 2013, the parties has been regular in repaying the principal amounts as stipulated and the payment of interest.
- (c) There is no overdue amount of more than one lakh in respect of the parties listed in the register maintained under section 189.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of services. The operations of the company do not involve purchase of inventory and sale of goods. Further on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control systems.
- v) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not accepted any deposits from public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules frame there under.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies act, 2013 for any of the services rendered by the Company.
- vii) (a) According to information & explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of the undisputed statutory dues including Provident fund, Employees State Insurance, income tax, Sales-tax, Wealth tax, Service tax, Customs duty, Value Added Tax, Cess and any statutory dues, have



been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise Duty.

- (b) According to the information and explanations given to us, dues in respect of Income Tax or sales tax or Wealth Tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute are as under:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Disallowance of Expenses	43,594,967.00	A. Y. 2002-03	Commissioner of Income Tax(Appeal)
Service Tax	Service Tax demand on Interchange Income	230,438,218.00	F.Y. 2001-02 to 2005-06	Customs, Excise and Service tax appellate Tribunal
Service Tax	Service Tax demand on Incentive Income	16,535,648.00	F.Y. 2003-04 to 2006-07	Customs, Excise and Service tax appellate Tribunal
Service Tax	Service Tax demand on Incentive Income	4,164,672.00	F.Y. 2007-08 to 2008-09	Commissioner of Central Excise (Appeals)
Service Tax	Service Tax demand on Incentive Income	2,125,546.00	F.Y. 2009-10	Customs, Excise and Service tax appellate Tribunal
Service Tax	Denial of Cenvat credit in proportion of Income derecognized and Denial of Cenvat credit on certain input services	187,768,104.41	F.Y. 2009-10	Customs, Excise and Service tax appellate Tribunal
	TOTAL\$	484,627,154.41		

Net of deposit of Rs. 80, 46,885/-

- (c) As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii) The accumulated losses of the company are less than 50% of Net Worth as at March 31, 2015. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or debenture holders. The Company has not taken any loans from financial institutions.
- x) According to the records of the Company examined by us and the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.



- xi) As per information and explanation given to us, as per records of the Company examined by us, the company has not raised any Term Loan during the financial year.
- xii) According to information and explanation given to us by the management, certain instances of customer frauds on the Company have been reported during the year. As informed, these primarily relate to fraudulent usage of credit cards issued by the company. The total amount involved in these frauds was Rs. 26,181,971 /- (previous Year Rs. 25,109,525/-).

PLACE: DELHI
DATED: 09/06/15

FOR GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS
FRN: 00458N



MANOJ BHARDWAJ
(PARTNER)
M.NO. 098606

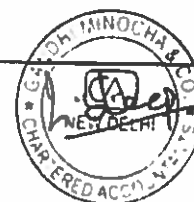
**Annexure "2" to Revised Independent Auditors' Report
(Referred to in our report of even date)**

Report on direction and Sub- directions issued by the Comptroller and Auditor General of India under section 143(5) of Companies Act 2013 on accounts of SBI Cards and Payment Service Private Limited for the year ended 31.03.2015.

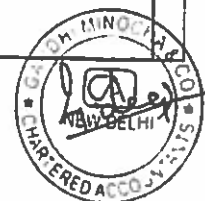
Annexure - I

Directions for the year 2014-15.

I.		Disinvestment	
		If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process."	During the year there has not been any disinvestment as such this para is not applicable to the Company.
II.		System of Accounts & Financial Control	
		Please report whether there are any cases of waiver of debts/ loans/ interest etc., if yes, the reasons there for and the amount involved.	The Company has a process by which waiver of loans/advances/interest take place only in cases of final settlement of delinquent accounts. The waivers are reviewed and are subject to approval on the basis of a pre-defined authority matrix. The total amount waived/settled during the current year amounts to Rs. 171.64 crores, out of which 130.20 crores pertains to written off customers.
III.		Inventory	
		Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	This clause is not applicable as the Company does not hold any inventory.
IV.		Legal/Arbitration Cases	
	1.	Number of pending legal/arbitration cases indicating the age wise analysis and reasons for their pendency.	Based on information and explanations provided to us, the number of pending legal and arbitration cases indicating the age-wise analysis is mentioned below: No. of pending legal cases



			<table border="1"> <thead> <tr> <th>PERIOD</th> <th>Legal Cases pending</th> </tr> </thead> <tbody> <tr> <td>Up to March' 2009</td> <td>183</td> </tr> <tr> <td>FY 09-10</td> <td>146</td> </tr> <tr> <td>FY 10-11</td> <td>100</td> </tr> <tr> <td>FY-11-12</td> <td>55</td> </tr> <tr> <td>FY 12-13</td> <td>65</td> </tr> <tr> <td>FY 13-14</td> <td>92</td> </tr> <tr> <td>FY 14-15</td> <td>136</td> </tr> <tr> <td>Total as on date</td> <td>777</td> </tr> </tbody> </table> <p>No. of pending arbitration cases</p> <table border="1"> <thead> <tr> <th>PERIOD</th> <th>SEC-138 Proceedings</th> <th>NI</th> <th>Arbitration proceedings</th> </tr> </thead> <tbody> <tr> <td>Up to March' 2009</td> <td>6609</td> <td></td> <td>9</td> </tr> <tr> <td>2009-10</td> <td>283</td> <td></td> <td>5157</td> </tr> <tr> <td>2010-11</td> <td>74</td> <td></td> <td>10468</td> </tr> <tr> <td>2011-12</td> <td>76</td> <td></td> <td>1404</td> </tr> <tr> <td>2012-13</td> <td>154</td> <td></td> <td>5</td> </tr> <tr> <td>2013-14</td> <td>246</td> <td></td> <td>265</td> </tr> <tr> <td>2014-15</td> <td>672</td> <td></td> <td>33</td> </tr> <tr> <td>GRAND TOTAL</td> <td>8114</td> <td></td> <td>17341</td> </tr> </tbody> </table> <p>The Company maintains a list of legal cases which contains various details such as the date on which the case is registered and brief status of the case. As per the management, these cases are at different stages of judicial procedures and usually take a long time to get settled. As explained to us, there are no specific reasons of the pendency of the legal cases.</p>	PERIOD	Legal Cases pending	Up to March' 2009	183	FY 09-10	146	FY 10-11	100	FY-11-12	55	FY 12-13	65	FY 13-14	92	FY 14-15	136	Total as on date	777	PERIOD	SEC-138 Proceedings	NI	Arbitration proceedings	Up to March' 2009	6609		9	2009-10	283		5157	2010-11	74		10468	2011-12	76		1404	2012-13	154		5	2013-14	246		265	2014-15	672		33	GRAND TOTAL	8114		17341
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	2.	Details of new cases and cases settled during the year.	<table border="1"> <tr> <td>On the basis of information and explanation provided to us the details are :</td> </tr> <tr> <td>Financial Year 2014-15 (01-04-2014 to 31-03-2015)</td> </tr> </table>	On the basis of information and explanation provided to us the details are :	Financial Year 2014-15 (01-04-2014 to 31-03-2015)																																																				
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Financial Year 2014-15 (01-04-2014 to 31-03-2015)																																																									



			Type of Proceedings	No. of new cases filed	No. of cases closed
			Legal Cases	159	265
			Arbitration Proceedings	31	497
			Sec 138 NI Proceedings	2434	3027
	3.	Whether any norms/procedures exist/proposed to be laid down for large legal expenses (foreign & local) incurred/ to be incurred.	The incurrence of any legal expense is governed by Opex policy.		



Annexure -II

Sub-Directions under section 143(5) of Companies Act 2013 for the year 2014-15.

On the basis of the books of accounts of the Company, the reply to the following questions and /or information required may be supplied:-

1.	Investment	
	Whether the titles of ownership in respect of CGS/SGS/ Bonds/ Debentures etc. are available in physical/demat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.	There is no investment of the Company at the end of year 31 st March 2015. Investments are purchased in demat form, and demat account shows only quantity. The same is in agreement with quantity as per other relevant data available for investment.
2.	Land	
	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold for which title/lease deeds are not available.	The Company does not own any land as fixed assets as on 31.03.2015 so the observation is not applicable.
3.	Confirmation of balances	
(i)	Whether amount of (a) bank balances (b) trade receivables (c) trade payables (d) loans and advances for which third party confirmation was not made available has been reported?	(a) Bank balances are reconciled and in almost all cases balance confirmation have since been obtained. (b)The Company is engaged in the business of credit card and it shows customers' outstanding balances under Loans & Advances. (c) Majority of Loans & Advances comprise of credit card outstanding for which regular customer statement is sent to the cardholder and there is a process of resolution of customer query if any and their grievance are settled on regular basis.
(ii)	Where such balance have been confirmed by respective parties, whether it varies widely from the amounts reflected under respective heads in the financial statements, and if so, difference to be disclosed.	As explained and as per information provided to us for creditors and other parties, the regular balance confirmation is received from the vendors and discrepancies, if any noticed are accounted for on regular basis.



4.	Reconciliation of deposits	
	Whether the deposits/advances made by the Company to the Customs, Excise, Income tax, Sales tax (VAT), Service tax and other authorities have been verified and reconciled with the respective authorities?	The Company has only 2 fixed deposits of Rs. 1 lac each which is under lien with tax authorities.
5.	Employee Benefits	
	Independent verification may be made of information/inputs furnished to Actuary, viz number of employees, average salary, retirement age and assumptions made by the Actuary regarding discount rate, future cost increase, mortality rate, etc for arriving at the provision for liability of retirement benefits, viz gratuity, leave encashment, post-retirement medical benefits etc.	Information provided to actuary with respect to actuarial valuation for employee liability has been obtained and verified by us during the course of audit.





Gandhi Minocha & Co.

Chartered Accountants

B-6, Shakti Nagar Extension, Near Laxmi

Bai College, New Delhi - 110052 (INDIA)

Telephone: +91 98100 37334, 42273690

Telefax : +91-11-2730800, 27303070

E-mail : gandhica@yahoo.com

Compliance Certificate

We have conducted the audit of accounts of M/S SBI Cards & Payments Services Pvt. Ltd. for the year ended 31st March 2015 in accordance with the directions/ sub-directions issued by C & AG of India under Section 143(5) of Companies Act 2013 and certify that we have complied with all the directions/sub-directions issued to us.

PLACE: DELHI

**FOR GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS**

FRN: 00458N



**MANOJ BHARDWAJ
(PARTNER)**

M.NO. 098606



Gandhi Minocha & Co. **Chartered Accountants**

B-6, Shakti Nagar Extension, Near Laxmi
Bai College, New Delhi -110052 (INDIA)
Telephone: +91 98100 37334, 42273690
Telefax : +91-11-2730800, 27303070
E-mail : gandhica@yahoo.com

Non-Banking Financial Companies Auditor's Report

The Board of Directors
SBI Cards and Payment Services Pvt. Ltd,
DLF Infinity Towers,
11th Floor,
Gurgaon-India

Dear Sir,

Subject:-Non Banking financial Companies Auditors Report (Reserve Bank) Directions

In addition to our report made under section 143 of Companies Act, 2013 on the Accounts of SBI Cards & Payment Services Private Limited ("The Company") for the year ending 31st March 2015 and as required by the Non-banking financial Companies Auditors Report (Reserve Bank) Directions, 2008 issued by Reserve Bank of India on the matters specified in Para 3 & 4 of the said Directions to extent applicable to the Company, we report that:

1. The Company had applied for Registration as provided in Section 45 IA of the Reserve Bank of India Act 1934 (2 of 1934) and has been granted certificate of registration (COR) by Reserve Bank of India on 06-10-1998 having registration number 14.01328.
2. According to the information & explanation given to us, the company is entitled to continue to hold COR in terms of its Assets/Income pattern as on 31st March 2015.
3. The Board Directors have passed the resolution not to accept public deposit during the year 1st April 2014 to 31st March 2015 as its board meeting held on 15th April 2014; accordingly company has not accepted any public deposit during the financial year ended 31st March 2015.
4. In our opinion and to the best of our information and according to explanation given to us, the Company has complied, in all material respect, with the prudential norms relating to income recognition, accounting standards, assets classification and Provisioning for Bad & doubtful debts as applicable to it in terms of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.

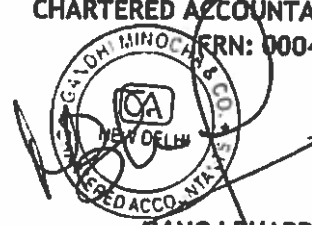


5. The Capital Adequacy Ratio as at 31st March 2015 as disclosed in the notes to Accounts has been correctly arrived at 18.63 % which is compliance with the minimum CRAR prescribed by the Reserve Bank of India: and
6. The Company has yet to furnish RBI the annual settlement of capital fund, risk assets/exposure and risk asset ratio (NBS 7). Due Date for filing the return is 30th June 2015.

The Report has been prepared by Gandhi Minocha & Co., under the requirement of Non-Banking Financial Company Auditor reports (Reserve Bank) Direction and is prepared solely for the purpose of providing selected information as required by the said directions. This report is not intended for the general circulation or Publication and is not to be duplicated for any purpose without prior written consent.

PLACE: DELHI
DATED: 24.04.2015

FOR GANDHI MINOCHA & CO
CHARTERED ACCOUNTANTS
FRN: 000458N



MANOJ BHARDWAJ
(PARTNER)
M.NO. 098606

SBI Cards & Payment Services Pvt. Ltd
Balance Sheet as at 31st March 2015

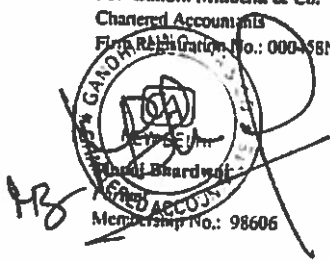
(Amounts in Indian Rupees)

	Note no.	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	7,850,000,020	7,850,000,020
Reserves and surplus	3	1,806,271,146	(390,237,548)
		<u>9,656,271,166</u>	<u>7,459,762,472</u>
Non-current liabilities			
Long-term borrowings	4	2,407,376,246	1,407,281,347
Long-term provisions	5	318,225,601	216,989,689
		<u>2,725,601,847</u>	<u>1,624,271,036</u>
Current liabilities			
Short-term borrowings	6	44,585,158,824	33,569,656,016
Trade payables	7	905,094,078	75,878,103
Other current liabilities	8	1,511,018,045	2,867,059,444
Short-term provisions	9	2,368,645,970	1,752,783,904
		<u>49,369,916,917</u>	<u>38,265,377,467</u>
		<u>61,751,789,930</u>	<u>47,349,410,975</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	16,172,835	14,007,177
Intangible assets	11	-	-
		<u>16,172,835</u>	<u>14,007,177</u>
Deferred tax asset (net)	12	992,865,117	-
Long-term loans and advances	13	5,346,627,283	5,406,691,315
Current assets			
Current investments	14	-	-
Cash and cash equivalents	15	2,093,623,908	1,619,557,374
Short-term loans and advances	16	52,960,373,908	39,675,747,071
Other current assets	17	342,126,879	633,408,038
		<u>55,396,124,695</u>	<u>41,928,712,483</u>
		<u>61,751,789,930</u>	<u>47,349,410,975</u>



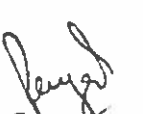
Significant accounting policies & Notes to accounts 1 to 48
The accompanying notes are an integral part of the financial statements
Notes:-

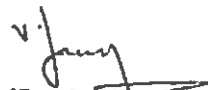

As per our report of even date.

For Gandhi Minocha & Co.
Chartered Accountants
Firm Registration No.: 000-58N



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


 Director
 01659506
 
 Director
 03443982
 
 Company Secretary


 Chief Executive Officer
 
 Chief Financial Officer

Place: MUMBAI
Date: 24 04 2015

Place: MUMBAI
Date: 24 04 2015

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SBI Cards & Payment Services Pvt. Ltd
Statement of Profit and Loss for the year ended 31st March 2015

(Amounts in Indian Rupees)

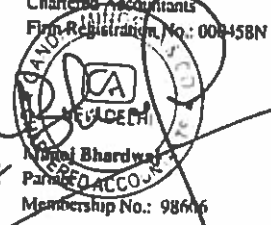
	Note no.	For the Year Ended 31st Mar' 2015	For the Year Ended 31 Mar' 2014
INCOME			
Revenue from operations	18	18,047,409,318	14,367,742,779
Other income	19	1,007,384,900	736,370,029
Total Income		19,054,794,218	15,104,112,808
EXPENDITURE			
Employee benefit expenses	20	625,237,726	546,627,047
Finance cost	21	3,728,252,747	3,002,550,045
Depreciation and Amortisation expenses		7,750,905	7,070,649
Operating and other expenses	22	9,656,203,901	6,901,572,298
Bad debts written off / Provision for doubtful debt		2,330,654,023	1,727,824,175
Total expenses		16,348,099,302	12,185,644,214
Profit before tax & prior period items		2,706,694,916	2,918,468,594
Prior Period item - Interest on income tax refunds		-	12,395,098
Profit before tax		2,706,694,916	2,930,863,692
Tax expense			
Current tax charge / (credit)		655,477,313	807,263,723
Current tax charge / (credit) - previous year		-	4,295,595
MAT Credit		371,627,930	(807,263,723)
MAT previous year		(50,329,234)	(4,295,595)
MAT Credit - previous year		55,862,934	-
Deferred tax charge / (credit)		(992,865,117)	-
Profit (loss) for the period from continuing operations		2,666,921,091	2,930,863,692
Profit for the period from Continuing Operations		2,666,921,091	2,930,863,692
Earnings per equity share (par value Re. 10 per share)			
- Basic		3.40	3.73
- Diluted		3.40	3.73

Significant accounting policies & Notes to accounts
 The accompanying notes are an integral part of the financial statements

1 to 48

As per our report of even date.

For Gandhi Minocha & Co.
 Chartered Accountants
 Firm Registration No.: 008458N

(Handwritten initials: MB)

 Nagesh Bhardwaj
 Partner & ACCO. JN
 Membership No.: 98666

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

(Handwritten signatures)
 Director 01659506 Director 03493982 Company Secretary

(Handwritten signature)
 Chief Executive Officer

(Handwritten signature)
 Chief Financial Officer

Place: MUMBAI
 Date: 24.04.2015

Place: MUMBAI
 Date: 24.04.2015

(Handwritten initials: MB, MB)

SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
Cash Flow Statement for the year ended 31st March 2015

	(Amounts in Indian Rupees)	
	For the Year Ended 31st Mar' 2015	For the Year Ended 31 Mar' 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	2,706,694,916	2,930,863,692
Adjustments for :		
Depreciation	7,750,905	7,070,649
(Profit)/ Loss on sale of assets (net)	(221,851)	(362,801)
Employees stock options	564,316	(1,061,704)
Liabilities written back	(32,805)	(3,313,348)
FBT write off	-	1,317,373
Bad debts written off / provision for doubtful debts	2,330,654,023	1,737,824,175
Interest received	(430,389)	-
Provision for doubtful advances	(627,336)	266,952
Unamortised card acquisition costs	382,033,451	(54,187,184)
Unamortised membership fees and subvention income	408,065,927	26,725,983
Profit on sale of investment	(5,805,068)	(7,709,658)
Debtore issue expenses expensed off during the year	190,304	973,967
Amortisation on commercial papers	3,323,857,898	2,313,228,421
Commercial Paper Issuing Cost	29,848,767	29,069,507
Interest on debentures	186,846,329	227,959,753
Interest on short term borrowing including CC and OD	217,949,867	461,361,871
Foreign exchange loss (net)	(10,008,659)	4,119,875
Operating profit before working capital changes	<u>9,577,330,797</u>	<u>7,664,347,523</u>
Changes in Assets & Liabilities:		
(Increase)/ decrease in current assets		
- Loans and advances	(15,725,639,308)	(12,479,315,809)
Increase/ (decrease) in current liabilities and provisions		
- Current liabilities	(95,246,494)	1,144,062,345
- Provisions	559,005,502	459,029,604
Cash from/ (used) in operations	<u>(5,684,549,503)</u>	<u>(3,211,876,338)</u>
Income-tax paid	(734,884,481)	(763,687,096)
Net cash generated/ (used) in operating activities	<u>(6,419,433,984)</u>	<u>(3,975,563,434)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (except assets taken on lease)		
Investment purchased	(1,992,985)	(693,898)
Investment sold	(9,850,000,000)	(14,010,000,000)
Interest received	9,855,805,068	14,017,709,658
Sale of assets	430,389	-
Net cash from investing activities	<u>2,078,084</u>	<u>3,377,017</u>
	6,320,356	10,390,777
C. CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loans raised during the year		23,500,000,000
Secured Loans repaid during the year	(7,500,000,000)	(16,000,000,000)
Cash credit raised/ (repaid) during the year	(2,638,477,309)	3,156,902,385
Interest paid on Short term loans	(217,949,867)	(461,361,871)
Finance Lease paid during the year	(9,483,069)	(9,574,303)
Debentures issued during the year	1,000,000,000	-
Debentures repaid during the year	(848,000,000)	-
Interest paid on debentures	(228,206,329)	(227,710,000)
Commercial Papers raised during the year	136,331,114,000	112,468,866,300
Commercial Paper Issuing Cost	(29,848,767)	(29,069,507)
Commercial Papers (repaid) during the year	(118,500,991,784)	(117,650,000,000)
Interim Dividend including Corporate Dividend Tax	(470,976,913)	-
Net cash from/ (used) in financing activities	<u>6,887,179,962</u>	<u>4,748,853,004</u>
D. Net Increase / (decrease) in cash and cash equivalents (A+B+C)	474,066,534	782,880,347
Cash and cash equivalents as at the beginning of the year	1,619,557,374	836,677,028
Cash and cash equivalents as at the end of the year	<u>2,093,623,908</u>	<u>1,619,557,374</u>
	<u>474,066,534</u>	<u>782,880,347</u>



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
Cash Flow Statement for the year ended 31st March 2015

(Amounts in Indian Rupees)

For the Year Ended
31st Mar' 2015

For the Year Ended
31 Mar' 2014

Notes:

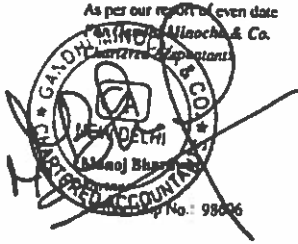
1. The cash flow statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS - 3) on 'Cash Flow Statement' issued by the Companies (Accounting Standards), Rules, 2006.

2. Cash and cash equivalents includes cash in hand, balances with scheduled banks in current and deposit accounts

3. Cash and cash equivalents includes Rs.2,00,000 (Previous year Rs.2,00,000) under lien with the bank for guarantees issued to Tax Authorities and Rs.NIL (Previous year Rs.NIL.) under lien with the Bank for Overdraft facility.

4. Cash and cash equivalents include:

	Amount (In Rs.)
Cash in hand	-
Balance with Scheduled banks on	
- Current accounts	2,093,423,908
- Deposit accounts	-
Cash and cash equivalents at the end of the year	2,093,423,908
Add : Fixed deposit with original maturity of more than 90 days	200,000
Cash and bank balances at the end of the year	2,093,623,908



Place: MUMBAI
Date: 24.04.2015

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

Ashwini W. Khan
Director
01657506

W. Khan
Director
03443982

V. Jay
Chief Executive Officer

Place: MUMBAI
Date: 24.04.2015

Rajesh
Company Secretary

Logya
Chief Financial Officer

S

Rajesh

Logya

SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

Background

SBI Cards and Payment Services Private Limited ('the Company') is an unlisted non-deposit accepting systemically important non-banking financial company ('NBFC-ND-SI') registered with the Reserve Bank of India ('RBI'). The Company is a joint venture between State Bank of India and GE Capital Corporation, USA. The Company is engaged in issuing credit cards to consumers in India.

1. Significant accounting policies

a. Basis of preparation of financial statements

The financial statements are prepared on a going concern basis under the historical cost convention on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounts) Rules, 2014, to the extent applicable, as adopted consistently by the Company. The financial statements have been prepared in Indian rupees.

b. Use of estimates

The preparation of financial statements in conformity with the financial reporting framework applicable to the Company requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include provision for doubtful debts and estimated useful life of Tangible Assets. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any changes in estimates are recognised prospectively.

c. Revenue recognition

(i) Interest income

Interest income on dues from credit card holders is recognised on accrual basis except for non performing advances (NPA), in respect of which income is recognised upon realisation only. Income derecognised on NPAs is netted off from total income.

(ii) Income from membership fees and services

- First annual fee and subsequent renewal fee are recognised over a period of one year as this more closely reflects the period to which the fee relates to.
- Joining membership fee confers only joining rights and not any other right/privilege and therefore same is recognised on accrual basis.
- Interchange income is recognised on accrual basis.
- Interest Income is recognised over the tenure of loans.
- All other service income/ fees are recorded at the time of occurrence of the respective events.

(iii) Income From Investments

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



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

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

(iv) Recovery from bad debts written off is recognised as income on the basis of actual realisations from customers.

d. Provision & write-off of non-performing assets

The accounts of the customers where minimum amount due is paid within 90 days from next statement date (except restructured advances) are classified as standard assets. Customers having overdue from 91 to 180 days and customers whose outstanding have been restructured are considered as Non-performing assets (NPA's). Provision @ 25% is created on principle amount outstanding of NPA assets. In case of fraud cases 100% provision is made on amount outstanding. Customers having overdue of 181 or more days is written off.

e. Provision on Standard Assets

The company has created a Provision @ 0.40% on standard assets.

f. Expenditure

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

Expenditure on issue of debentures is amortised over the tenure of the debentures on the straight-line method.

g. Income/Expenditure in Foreign Currency

The expenses/income in foreign currency is accounted at applicable rate of exchange as per generally accepted accounting principles

h. Tangible & Intangible Assets

Tangible & Intangible Assets are stated at cost less accumulated depreciation. All costs related to the acquisition and installation of Tangible Assets are capitalised. Tangible Assets under construction, advances paid towards acquisition of Tangible Assets and cost of assets not ready for use before year-end, are disclosed as capital work-in-progress.

Intangible assets comprise purchase of software, recognised at cost and amortised over a period of 2 years, which represents the period over which the Company expects to derive the economic benefits from the use of the asset.



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

i. Depreciation & amortization

Depreciation is provided on the straight-line method over the estimated useful life of each asset as determined by the management. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in beginning, depreciation is provided at a higher rate based on management's estimate of the useful life/ remaining useful life. Pursuant to this policy, depreciation is provided at the following rates which are in line with the corresponding rates prescribed in Schedule II of the Companies Act, 2013:

Description	Useful Life as per Schedule II
Furniture and Fixtures	10
Office equipment	5
Computers & Computer Equipment	3
Computer Server	6

Improvements to leasehold property installed at the office premises are depreciated over the period of the lease term or useful life, whichever is shorter.

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

Tangible fixed assets are depreciated in the Statement of Profit or Loss over their estimated useful lives, from the date they are ready for use based on the expected pattern of consumption of economic benefits of assets. Accordingly, at present these are being depreciated on straight line basis.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

j. Investments

Investments are made for very short term hence classified as Current Investment. These investments are valued at lower of cost and market value. The diminution in current investments is charged to the Statement of Profit and Loss as at Balance Sheet date; appreciation, if any, is recognised at the time of sale.

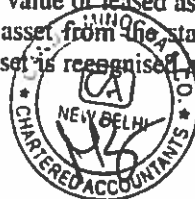
k. Impairment

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is recorded only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss has been recognised.

l. Leases

Finance Lease

Assets acquired under finance leases are recognised at the fair value of leased asset at inception of the lease. However, in cases where the fair value of the leased asset from the standpoint of the lessee exceeds the present value of minimum lease payments, the asset is recognised at the present value of



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Operating Lease

Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease period.

m. Income-tax expense

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and laws. Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

The Company recognises Minimum alternate tax (MAT) credit available as an asset only to the extent that there is convincing evidence that the Company will be able to recover/set off MAT credit against income tax liability during the specified period i.e. the period for which MAT credit set off is allowed. In the year in which Company recognise MAT credit as an asset in accordance with the "Guidance Note on Accounting for Credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, issued by the Council of the Institute of Chartered Accountants of India", the said asset is created by way of credit to the Statement of Profit and Loss as "MAT Credit Entitlement". The Company reviews the "MAT credit entitlement" asset at each reporting date and write down the asset to the extent the Company does not have convincing evidence that it will be able to recover/set off MAT credit against income tax liability during the specified period.

n. Transactions in foreign exchange

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. Exchange differences arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items are taken to the Profit and Loss Account.

Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet and resultant gain / loss, if any, is recorded as an income or any expense in the period in which they arise.



D. Jy. W.
P. B.

SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

o. Employee benefits

The Company's obligation towards various employee benefits as per Accounting Standard 15 - Employee Benefits, prescribed under the Companies (Accounting Standards) Rules, 2006 has been recognised as follows:

Short-term employee benefits

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Profit and Loss Account in the period in which the employee renders the related service.

Defined contribution plans

Contribution to Provident fund is defined contribution plan. Contribution to provident fund is deposited with the Regional Provident Fund Commissioner and charged to the Profit and Loss Account.

Defined benefit plans

Gratuity

Gratuity is a defined benefit plan. The present value of obligations under such defined benefit plan is determined, based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The gratuity plan is funded through a Gratuity Trust administered by the Life Insurance Corporation of India. The contributions to the Trust are charged to the Profit and Loss Account.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Long Service Award

The Company's long service award is defined benefit plan. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Other long term benefits

Cost of long term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of av ailment of leave. In respect of encashment of leave, the defined benefit is calculated taking into account all types of decrements and qualifying salary projected up to the assumed date of encashment. The present value of obligations under such long term benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method as at year end.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Treatment of actuarial gains and losses

Actuarial gains and losses are recognized immediately in the Profit and Loss Account. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

p. Provision for reward points redemption

The Company has a reward point program which allows card members to earn points based on spends through the cards that can be redeemed for discounts on retail merchandise and other gifts. The Company makes payments to its reward partners when card members redeem their points and creates provisions to cover the cost of future reward redemptions. The liability for reward points outstanding as at the year-end and expected to be redeemed in the future is estimated on the basis of an actuarial valuation.

q. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

r. Provisions, contingent liabilities and contingent assets

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

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

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

s. Cash and Cash Equivalent

Cash and cash equivalents comprise cash balances on hand, cash balances in bank, and highly liquid investments with maturity period of three months or less from date of investment



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

2. Share Capital

	As at 31 March 2015	As at 31 March 2014
Authorised 1,000,000,000 (Previous year 1,000,000,000) equity shares of Rs.10 each	10,000,000,000	10,000,000,000
Issued, subscribed and fully paid-up 785,000,002 (Previous year 785,000,002) equity shares of Rs.10 each	7,850,000,020	7,850,000,020
Total	7,850,000,020	7,850,000,020

a) **Shares held by holding/ultimate holding company and/or their subsidiaries/associates**
471,000,002 (Previous year 471,000,002) equity shares of Rs.10 each fully paid are held
by State Bank of India, the holding company.

b) **Details of shareholders holding more than 5% shares of the Company**

	As at 31 March 2015	As at 31 March 2014
Equity shares of Rs. 10 each fully paid up 471,000,002 (Previous Year 471,000,002) held by State Bank of India	60%	60%
314,000,000 (Previous year 314,000,000) held by GE Capital Mauritius Overseas Investment	40%	40%
Total	100%	100%

c) **Reconciliation between opening and closing share capital**

	As at 31 March 2015	As at 31 March 2014
At the beginning and end of the year	7,850,000,020	7,850,000,020

d) The company has only one class of equity share having par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. In the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exists currently.



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

3. Reserve and Surplus

	As at 31 March 2015	As at 31 March 2014
General reserve		
At the beginning of the year	47,661,018	47,661,018
Add: Transferred from Profit and Loss Account		-
Less: Utilized During the year	-	-
At the end of the year	47,661,018	47,661,018
Capital Reserve [(Share based employee compensation cost)]		
At the beginning of the year	4,414,852	5,476,556
Add: Share based Employee compensation cost for the year	564,516	-
Less: Utilized During the year	-	1,061,704
At the end of the year	4,979,368	4,414,852
Statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934 (Refer to note 36)		
Opening balance	1,321,753,852	735,581,114
Add: Transferred from Profit and Loss Account @ 20%	533,384,218	586,172,738
At the end of the year	1,855,138,070	1,321,753,852
(Deficit)/ surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	(1,764,067,270)	(4,108,758,224)
Add/ (less): Profit/ (loss) for the year	2,666,921,091	2,930,863,692
Less: Appropriations		
Transfer to Statutory Reserves during the year	(533,384,218)	(586,172,738)
Interim equity dividend (Current year Rs. 0.50 per share (previous year Nil))	(392,500,001)	-
Tax on Interim equity dividend	(78,476,912)	-
Balance at the end of the year	(101,507,310)	(1,764,067,270)
Total	1,806,271,146	(390,237,548)

Share-Based Compensation (amounts in absolute)

As prescribed by the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India and related interpretations, the Company applies the fair value based method of accounting to account for stock options and restricted stock units issued by General Electric Company, USA, to the employees of the Company. The fair market value of such instruments is recognised as an expense over the period in which the related services are received. Accordingly, fair value of the stock options and restricted stock units is amortised on a straight-line basis over the vesting period of the stock options and stock appreciation rights.

GE Stock options

Certain employees of the Company are entitled to shares of General Electric Company, USA, under an equity-settled share-based compensation plan. Details of these plans are given below.



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

The General Electric Company, USA, adopted the 2007 Long-term Incentive Plan ("the option plan") under which an initial amount of common stock was reserved for issuance to employees. Options granted under the Option Plan could be stock options, restricted stock units (RSU) or performance stock units (PSU). Incentive stock options can be granted only to employees.

The employees' compensation expense for Stock options and RSU's during the year ended 31 March 2015 amounts to Rs. 873,079 (Previous year Rs. 1,176,537).

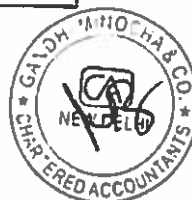
Stock options expire 10 years from the date they are granted and vest over service periods that range from one to five years. RSUs give the recipients the right to receive shares of the ultimate holding company upon the lapse of their related restrictions. Restrictions on RSUs lapse in various increments and at various dates, beginning after three years from date of grant through grantee retirement. Although the plan permits the ultimate holding company to issue RSUs settle able in cash, it has only issued RSUs settle able in shares of General Electric Company, USA.

Following stock options were granted during the year ended 31 March 2015.

Type of arrangement	Date of grant	Shares granted	Fair market value on the grant date (In USD)	Vesting conditions	Weighted average remaining contractual life
Stock Options	5-Sep-14	2,500	5.26	Over a period of 5 years	8.45

The estimated fair value of each stock option granted in the Option plan on 05 September 2014 is USD 5.26. The estimation of fair value on the date of the grant was made using the Black-Scholes option pricing model with the following assumptions:

Grant date	5-Sep-14
Weighted average share price at grant date	26.10
Expected volatility for stock options*	26.00%
Dividend yield *	3.10%
Risk-free interest rate *	2.30%
Exercise price of options (\$)	26.10



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

A summary of activity under the Option plan for the year ended 31 March 2015 is given below:

	Stock options (numbers)	Weighted-average exercise price (USD)	Weighted-average remaining contractual life (years)	RSU's (numbers)	Weighted-average exercise price (USD)	Weighted-average remaining contractual life (years)
Outstanding, beginning of the year	25,590	19.22	6.90	-	-	-
Granted during the year	2,500	26.10	8.45	-	-	-
Forfeited during the year	450	18.58	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Deletion:						
Transferred to other GE companies	-	-	-	-	-	-
Addition:						
Transferred from other GE companies	3,650	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-
Outstanding at the end of the year	23,990	20.12	6.31	-	-	-
Exercisable at the end of the year	12,990	19.16	5.54	-	-	-

* As the Guidance Note is applicable for options granted post 1 April 2005, information stated above is only with effect from such date.

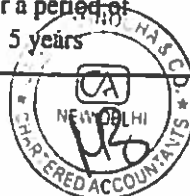
* Risk free interest rates reflect the yield on zero-coupon U.S. Treasury securities. Expected dividend yields presume a set dividend rate. Expected volatilities are based on implied volatilities from traded options and historical volatility of our stock.

The fair value of each restricted stock unit is the market price of the stock on the date of Grant.

The disclosures for the year ended 31 March 2014 have been given below:

Following stock options were granted during the year ended 31 March 2014.

Type of arrangement	Date of grant	Shares granted	Fair market value on the grant date (In USD)	Vesting conditions	Weighted average remaining contractual life
Stock Options	13-Sep-13	2,500	4.52	Over a period of 5 years	6.37



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

The estimated fair value of each stock option granted in the Option plan on 13 September 2013 is USD 4.52. The estimation of fair value on the date of the grant was made using the Black-Scholes option pricing model with the following assumptions:

Grant date	13-Sep-13
Weighted average share price at grant date	23.78
Expected volatility for stock options*	28.00%
Dividend yield *	4.00%
Risk-free interest rate *	2.50%
Exercise price of options (\$)	23.78

A summary of activity under the Option plan for the year ended 31 March 2014 is given below:

	Stock options (numbers)	Weighted-average exercise price (USD)	Weighted-average remaining contractual life (years)	RSU's (numbers)	Weighted-average exercise price (USD)	Weighted-average remaining contractual life (years)
Outstanding, beginning of the year	25,190	18.63	7.62	54	-	5.31
Granted during the year	2,500	23.78	6.37	-	-	-
Forfeited during the year	750	18.58	-	-	-	-
Exercised during the year	600	11.70	-	54	-	-
Deletion: Transferred to other GE companies	750	-	-	-	-	-
Addition: Transferred from other GE companies	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-
Outstanding at the end of the year	25,590	19.30	6.90	-	-	0
Exercisable at the end of the year	11,460	19.22	6.37	-	-	-

* As the Guidance Note is applicable for options granted post 1 April 2005, information stated above is only with effect from such date.

* Risk free interest rates reflect the yield on zero-coupon U.S. Treasury securities. Expected dividend yields presume a set dividend rate. Expected volatilities are based on implied volatilities from traded options and historical volatility of our stock.

The fair value of each restricted stock unit is the market price of the stock on the date of Grant.



SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

4. Long term borrowings

	As at 31 March 2015	As at 31 March 2014
Debentures		
9.50% Unsecured non-convertible debenture of Rs 1,000,000 each (Redeemable at par in September, 2019)	500,000,000	500,000,000
9.85% Unsecured non-convertible debenture of Rs 1,000,000 each (Redeemable at par in March, 2019)	500,000,000	500,000,000
9.95% Unsecured non-convertible debenture of Rs 1,000,000 each (Redeemable at par in January, 2018)	400,000,000	400,000,000
9.00% Unsecured non-convertible debenture of Rs 1,000,000 each (Redeemable at par in November, 2021)	1,000,000,000	-
	2,400,000,000	1,400,000,000
Finance lease obligation (secured by way of hypothecation of vehicles taken on finance lease) (Refer to note 29)	7,376,246	7,281,347
Total	2,407,376,246	1,407,281,347

5. Long-term provisions

	As at 31 March 2015	As at 31 March 2014
Provision for employee benefits		
Compensated absences (Refer to Note 38)	12,138,303	7,040,499
	12,138,303	7,040,499
Provision for Long Service Awards (Refer to Note 39)	1,519,110	-
Provision for reward points redemption (Refer to Note 24)	282,210,300	190,156,050
Provision on Standard assets [Refer to Note 1(e)]	17,249,206	16,345,564
Provision for Employee Stock option Outstanding	873,079	1,176,537
Provision for other taxes	4,235,604	2,271,039
	306,087,299	209,949,190
Total	318,225,602	216,989,689



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

6. Short-term borrowings

	As at 31 March 2015	As at 31 March 2014
Secured working capital loans From banks (Related Parties) ^{1,2}	17,487,873,136	27,626,350,445
Secured Commercial papers-From Bank(Related Parties) ^{1,2} [Net of unamortised discount of Rs. 402,714,312 (Previous Year- 56,694,429)]	27,097,285,688	5,943,305,571
Total	44,585,158,824	33,569,656,016

¹Secured by:

a) Primary Security - First Charge over the entire Current Assets of the Company (present & future),

b) Collateral Security- First Charge on entire Fixed Assets of the Company (present and future),

² Interest rate on Loan repayable on demand is @ 10% p.a. & for Commercial paper; it ranges from 8.77% to 9.70%. p.a.

7. Trade Payables

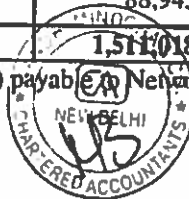
	As at 31 March 2015	As at 31 March 2014
Sundry Creditors*	562,846,897	69,144,380
Sundry Creditors - Payable to related party (Ref to Note 28)	342,247,181	6,733,723
Total	905,094,078	75,878,103

*Refer Note No. 32 for disclosure of Micro, Small & Medium Enterprise as per MSMED Act 2006.

8. Other current liabilities

	As at 31 March 2015	As at 31 March 2014
Interest accrued but not due on debentures	63,207,397	104,567,397
Finance lease obligation (secured by way of hypothecation of vehicles taken on finance lease) (Refer to Note 29)	5,932,619	5,730,776
10.75% Unsecured non-convertible debenture of Rs 1,000,000 each (Redeemable at par in June, 2014)	-	848,000,000
Unamortised membership fees and subvention income	591,793,056	183,727,129
Other liabilities*	761,141,681	1,695,645,617
Statutory liabilities	88,943,292	29,388,525
Total	1,511,018,045	2,867,059,444

* Includes Rs 39,794,344/- (Previous Year Rs 1,137,765,387/-) payable to Network Partners.



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

9. Short-term provisions

	As at 31 March 2015	As at 31 March 2014
Provision for employee benefits		
Gratuity (Refer to Note 37)	1,732,628	(638,002)
Compensated absences (Refer to Note 38)	6,079,760	5,657,537
	7,812,388	5,019,535
Provision for Long Service Awards (Refer to Note 39)	428,365	-
Provision for reward points redemption (Refer to Note 24)	650,771,612	468,420,669
Provision on Standard assets [Refer to Note 1(e)]	207,436,097	156,791,718
Provision for doubtful debts	270,844,515	112,752,038
Provision for expenses* [[Includes salary, wages and bonus payable amounting to Rs.73,774,208 (Previous year Rs.109,811,310)]]	760,376,080	1,009,799,944
Interim equity dividend	392,500,001	-
Provision for tax on interim equity dividend	78,476,912	-
	2,360,833,582	1,747,764,369
Total	2,368,645,970	1,752,783,904

* Includes payable to related party (Refer note no 28).



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

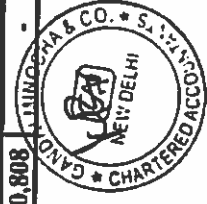
Notes forming part of the financial statements
Significant accounting policies and notes to accounts

10. Tangible assets

Description	Cost				Depreciation			Net Block	
	As at 1 April 2014	Additions	Deletions/ adjustments	As at 31 March 2015	For the year	Deletions/ adjustments	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Furniture and fixtures	716,832	1,985,396	345,082	2,357,146	157,431	148,753	435,641	1,921,505	289,869
Vehicles on Finance Lease	35,050,417	9,779,811	3,309,620	41,520,608	7,033,473	1,915,479	27,757,365	13,763,243	12,411,046
Office equipment	2,296,898	7,589	435,669	1,868,818	485,720	169,906	1,382,042	486,776	1,230,670
Computer	16,092,933	-	-	16,092,933	74,281	0	16,091,622	1,311	75,592
Total	54,157,080	11,772,796	4,090,371	61,839,505	7,750,905	2,234,138	45,666,670	16,172,835	14,007,177
Previous year	47,241,910	12,219,851	5,304,681	54,157,080	7,070,649	2,290,464	40,149,903	14,007,177	11,872,192

11. Intangible assets

Description	Cost			Amortisation			Net Block	
	As at 1 April 2014	Additions	Deletions/ adjustments	As at 31 March 2015	For the year	Deletions/ adjustments	As at 31 March 2015	As at 31 March 2014
Computer software	8,060,808	-	-	8,060,808	-	-	8,060,808	-
Total	8,060,808	-	-	8,060,808	-	-	8,060,808	-
Previous year	8,060,808	-	-	8,060,808	-	-	8,060,808	-



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

12. Deferred taxation

The break-up of the tax impact of deferred tax assets/liabilities and reconciliation of current year deferred tax charge as at 31 March 2015 is as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Deferred tax assets		
Provision for doubtful debts	175,408,887	101,233,011
Staff benefits & Stat. Dues	25,227,914	28,112,950
Provision for Expenses	240,168,839	255,526,487
Reward points	348,177,110	223,850,227
Unabsorbed business losses	-	325,925,825
Membership Fees & Subvention	204,807,741	62,448,851
Depreciation net of Lease Adjustment	929,546	1,316,944
Total deferred tax assets	994,720,036	998,414,296
Deferred tax liabilities:		
Card acquisition & debenture issue expenses	1,854,919	131,235,797
Total deferred tax liabilities	1,854,919	131,235,797
Net deferred tax asset	992,865,117	0 *

* In Previous year 2013-14, due to the unabsorbed business losses and pursuant to the policy of the Company on deferred tax mentioned in note 1(m), the deferred tax asset was recognised by the Company only to the extent of deferred tax liability amounting to Rs. 131,235,797.

13. Long-term loans and advances

	As at 31 March 2015	As at 31 March 2014
Security deposits		
Unsecured, considered good	12,730,593	950,792
	12,730,593	950,792
Loans and advances		
To customers (Secured by Lien on Fixed deposits, considered good)	67,340,176	77,078,744
Loans and advances to customers (Unsecured, considered good)	4,244,961,432	4,009,312,235
	4,312,301,608	4,086,390,979
Other loans and advances		
Advance tax including tax deducted at source [Net of provision for tax Rs. 3,148,285,109 (previous year Rs. 2,543,598,485)]	456,954,948	321,749,161
MAT credit receivable	564,640,134	997,600,383
	1,021,595,082	1,319,349,544
Total	5,346,627,283	5,406,691,315



SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

14. Current Investment

During the year ending on 31st March, 2015, the Company has purchased and sold the units of SBI Mutual Funds, the details of which are as follows:

Fund Name	Units	Purchase Amount	Sale Amount
SBI Magnum Insta Cash Fund Direct Plan-Growth	97,488	300,000,000	300,486,844
SBI Premium Liquid Fund-Direct Plan-Growth	4,533,282	9,550,000,000	9,555,318,223
Total	4,630,769	9,850,000,000	9,855,805,068

The details of units purchased and sold during the previous year are as follows:

Fund Name	Units	Purchase Amount	Sale Amount
SBI Magnum Insta Cash Fund	132,280	370,000,000	370,545,963
SBI Magnum Insta Cash Fund Liquid Floater	2,554,407	5,410,000,000	5,412,450,684
SBI Premier Liquid Fund	4,318,588	8,230,000,000	8,234,713,011
Total	7,005,275	14,010,000,000	14,017,709,658

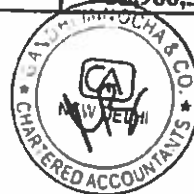
15. Cash and cash equivalents

	As at 31 March 2015	As at 31 March 2014
Balance with banks in :		
Current accounts*	2,093,423,908	1,619,357,374
Fixed Deposits (under Lien for guarantees issued to Tax Authorities)	200,000	200,000
Total	2,093,623,908	1,619,557,374

* It includes balance with related parties (Refer note no. 28).

16. Short-term loans and advances

	As at 31 March 2015	As at 31 March 2014
Loans & advances to Customers		
Secured, considered good (Lien on Fixed deposits,)	606,539,303	1,046,847,372
Unsecured, considered good	51,252,485,008	38,151,082,249
Unsecured, considered doubtful	1,068,975,034	433,851,093
	52,927,999,345	39,631,780,714
Other Advances		
To Vendors (Unsecured, considered good)	11,041,138	28,505,686
To Vendors (Unsecured, considered doubtful)	243,695	-
Prepaid expenses	21,333,425	15,460,671
	32,618,258	43,966,357
Less: Provision for doubtful advances	(243,695)	-
Total	52,960,373,908	39,675,747,071



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

17. Other current assets

	As at 31 March 2015	As at 31 March 2014
Unsecured considered good, unless otherwise stated		
Unamortised card acquisition costs	-	382,033,451
Other receivable	296,685,574	205,128,957
Service tax recoverable	45,441,305	46,245,630
Other receivable, considered doubtful	11,071,397	11,942,428
	353,198,276	645,350,466
Less: Provision for doubtful advances	(11,071,397)	(11,942,428)
Total	342,126,879	633,408,038

18. Revenue from Operations

	For the Year Ended 31st Mar' 2015	For the Year Ended 31 Mar' 2014
Income from membership fees and services	6,950,015,372	5,657,574,509
Interest income	10,823,408,045	8,538,818,078
Business development incentive income	273,985,901	171,350,192
Total	18,047,409,318	14,367,742,779

19. Other income

	For the Year Ended 31st Mar' 2015	For the Year Ended 31 Mar' 2014
Profit on sale of Investment	5,805,068	7,709,658
Service Charges	149,985,699	114,994,573
Bad Debts Recovered	824,270,621	605,601,091
Profit on sale of fixed assets	221,851	362,801
Gain on exchange fluctuation	10,008,659	-
Interest Income - FD & Income tax refund	17,060,197	4,388,557
Liabilities / Provision written back	32,805	3,313,349
Total	1,007,384,900	736,370,029



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

20. Employee benefit expense

	For the Year Ended 31st Mar' 2015	For the Year Ended 31 Mar' 2014
Salaries and other allowances	549,903,566	492,485,400
Employee stock option expense (Refer to Note 3)	873,079	1,176,537
Staff welfare expenses	36,463,433	32,213,937
Contribution to provident fund	25,291,060	21,326,100
Contribution to other funds	12,706,588	(574,927)
Total	625,237,726	546,627,047

* Employee benefit expenses includes year end provision for FY 2014-15 amounting to Rs. 98,769,080 and reversal of year end provision for FY 2013-2014 amounting to Rs.111,169,095.

21. Finance charges

	For the Year Ended 31st Mar' 2015	For the Year Ended 31 Mar' 2014
Interest on Debentures	186,846,329	227,959,753
Interest expense		
- on Working Capital loans(secured)	3,452,963,286	2,660,740,370
- on others (unsecured)	88,443,132	113,849,922
Total	3,728,252,747	3,002,550,045



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

22. Operating and other expenses

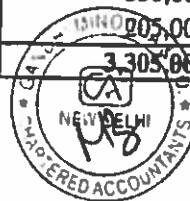
	For the Year Ended 31st Mar' 2015	For the Year Ended 31 Mar' 2014
Consumption of plastic cards	63,429,707	76,625,935
Rent and hire charges	82,269,168	70,768,192
Travelling and conveyance	60,269,459	38,987,431
Cash advance service charges	5,879,254	3,840,052
Telephone, fax and postage	170,561,913	149,381,233
VISA / Master Card transaction charges	718,976,030	558,567,885
Advertisement	382,253,255	240,181,410
Sales Promotion	2,570,290,551	1,441,456,201
Insurance expense	11,444,385	16,679,342
Professional & Consulting fees	317,773,998	211,605,773
Processing Charges	3,089,375,801	2,639,675,657
Rates and taxes	20,813,564	19,239,614
Collection charges	699,482,902	490,408,116
Repairs and maintenance-others	1,234,062	4,060,691
Auditor's remuneration (Refer to Note 23)	3,305,000	3,305,000
Power and fuel	19,691,614	18,457,035
Printing, stationery and office supplies	140,006,411	102,627,622
Royalty Expenses	53,338,422	58,617,274
Reward points redemption	925,356,400	487,165,035
Surcharge Waiver to Customer	231,277,861	210,622,504
CSR Expenses	27,334,667	-
Bank & Borrowing related charges	49,435,559	48,222,737
Loss on exchange fluctuation	-	4,119,875
Other Advances written off / provision for doubtful advances	5,305,797	1,656,273
Other Expenses	7,098,121	5,301,411
Total	9,656,203,901	6,901,572,298

* Operating & other expenses includes year end provision for FY 2014-15 amounting to Rs. 1,619,583,784 and reversal of year end provision for FY 2013-14 amounting to Rs. 1,558,384,116.

23. Auditors' remuneration (excluding service tax)

Professional fee includes auditors' remuneration as follows:

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Audit fees	2,050,000	2,050,000
Quarterly Limited Review fees	450,000	450,000
Tax audit fees	250,000	250,000
Fee for other services	350,000	350,000
Reimbursement of expenses	205,000	205,000
Total	3,305,000	3,305,000



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

24. Movement of provision for reward points redemption and legal cases in accordance with Accounting Standard 29; Provisions, contingent liabilities and contingent assets is as under:

Reward Points Movement:

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
a. Provision at the beginning of the year*	658,576,719	496,339,240
b. Additions made during the year	745,885,875	547,958,753
c. Interest Cost for the period	32,702,010	22,254,665
d. Amount redeemed/Paid during the year	(574,124,444)	(324,927,556)
e. Amounts lapsed during the year	(370,722,220)	(269,755,243)
f. Actuarial Gain / (Loss)	469,286,518	179,046,508
g. Movement on account of unpaid vendor liability	(28,622,546)	7,660,353
h. Provision at the end of the year* (a+b+c+d+e+f+g)	932,981,912	658,576,719

* Provision for reward points as at 31 March 2015 of Rs. 932,981,912 (previous year Rs. 658,576,719) includes provision as per actuarial valuation of Rs. 887,380,760 (previous year Rs. 584,353,020) and provision for unpaid claims of Rs. 45,601,152 (previous year Rs. 74,223,699)

Legal Claims:

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
a. Provision at the beginning of the year	2,949,694	2,463,538
b. Additions / (Reduction) made during the year	(519,432)	1,924,193
c. Amount Paid during the year	838,567	1,438,037
d. Provision at the end of the year (a+b-c)	1,591,695	2,949,694

25. **Segment Reporting**

In the opinion of the management, there is only one reportable segment ("Credit Cards") as envisaged by AS 17 "Segment reporting", specified under section 133 of the Companies act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the economic environment in which the Company operates is significantly similar and not subject to materially different risks and rewards.

Accordingly, as the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary disclosures prescribed by Accounting Standard - 17 are not required to be given.



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

26. Income and expenditure in foreign currency

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Expenditure in foreign currency (on accrual basis)		
Network and other service charges	462,539,487	409,812,893
Purchase of Plastic Cards (CIF Value)	-	511,041
Professional fees	108,212	1,718,968
Others	51,285,413	38,266,533
Income in foreign currency (on accrual basis)		
Interchange income	26,434,230	25,420,992

27. Dividend to be remitted in foreign currency

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Number of equity shares held on which Interim dividend is to be remitted	314,000,000	-
Period to which Interim dividend relates to	FY 2014-15	-
Number of non-resident shareholders	1	-
Amount to be remitted	157,000,000	-



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

28. Related party disclosures

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

a. List of related parties

i. Holding Entity

- State Bank of India

ii Joint venture

- GE Capital Corporation, USA

iii. Entity holding substantial interest in voting power of the Company

- GE Capital Mauritius Overseas Investments

iv. Fellow subsidiaries and entities

- State Bank of Bikaner & Jaipur
- State Bank of Hyderabad
- State Bank of Mysore
- State Bank of Patiala
- State Bank of Travancore
- SBI Capital Markets Ltd
- SBICAP Securities Ltd
- SBICAP Trustee Company Ltd
- SBICAPS Ventures Ltd
- SBI DFHI Ltd
- SBI Mutual Fund Trustee Company Pvt Ltd
- SBI Global Factors Ltd
- SBI Pension Funds Pvt Ltd
- SBI –SG Global Securities Services Pvt. Ltd
- SBI General Insurance Company Ltd
- SBI Payment Services Pvt. Ltd.
- SBI Cards and Payment Services Pvt Ltd
- SBI Funds Management Pvt Ltd
- SBI Funds Management (International) Private Ltd
- SBI Life Insurance Company Ltd
- State Bank of India (Canada)
- State Bank of India (California)



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

- SBI (Mauritius) Ltd
- PT Bank SBI Indonesia
- State Bank of India (Botswana) Ltd
- SBICAP (UK) Ltd
- SBI Funds Management Pvt Ltd.
- SBI Life Insurance Company Ltd.
- Commercial Indo Bank Llc , Moscow
- Nepal SBI Bank Ltd.
- SBI Funds Management (International) Private Ltd
- SBICAP (Singapore) Ltd
- C - Edge Technologies Ltd
- SBI Macquarie Infrastructure Management Pvt. Ltd.
- SBI Macquarie Infrastructure Trustee Pvt. Ltd
- Macquarie SBI Infrastructure Management Pte. Ltd.
- Macquarie SBI Infrastructure Trustee Ltd.
- Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
- Oman India Joint Investment Fund – Management Company Pvt. Ltd.

v. *Entity under common significant influence*

- GE Capital Business Process Management Services Private Limited

vi. *Key management personnel*

- Mr. Vijay Jasuja, Manager (from 9 July, 2014)
- Mr. Pallav Mohapatra (till 8 July, 2014)



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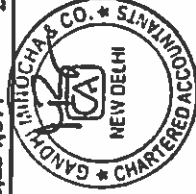
SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

a. Transactions/balances outstanding with related parties Year ended 31 March 2015

Particulars	Holding Entity		Joint Venturer		Fellow Subsidiaries and entities (Note 1)		Entity under common significant Influence		Key Management Personnel
	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15		
a. Transactions during the year	3,452,963,286	-	-	-	-	-	-	-	-
Finance charges	224,994,060	-	-	10,544,076	-	-	-	-	-
Advertisement and sales promotion (incentives)	17,997,900	3,250,742	-	-	62,712,238	-	-	-	-
Cost allocations received*	-	-	-	-	3,089,375,801	-	-	-	-
Processing charges paid	-	-	-	-	-	3,432,951	-	-	-
Cost allocations made*	-	-	-	-	-	-	-	-	-
Bank charges, fees & Commission Paid	122,781,781	-	-	2,010,262	-	-	-	-	-
Commission Received	-	-	-	2,251,216	-	-	-	-	-
Personnel Cost (Managerial remuneration)	-	-	-	-	-	-	-	-	3,764,963
Interest Income on fixed deposit	430,389	-	-	-	-	-	-	-	-
Borrowings made	226,670,596,489	-	-	-	-	-	-	-	-
Borrowings repaid	215,355,052,528	-	-	-	-	-	-	-	-
Investments made	-	-	-	-	-	-	-	-	-
Investments repaid	-	-	-	-	9,850,000,000	-	-	-	-
Fixed Deposit made	-	-	-	-	9,855,805,068	-	-	-	-
Fixed Deposit matured	127,200,000	-	-	-	-	-	-	-	-
Royalty expenses	127,630,389	-	-	-	-	-	-	-	-
Loans & Advances given and other adjustments	53,338,422	-	-	-	-	-	-	-	-
Loans & Advances Repaid	19,575,145	-	-	16,966,479	-	-	29,977,578	-	-
	19,079,514	-	-	16,254,077	-	-	29,263,491	-	-



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

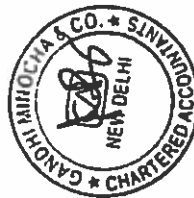
Particulars	Holding Company	Joint Venturer	Fellow Subsidiaries	Entity under significant influence	Key Management Personnel
b. Balances Outstanding at Year End					
Trade Payables & Other liabilities	91,662,751	1,360,035	5,519,706	294,242,601	-
Borrowings	44,585,158,824	-	-	-	-
Cash & Bank Balances/(Book overdraft)**	1,575,750,160	-	15,784,428	-	-
Loans & Advances***	1,510,171	-	2,641,449	2,414,360	-
Other Recoverable	-	-	180,000	3,432,951	-

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

** These amounts represent year-end balances outstanding as at 31 March 2015.

*** These amounts represent year-end balances outstanding as at 31 March 2015 on credit cards issued.

(1) For party-wise disclosure as required as required by AS- 18, Related Party Disclosures, refer to Annexure I of Note 28.



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

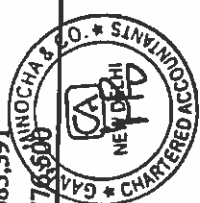
Notes forming part of the financial statements
Significant accounting policies and notes to accounts

b. Transactions/balances outstanding with related parties Year ended 31 March 2014

Particulars	Holding Entity		Joint Venturer	Fellow Subsidiaries and entities (Note 1)		Entity under common significant	Key Management Personnel
	2013-14	2013-14		2013-14	2013-14		
a. Transactions during the year	2013-14	2013-14					
Finance charges	2,660,740,370	-	-	-	-	-	-
Advertisement and sales promotion (incentives)	41,378,585	-	-	1,611,620	-	-	-
Cost allocations received*	40,266,978	-	-	-	90,138,523	-	-
Processing charges paid	-	-	-	-	2,639,675,657	-	-
Cost allocations made*	-	-	-	-	32,101,554	-	-
Bank charges, fees & Commission Paid	79,007,616	-	-	1,622,614	-	-	-
Commission Received	-	-	-	2,320,210	-	-	-
Personnel Cost (Managerial remuneration)	-	-	-	-	-	-	-
Borrowings made	222,635,190,172	-	-	-	-	-	3,347,694
Borrowings repaid	214,921,007,631	-	-	-	-	-	-
Investments made	-	-	-	-	-	-	-
Investments repaid	-	-	-	14,010,000,000	-	-	-
Allotment of Share Capital	-	-	-	14,017,709,658	-	-	-
Royalty expenses	58,617,274	-	-	-	-	-	-
Loans & Advances given and other adjustments	1,977,429	-	-	16,107,430	-	25,083,391	-
Loans & Advances Repaid	1,981,082	-	-	16,047,973	-	24,776,506	-

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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

Particulars	Holding Company	Joint Venturer	Fellow Subsidiaries	Entity under significant influence	Key Management Personnel
b. Balances Outstanding at Year End					
Trade Payables & Other liabilities	112,620,634	-	1,313,801	155,074,215	-
Borrowings	33,471,472,611	-	-	-	-
Cash & Bank Balances/(Book overdraft)**	1,456,178,457	-	31,817,123	-	-
Loans & Advances***	1,014,540	-	2,833,009	1,700,273	-

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

** These amounts represent year-end balances outstanding as at 31 March 2014.

*** These amounts represent year-end balances outstanding as at 31 March 2014 on credit cards issued.



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

Annexure I to Note 29

Transactions/Balances Outstanding with Fellow Subsidiaries (Parties constituting 10% or more in each category)

a. Transactions during the year		
Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
Investments made		
SBI Funds Management Pvt Limited	9,850,000,000	14,010,000,000
Investments repaid		
SBI Funds Management Pvt Limited	9,855,805,068	14,017,709,658
Loans & Advances given		
Others	16,966,479	16,107,430
Loans & Advances Repaid		
Others	16,254,077	16,047,973

b. Balances Outstanding at Year End		
Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
Trade Payables & Other liabilities		
Others	5,519,706	1,313,801
Total	5,519,706	1,313,801
Cash and bank Balances		
Others	15,784,428	31,817,123
Total	15,784,428	31,817,123
Loans and Advances		
Others	2,641,449	2,833,009
Other Recoverable		
Others	180,000	-



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

29. Finance lease obligations

The Company has acquired vehicles on finance lease during current and earlier years. The present value of total minimum lease payment liability as at 31st March 2015 is Rs. 13,308,864. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest of 12.6% on the outstanding balance.

The maturity profile of the finance lease obligation as at 31st March 2015 is as follows:

Particulars	Total minimum lease payments outstanding at 31 March 2015	Interest	Present value of minimum lease payments as at 31 March 2015
Due within one year	7,460,648	1,528,029	5,932,619
Due later than one year and not later than five years	8,582,637	1,206,392	7,376,245
	16,043,284	2,734,421	13,308,864

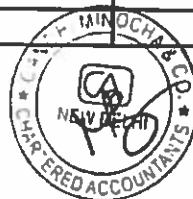
The present value of total minimum lease payment liability as at 31 March 2014 was Rs. 13,012,123. The maturity profile of the finance lease obligation as at 31 March 2014 was as follows:

Particulars	Total minimum lease payments outstanding at 31 March 2014	Interest	Present value of minimum lease payments as at 31 March 2014
Due within one year	7,233,602	1,502,826	5,730,776
Due later than one year and not later than five years	8,320,941	1,039,594	7,281,347
Total	15,554,542	2,542,420	13,012,123

Operating Lease obligations:

The Company has taken office premises on lease. Operating lease rentals recognised during the year were Rs.18,731,159. The total of the future minimum lease payments under non-cancellable operating lease are as follows:

Particulars	Year Ended 31st Mar-15	Year Ended 31st Mar-14
Not later than one year	44,127,068	-
Later than one year but not later than five years	76,418,131	-
Later than five years	-	-
Total	120,545,199	-



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

30. Earnings/ (loss) per equity share

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
a. Net Profit After Tax	2,666,921,092	2,930,863,692
b. Weighted average of number of equity shares used in computing basic and diluted earnings per share	785,000,002	785,000,002
c. Basic and diluted earning per share (a/b)	3.40	3.73

31. Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961 ('Act'). Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the domestic and international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest before the due date for filing of return under the Act. The management is of the opinion that its domestic and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

32. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts required to be disclosed in relation to Micro and Small Enterprises as at 31 March 2015 and 31 March 2014.

33. Contingent liabilities

1) Based on Demand notices received from the income-tax department & service tax authorities, the Company is contingently liable for Rs. 490,709,475 (Previous year Rs. 429,355,739), against which it had deposited an amount of Rs. 80,46,885 (Previous year Rs. 16,721,834). The Company has challenged these demands of the tax authorities. While the ultimate outcome of the above mentioned appeals cannot be ascertained at this time, based on current knowledge of the applicable law, management believes that these laws suits should not have a material adverse affect on the Company's financial statements or business operations. Accordingly, no provision has been made in the books of account.

2) Estimated claims against the Company which arise in the ordinary course of business not acknowledged as debt. Such claims as at 31 March 2015 are Rs. 48,157,114 (Previous year Rs. 53,118,523).

34. Certain show cause notices relating to indirect taxes matters amounting to Rs. 305,799,053 (previous year Rs. 357,273,221) have neither been acknowledged as claims nor acknowledged as contingent liabilities. Based on internal assessment and discussion with tax advisors, the Company is of the view that the possibility of any of these tax demands materializing is remote"

35. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounted to Rs. Nil (previous year Rs. Nil).



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

36. During the year ended 31st March 2015 the company appropriated Rs 533,384,218 (previous year Rs. 586,172,738) towards the Statutory Reserve (Reserve Fund) in accordance with Section 45-IC of the Reserve Bank of India Act, 1934.
37. The following table sets out the status of the gratuity plan as required under AS-15 (revised), "Employee Benefits" as at 31 March 2015:

(A) Reconciliation of benefit obligations & plan assets for the period

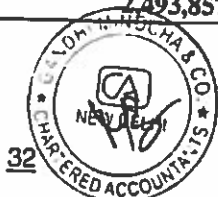
	Year ended 31 March 2015	Year ended 31 March 2014
Opening defined benefit obligation	36,537,219	34,736,316
Current service cost	5,127,775	5,299,192
Interest cost	3,002,941	2,583,668
Actuarial losses / (gain)	6,820,328	(5,813,264)
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	-
Benefits paid	(3,178,515)	(268,693)
Closing defined benefit obligation	48,309,748	36,537,219
Change in the fair value of plan assets		
Opening fair value of plan assets	37,175,220	26,488,622
Expected return on plan assets	2,893,018	1,688,043
Actuarial gains / (losses)	(399,161)	1,019,554
Contributions by employer	10,086,558	8,247,694
Benefits paid	(3,178,515)	(268,693)
Closing fair value of plan assets	46,577,120	37,175,220

(B) Reconciliation of present value of the obligations and the fair value of the plan asset

	Year ended 31 March 2015	Year ended 31 March 2014
Present value of funded obligations	48,309,748	36,537,219
Fair value of plan assets	(46,577,120)	(37,175,220)
Net asset/liability	1,732,628	(638,001)

(C) Gratuity Cost for the period

	Year ended 31 March 2015	Year ended 31 March 2014
Current service cost	5,127,775	5,299,192
Interest cost	3,002,941	2,583,668
Expected return on plan assets	(2,893,018)	(1,688,043)
Net actuarial losses / (gains) recognized in year	7,219,489	(6,832,818)
Net gratuity cost	12,457,187	(638,001)
Actual return on plan assets	2,493,857	2,707,597



SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements
Significant accounting policies and notes to accounts

Experience adjustments

	Year ended 31 March 2015	Year ended 31 March 2014
Defined benefit obligation	48,309,748	36,537,219
Plan assets	46,577,120	37,175,220
Surplus / (Deficit)	(1,732,628)	638,001
Experience adjustments on plan liabilities	1,935,394	(1,440,578)
Experience adjustments on plan assets	(399,161)	1,019,554

100% of the plan assets are with the Insurer managed funds.

	Year Ended 31 March 2015	Year Ended 31 March 2014
Discount rate	7.90% per annum	8.70% per annum
Estimated rate of return on plan assets	9.40% per annum	9.40% per annum
Salary Escalation Rate	10.0% per annum	9.0% per annum

Investment details of the plan assets

100% of the plan assets are with the Insurer managed funds.

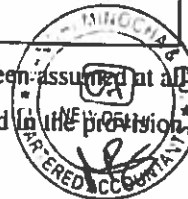
The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Demographic assumptions

- a) **Retirement Age:** The employees of the Company are assumed to retire at the age of 60 years.
- b) **Mortality:** Published rates under the Indian Assured Lives Mortality (2006-08) Ult Table. Rates of Indian Assured Lives Mortality table at specimen ages are as shown below:

Age (Years)	Rates
18	0.000800
23	0.000961
28	0.001017
33	0.001164
38	0.001549
43	0.002350
48	0.003983
53	0.006643
58	0.009944

- c) **Leaving Service:** A withdrawal rate of 24% p.a. has been assumed at all ages in this valuation.
- d) **Disability:** Leaving service due to disability is included in the provision made for all causes of leaving



SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts service (paragraph (c) above).

38. Compensated absences

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

Assumptions

	Year Ended 31 March 2015	Year Ended 31 March 2014
Discount rate	7.90% per annum	8.70% per annum
Salary Escalation Rate	10.0% per annum	9.0% per annum

The defined benefit obligation of compensated absences in respect of employees of the Company as at 31 March 2015 amounts to Rs. 18,218,063 (previous year Rs. 12,698,036).

Demographic assumptions

- Retirement Age:** The employees of the Company are assumed to retire at the age of 60 years.
- Mortality:** Published rates under the Indian Assured Lives Mortality (2006-08) Ult Table. Rates of Indian Assured Lives Mortality table at specimen ages are as shown below:

Age (Years)	Rates
18	0.000800
23	0.000961
28	0.001017
33	0.001164
38	0.001549
43	0.002350
48	0.003983
53	0.006643
58	0.009944

- Leaving Service:** A withdrawal rate of 24% p.a. has been assumed at all ages in this valuation.
- Leave Availment Pattern:** Based on the data provided the pattern of availment of leave by employee if the company in the past, it has been assumed by actuary that 5% of leave balance as at the valuation date and each subsequent year following the valuation date is availed by the employee. The balance leave is assumed to be available for encashment on separation from the Company.
- Disability:** Leaving service due to disability is included in the provision made for all causes of leaving service.(paragraph c above)



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements
Significant accounting policies and notes to accounts

39. Long Service Awards

Actuarial Valuation for Long Service Awards to employees has been carried out by an independent on the basis of following assumptions:

	31 Mar 2015
Discount Rate	7.90% p.a.
Increase in Cost of Award	0.00% p.a.

- a) **Discount Rate:** The discount rate is based on the prevailing market yields of Indian government securities as at 31st March 2015 for the estimated term of the obligations.
- b) **Increase in Cost of Award:** The increase in cost of award is in line with the long term assumption of price inflation as at the balance sheet date.

DEMOGRAPHIC ASSUMPTIONS AT THE VALUATION DATE:

- c) **Retirement Age:** The employees of the Company are assumed to retire at the age of 60 years
- d) **Mortality:** Published rates under the Indian Assured Lives Mortality (2006-08) Ult table. Rates of Indian Assured Lives Mortality table at specimen ages are as shown below:

Age (Years)	Rates
18	0.000800
23	0.000961
28	0.001017
33	0.001164
38	0.001549
43	0.002350
48	0.003983
53	0.006643
58	0.009944

- e) **Leaving Service:** We have assumed 24% per annum withdrawal rate at all ages in this valuation.
- f) **Disability:** Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph (e) above).

The Defined benefit obligation for Long service awards in respect of employees of the Company as at 31st March 2015 is Rs 1,947,475/-.

40. Un-hedged foreign currency exposure

The Company's exposure in respect of foreign currency denominated assets not hedged as on 31st March 2015 by derivative instruments or otherwise is USD 542,733 (Rs. 33,970,064) [Previous year USD 324,507 (Rs. 19,502,778)]. Similar amount for Payable & other liabilities is USD 1,396,105 (Rs. 87,383,346) [Previous year USD 911,257 & AUD 163,858 (Rs. 63,851,339)].



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

41. In respect of accounts receivables, the Company is regularly generating and dispatching customer statements on periodic interval wherever transactions or outstanding are there. In case of disputes with regard to billing, there is a process of resolution and adjustments are carried out on regular basis. Moreover, in respect of accounts payable, the Company has a process of receiving regular balance confirmation from its vendors. The balances are reconciled with the balance confirmation received and discrepancies, if any are accounted on regular basis. For the year end balances of Account Receivables, Account Payables and Loans & Advances, the management is of the opinion that adjustments, if any required through the above mentioned process, will not have any material impact on the financials of the company
42. During the year ending on 31st March'15, the Company has made certain changes in accounting policies. The policy changes have resulted in to lower profit by Rs.1,071,897,348/- with following details:-
- i) Till 31 March 2014 the productive sales force compensation, card acquisition cost (sales service provider expenses, incentives related to card acquisition, credit investigation cost and application printing cost), consumption of plastic cards and delivery charges were amortised over a period of one year.
- During current year (w.e.f 1 April 2014), the company has changed its policy, basis the opinion received from The Institute of Chartered Accountants of India on 16th April'2015, to recognise the productive sales force compensation, card acquisition cost (sales service provider expenses, incentives related to card acquisition, credit investigation cost and application printing cost), consumption of plastic cards and delivery charges on accrual basis. As a result of this change in accounting policy profit before tax for the current year is lower by Rs 557,589,400/-
- ii) Till 31 March 2014 joining membership fee and first annual fee were recognised over a period of one year and renewal membership fees was recognised on accrual basis.
- During current year (w.e.f 1 April 2014), the company has changed its policy, basis the opinion received from The Institute of Chartered Accountants of India on 16th April'2015, to recognise the first annual membership fee and renewal membership fee over a period of one year and joining fee on accrual basis. As a result of this change in accounting policy profit before tax for the current year is lower by Rs 348,840,963/-
- iii) NPA classification has been changed from 120 days to 90 days past due. A provision @ 25% is created for the principal amount outstanding for the customers in 90 to 120 days past due category. This has resulted into additional provision of Rs 75,811,726/- for the year ending on 31st March' 2015.
- iv) The income is de-recognised for all those customers in 90 to 120 days past due category which was earlier being de-recognised at 120 days past due. This has resulted into additional income de-recognition for Rs.89,375,221/- for the year ending on 31st March' 2015.
- v) Pursuant to Companies Act, 2013 being effective from 1 April 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful lives specified in Part 'C' of Schedule II of the Companies Act, 2013. As a result of this change, the depreciation charge for the year ended 31 March 2015 is higher by Rs 280,038/-



SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

43. Pursuant to section 135 of the Companies Act, 2013 the company has incurred expenditure in respect of corporate social responsibility as follows:

Particulars	31 March 2015	31 March 2014
Swachh Bharat Fund	14,334,667	-
PM National Relief fund	13,000,000	-
Total	27,334,667	-

44. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

45. Schedule to Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 13 of Non-Banking Financial Companies (non-deposit accepting or holding) Prudential Norms (Reserve Bank) Directions, 2007:

Particulars	As at		As at	
	31-Mar-15		31-Mar-14	
Liabilities side:	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured : Unsecured (Other than falling within the meaning of public deposits)	2,400,000,000		2,248,000,000	
(b) Deferred Credits				
(c) Term Loans				
(d) Inter-corporate loans and borrowing				
(e) Commercial Paper				
(f) Other Loans				
• External commercial borrowings				
• Working capital demand loan				
• Finance lease obligation	13,308,865		13,012,123	



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

	Assets side:	Amount outstanding	Amount outstanding
		31-Mar-15	31-Mar-14
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured*	673,879,479	1,123,926,116
	(b) Unsecured*	56,566,421,474	42,594,245,577
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	Nil	Nil
	(b) Operating lease	Nil	Nil
	ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
	iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil
4	Break-up of Investments:		
	<i>Current Investments :</i>		
	1. Quoted:		
	(i) Shares: (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares: (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
	<i>Long Term investments:</i>		
	1. Quoted:		
	(i) Shares: (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares: (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil

* It Includes advances to credit card customers only.



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

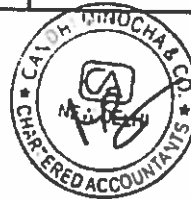
Notes forming part of the financial statements

Significant accounting policies and notes to accounts

5 Borrower group-wise classification of assets (financed) as in (2) and (3) above:						
Category	Amount net of provisions					
	31-Mar-15			31-Mar-14		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries						
(b) Companies in the same group		1,938,601	1,938,601		730,568	730,568
(c) Other related parties		2,414,360	2,414,360		(1,700,273)	1,700,273
2. Other than related parties	673,879,479	56,582,068,513	57,255,947,993	1,123,926,116	42,591,814,736	43,715,740,853
Total	673,879,479	56,582,068,513	57,255,947,993	1,123,926,116	42,591,814,736	43,715,740,853

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
Category	31-Mar-15		31-Mar-14	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	Nil	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil	Nil
2. Other than related parties	Nil	Nil	Nil	Nil
Total				

7 Other Information			
	31-Mar-15	31-Mar-14	31-Mar-14
Gross Non-Performing Assets			
(i) (a) Related parties			
(b) Other than related parties	1,068,975,034	433,851,093	
Net Non-Performing Assets			
(ii) (a) Related parties			
(b) Other than related parties	798,130,519	321,099,055	
(iii) Assets acquired in satisfaction of debt			



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

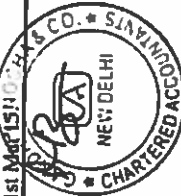
Notes forming part of the financial statements
Significant accounting policies and notes to accounts
46. Disclosure of Restructured Accounts

S. No.	Type of Restructuring	Under CDR				Under SME Debt				Others								
		A	B	C	D	A	B	C	D	A	B	C	D					
		#	#	#	#	#	#	#	#	#	#	#	#					
	Asset Classification Details	Total				Total				Total								
1	Restructured accounts as on 1 April 14	-	-	-	-	-	-	-	-	3,133	-	-	-	-	-	-	-	3,133
	No. of borrowers	-	-	-	-	-	-	-	-	3,133	-	-	-	-	-	-	-	3,133
	Amount outstanding	-	-	-	-	-	-	-	-	82,313,961	-	-	-	-	-	-	-	82,313,961
	Provision thereon	-	-	-	-	-	-	-	-	2,499,962	-	-	-	-	-	-	-	2,499,962
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	5,459	-	-	-	-	-	-	-	5,459
	Amount outstanding	-	-	-	-	-	-	-	-	532,240,038	-	-	-	-	-	-	-	532,240,038
	Provision thereon	-	-	-	-	-	-	-	-	115,574,299	-	-	-	-	-	-	-	115,574,299
3	Upgradations to restructured standard category	-	-	-	-	-	-	-	-	741	-	-	-	-	-	-	-	741
	Amount outstanding	-	-	-	-	-	-	-	-	3,280,422	-	-	-	-	-	-	-	3,280,422
	Provision thereon	-	-	-	-	-	-	-	-	311,423	-	-	-	-	-	-	-	311,423
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	2,032	-	-	-	-	-	-	-	2,032
	Amount outstanding	-	-	-	-	-	-	-	-	117,086,162	-	-	-	-	-	-	-	117,086,162
	Provision thereon	-	-	-	-	-	-	-	-	779,555	-	-	-	-	-	-	-	779,555
6	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	180	-	-	-	-	-	-	-	180
	No. of borrowers	-	-	-	-	-	-	-	-	180	-	-	-	-	-	-	-	180
	Amount outstanding	-	-	-	-	-	-	-	-	12,831,418	-	-	-	-	-	-	-	12,831,418
	Provision thereon	-	-	-	-	-	-	-	-	223,858	-	-	-	-	-	-	-	223,858
7	Adjustments as on 31st Mar'15 for payment/provision*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount received	-	-	-	-	-	-	-	-	139,233,417	-	-	-	-	-	-	-	139,233,417
	Provision adjustments	-	-	-	-	-	-	-	-	(6,440,575)	-	-	-	-	-	-	-	(6,440,575)
	No. of borrowers	-	-	-	-	-	-	-	-	5,639	-	-	-	-	-	-	-	5,639
	Amount outstanding	-	-	-	-	-	-	-	-	342,122,580	-	-	-	-	-	-	-	342,122,580
	Provision thereon	-	-	-	-	-	-	-	-	123,200,000	-	-	-	-	-	-	-	123,200,000

* The Original format does not contain these particulars details

A: Standard assets B: Sub-standard assets C: Doubtful assets D: Loss assets

Note: Amount outstanding includes income and principle both. Provision as on 31st Mar'15 includes 25% provision on Principle & 100% of income component. Further, the provision amounts shown above in serial number 2, 3, 5, 6 & 7 are on the basis of Provision made on 31st Mar'15.



SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

47. Additional Disclosures

47.1 Capital

Particulars	As at 31 March 2015	As at 31 March 2014
i) CRAR (%)	18.63%	19.00%
ii) CRAR - Tier I Capital (%)	15.01%	16.00%
iii) CRAR - Tier II Capital (%)	3.61%	3.00%
iv) Amount of subordinated debt raised as Tier-II capital*	2,400,000,000	2,248,000,000
v) Amount raised by issue of Perpetual Debt Instruments	-	-

*Qualifying amount as Tier II Capital (after discounting) as at 31st March 2015 is Rs. 1,860,000,000 (Previous Year Rs. 1,140,000,000). Fresh subordinated debt raised as Tier II during Financial Year 2014-15 is Rs. 1,000,000,000 (Previous year Rs. NIL).

47.2 Investments

Particulars	As at 31st March 2015	As at 31st March 2014
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	Nil	Nil
(b) Outside India	Nil	Nil
(ii) Provisions for Depreciation		
(a) In India	Nil	Nil
(b) Outside India	Nil	Nil
(iii) Net Value of Investments		
(a) In India	Nil	Nil
(b) Outside India	Nil	Nil
2 Movement of Provisions held towards depreciation on investments		
(i) Opening balance	Nil	Nil
(ii) Add: Provisions made during the year	Nil	Nil
(iii) Less: Write-off / write-back of excess provisions	Nil	Nil
(iv) Closing balance	Nil	Nil



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

47.3 Derivatives

47.3.1 Forward Rate Agreement / Interest Rate Swap

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	Nil	Nil

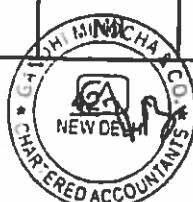
47.3.2 Exchange Traded Interest Rate (IR) Derivatives

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil

47.3.3 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

Particular	Year ended 31 March 2015		Year ended 31 March 2014	
	Currency Derivative	Interest Rate	Currency Derivative	Interest Rate
(i) Derivatives (Notional Principal Amount) For hedging	Nil	Nil	Nil	Nil
(ii) Marked to Market Positions	Nil	Nil	Nil	Nil
a) Asset (+)	Nil	Nil	Nil	Nil
b) Liability (-)	Nil	Nil	Nil	Nil
(iii) Credit Exposure	Nil	Nil	Nil	Nil
(iv) Unhedged Exposures		Nil	Nil	Nil



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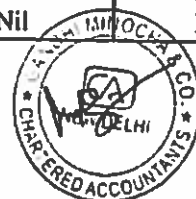
SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

47.4.1 Disclosures relating to Securitisation

S. No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
1.	No of SPVs sponsored by the NBFC for securitisation transactions	Nil	Nil
2.	Total amount of securitised assets as per books of the SPVs sponsored	Nil	Nil
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	Nil	Nil
	a) Off-balance sheet exposures	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
	b) On-balance sheet exposures	Nil	Nil
	First loss	Nil	Nil
	Others	Nil	Nil
4.	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	Nil	Nil
	Loss	Nil	Nil
	ii) Exposure to third party securitisations		
	First loss	Nil	Nil
	Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	Nil	Nil
	Others	Nil	Nil
	ii) Exposure to third party securitisations		
	First loss	Nil	Nil
	Others	Nil	Nil



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

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

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

47.4.3 Details of Assignment transactions undertaken by NBFCs

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
(i)	No. of accounts		
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

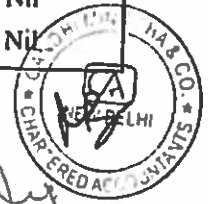
47.5 Details of non-performing financial assets purchased / sold

Details of non-performing financial assets purchased :

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
1.	(a) No. of accounts purchased during the year		
	(b) Aggregate outstanding	Nil	Nil
2.	(a) Of these, number of accounts restructured during the year	Nil	Nil
	(b) Aggregate outstanding	Nil	Nil

A. Details of Non-performing Financial Assets sold :

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
1.	No. of accounts sold	Nil	Nil
2.	Aggregate outstanding	Nil	Nil
3.	Aggregate consideration received	Nil	Nil



SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements
Significant accounting policies and notes to accounts
47.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March 2015

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits									
Advances	15,484,443,742	8,856,804,039	5,737,734,029	11,874,810,615	9,697,795,789	4,295,052,402			55,946,640,616
Investments									
Borrowings	25,448,800,977	6,916,538,948	6,633,148,078	5,586,670,821		403,688,123	1,003,688,123	1,000,000,000	46,992,535,070
Foreign Currency assets	33,970,064								33,970,064
Foreign Currency liabilities		7,868,862	79,514,484						87,383,346

Maturity pattern of certain items of assets and liabilities as at 31st March 2014

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits									
Advances	12,236,232,818	6,422,525,969	4,394,473,999	8,840,852,937	7,601,968,458	4,109,365,472			43,605,419,652
Investments									
Borrowings	24,013,183,838	7,500,477,565	848,477,565	1,960,199,231	2,865,388	3,640,673	903,640,673	500,000,000	35,732,484,734
Foreign Currency assets	19,502,778								19,502,778
Foreign Currency liabilities		1,277,022	53,489,347						54,766,369



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

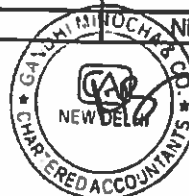
Significant accounting policies and notes to accounts

47.7.1 Exposure to Real Estate

Category		As at 31st March 2015	As at 31st March 2014
a)	Direct Exposure		
	(i) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	Nil	Nil
	(ii) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, Industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits.	Nil	Nil
	Investments in Mortgage Backed Securites (MBS) and other securitized		
	(iii) exposures :-		
	a. Residential	Nil	Nil
	b. Commercial real Estate	Nil	Nil

47.7.2 Exposure to Capital Market

Particulars		As at 31st March 2015	As at 31st March 2014
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual	Nil	Nil
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares /	Nil	Nil
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market		Nil	Nil



SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

47.8 Details of financing of parent company products

The company has not financed any of the products of its parent company during the financial year 2014-2015.

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

The company has not exceeded the prudential exposure limits during the year ended 31 March 2015.

47.10 Miscellaneous

47.10.1 Registration obtained from other financial sector regulators

The Company has also obtained registration from the following regulators apart from RBI.

Registration Authority	Registration No.
Certificate of Incorporation under Companies Act 1956	U65999DL1998PTC093849
Insurance Regulatory and Development Authority Regulations 2002	RSA 2105154

47.10.2 Disclosure of Penalties imposed by RBI and other regulators

No penalties have been imposed by any regulators during financial year 2014-2015.

47.10.3 Related Party Transactions

For related party transaction refer note No.28.

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

The company has been assigned short term debt rating of A1+ by CRISIL and Long term debt rating of AAA+ by CRISIL and ICRA. There is no change in the rating during financial year 2014-2015.

47.10.5 Revenue Recognition

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



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

48 Additional Disclosures

48.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at 31st March 2015	As at 31st March 2014
Provisions for depreciation on Investment	-	-
Provision towards NPA	270,844,515	112,752,038
Provision made towards Income Tax	1,027,105,242	-
Provision for Long Service Awards	1,947,475	-
Provision for reward points redemption	932,981,912	658,576,719
Provision for Gratuity	1,732,628	(638,002)
Provision for Compensated absences	18,218,063	12,698,036
Provision for Employee stock option	873,079	1,176,537
Provision for Other Expenses*	760,376,080	1,009,799,944
Provision for Other taxes	4,235,604	2,271,039
Provision for Standard Assets	224,685,304	173,137,282

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

48.2 Draw Down from reserves

There is no draw down from the reserves during the financial year ended 31st March 2015.

48.3 Concentration of Deposits, Advances, Exposures and NPAs

48.3.1 Concentration of Advances

Particulars	As at 31st March 2015	As at 31st March 2014
Total Advances to twenty largest borrowers*	575,485,823	461,015,073
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.01%	1.05%

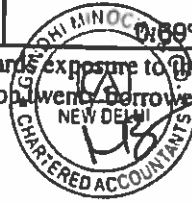
*In case of Corporate Cards, the advances include all the credit cards advances to that Corporate in total.

48.3.2 Concentration of Exposures

Particulars	As at 31st March 2015	As at 31st March 2014
Total Exposure to twenty largest borrowers/customers*	2,783,583,697	2,120,616,467
Percentage of Exposures to twenty largest borrowers/customers to Total Exposures of the NBFC on borrowers/customers	0.69%	0.63%

*In case of Corporate Cards, the exposure includes all the credit cards exposure to that Corporate in total.

*The exposure here denotes the total credit card limit against the top twenty borrowers.



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

48.3.3 Concentration of NPAs

Particulars	As at 31st March 2015	As at 31st March 2014
Total Exposure to top four NPA accounts*	3,279,187	4,206,963

*The exposure to NPA is only the principle outstanding. The income is fully de-recognised and limit is already blocked for these customers.

48.3.4 Sector wise NPAs

SI No.	Sector	% of NPAs to Total Advances in that sector	As at 31st March 2015	As at 31st March 2014
1	Agriculture & allied activities			
2	MSME			
3	Corporate borrowers - Credit Cards*	0.10%	589,784	4,851,106
4	Services			
5	Unsecured personal loans			
6	Auto loans			
7	Other personal loans - Credit Cards	1.89%	1,068,385,250	428,999,987

*In case of Corporate Cards, the NPAs includes all the credit cards exposure to that Corporate in total. % of NPA is for FY 2014-15.

48.4 Movement of NPAs

Particulars	As at 31st March 2015	As at 31st March 2014
(i) *Net NPAs to Net Advances (%)	1.40%	0.74%
Movement of NPAs (Gross)		
(a) Opening balance	433,851,093	-
(b) Additions during the year	2,997,034,440	433,851,093
(c) Reductions during the year	2,361,910,499	-
(d) Closing balance	1,068,975,034	433,851,093
(ii) *Movement of NPAs (Net)		
(a) Opening balance	321,099,055	-
(b) Additions during the year	2,247,775,830	321,099,055
(c) Reductions during the year	1,770,744,366	-
(d) Closing balance	798,130,519	321,099,055
(iii) *Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	112,752,038	
(b) Provisions made during the year	749,258,610	112,752,038
(c) Write-off / write-back of excess	59,166,133	
(d) Closing balance	270,844,515	112,752,038



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SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED
(All amounts in Indian Rupees)

Notes forming part of the financial statements

Significant accounting policies and notes to accounts

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

There is no overseas asset as at 31 March 2015.

48.6 Off-balance Sheet SPVs sponsored

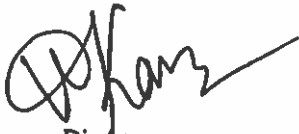
There is no off-balance sheet SPVs sponsored by the company during the year ended 31 March 2015.

48.7 Disclosures of Customers Complaints

S.no	Particulars	As at 31st March 2015	As at 31st March 2014
(a)	No. of complaints pending at the beginning of the year	317	443
(b)	No. of complaints received during the year	18,281	28,096
(c)	No. of complaints redressed during the year	18,069	28,222
(d)	No. of complaints pending at the end of the year	529	317

For and on behalf of the Board of Directors of

SBI Cards and Payment Services Private Limited



Director
03443982
Date: 24.04.2015

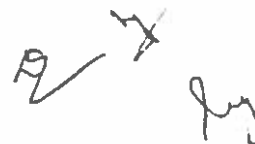
Place: MUMBAI



Director
01659506



Company Secretary

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**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF SBI CARDS & PAYMENT SERVICES PRIVATE LIMITED FOR
THE YEAR ENDED 31 MARCH, 2015**

The preparation of financial statements of SBI Cards & Payment Services Private Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 9 June, 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of SBI Cards & Payment Services Private Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on the behalf of the
Comptroller & Auditor General of India**


(Suparna Deb)

**Principal Director of Commercial
Audit & Ex-officio Member, Audit Board-II
New Delhi**

Place: New Delhi

Date: 29.06.2015