



## **SBI CARDS AND PAYMENT SERVICES LIMITED**

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

CIN: U65999DL1998PLC093849, Website: [www.sbicard.com](http://www.sbicard.com) Email ID: [investor.relations@sbicard.com](mailto:investor.relations@sbicard.com)

**Registered Office:** Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower E-1,2,3, Netaji Subhash Place, Wazirpur, New Delhi 110 034, India; **Phone:** +91 (11) 6126 8100

**Corporate Office:** 2nd Floor, Tower-B, Infinity Towers, DLF Cyber City, Block 2 Building 3, DLF Phase 2, Gurugram, Haryana 122 002, India; **Phone:** +91 (124) 458 9803.

### **NOTICE OF POSTAL BALLOT**

#### **[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]**

NOTICE is hereby given to the shareholders of **SBI CARDS AND PAYMENT SERVICES LIMITED** (the "Company") that the resolutions appended below are proposed to be passed by the Shareholders through Postal Ballot ("Postal Ballot") by way of remote e-voting ("e-voting / remote e-voting") as Resolution(s), in accordance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as "the said Act") read with the Companies (Management and Administration) Rules, 2014 (hereinafter referred as "the Rules") including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

#### **1. To consider and approve the Material Related Party Transactions**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and any other applicable provisions, including any amendment, modification, variation or re-enactment thereof, the Members of the Company do hereby ratify as also accord further approval to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and/ or carrying out and/or continuing with contracts, arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with State Bank of India ("SBI"), being a related party, whether by way of renewal(s) or extension(s) or modification(s) of earlier contract/arrangements/ transactions or otherwise, with respect to (i) Banking services/loan transactions/credit facility including all forms of borrowings/Fixed Deposits/Investments (ii) Finance Charges/Bank Charges/fee & Commission (iii) Advertisement/Marketing/Sourcing of Cards (iv) Payment of Royalty at the rate of 0.20% of Total Income or 2% of Profit after Tax, whichever is higher (v) Corporate Card facility (vi) Cost allocation and/or other transactions including transactions as may be disclosed in the notes forming part of the financial statements for the relevant period notwithstanding the fact that all these transactions during the financial year 2019-20, in aggregate have exceeded 10% of the annual consolidated turnover of the Company for the relevant year and shall continue to qualify as material related party transactions for the FY 2020-21 and onwards on the basis of materiality threshold as may be applicable, from time to time."

**"RESOLVED FURTHER THAT** pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and any other applicable provisions, including any amendment, modification, variation or re-enactment thereof, the Members of the Company do hereby ratify as also accord further approval to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and/or carrying out and/or continuing with contracts, arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with SBI Capital Markets Limited ("SBI CAP"), being a related party, whether by way of renewal(s) or extension(s) or modification(s) of earlier contract/arrangements/ transactions or otherwise, with respect to certain Capital/debt market services, Corporate Credit Card facility, borrowings, investments and other transactions as may be disclosed in the notes forming part of the financial statements for the relevant period notwithstanding the fact that all these transactions during the financial year 2019-20, in aggregate have exceeded 10% of the annual consolidated turnover of the Company for the relevant year and shall continue to qualify as material related party transactions for the FY 2020-21 and onwards on the basis of materiality threshold as may be applicable, from time to time."

**"RESOLVED FURTHER THAT** the Members of the Company do hereby ratify as also accord further approval to the Board to sign and execute all such documents, agreements and writings and to do all such

acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/or director(s) and/or officer(s) of the Company, to give effect to this resolution.”.

## 2. To ratify the ‘SBI Cards - Employee Stock Option Plan 2019’

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** in furtherance of and supplement to the Special Resolution passed by the Shareholders in the Extra-Ordinary General Meeting of the Company held on February 22, 2019, pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act 2013 read with the Memorandum of Association and Articles of Association of the Company and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”) including any statutory modification(s) or re-enactment of the Act or the SBEB Regulations, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary and subject to such other rules, regulations and guidelines that may be issued by Securities and Exchange Board of India and/or other appropriate authorities,/Institutions/Bodies as necessary from time to time, as may be applicable, including such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including Nomination and Remuneration Committee constituted by the Board under Section 178 of the Companies Act, 2013 to exercise its powers, including the powers, conferred by this resolution), **“SBI Cards - Employee Stock Option Plan 2019”** (hereinafter referred as the “ESOP Scheme, 2019” or “Scheme”) as approved by the Shareholders of the Company in the Extra-Ordinary General Meeting held on February 22, 2019, prior to Initial Public Offering (IPO) of Shares of the Company, be and is hereby ratified within the meaning of Regulation 12 of SBEB Regulations and the consent of the Company be and is hereby accorded to create, grant, offer, issue and allot at any time, to the present and/or future permanent employees of the company working in India or abroad and/or director (including whole-time directors but excluding independent directors) of the Company and any other Individual/entities as allowed under applicable rules, regulations, guidelines and laws herein after referred to as (“employees” or “said employees”) under the SBI Card Employee Stock Option Plan -2019, stock options not exceeding 27,970,028 stock options exercisable into equity shares not exceeding 27,970,028 equity shares of the company (or such adjusted numbers for corporate actions including bonus, stock, splits or consolidation or other reorganization of the capital structure of the company), having face value of INR 10/- (Rs. Ten only) per equity share on payment of the requisite exercise price to the Company, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the applicable laws and provisions of ESOP Scheme 2019.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to evolve, modify, decide upon, administer, superintend and implement SBI Cards Employee Stock Option Plan 2019, as the Board in its absolute discretion deems fit, and as per ESOP Scheme 2019 specifically ratified by the Members;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot equity shares upon exercise of stock options, from time to time, granted under SBI Cards Employee Stock Option Plan 2019 and such equity shares allotted shall in all respects rank pari passu inter-se and with the then existing equity shares of the Company;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board/ Committee be and is hereby authorized on behalf of the Company, to evolve, decide upon and bring in to effect the Scheme and modifications, changes, variations, alterations, or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose including taking all the necessary steps for listing of the equity shares allotted on the Stock Exchanges as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, as and when required and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

**By order of the Board of Directors  
For SBI Cards and Payment Services Limited  
(formerly known as SBI Cards and Payment Services Pvt. Ltd.)**

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

Date: May 8, 2020  
Place: Gurugram

## NOTES

1. Ministry of Corporate Affairs, Government of India (the "MCA") in terms of the General Circular No.14/2020 dated 8<sup>th</sup> April 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April 2020 (the "MCA Circulars"), in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, have advised the companies to take all decisions requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot/e-voting in accordance with the provisions of the Companies Act 2013 and rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue. The MCA has clarified that for companies that are required to provide e-voting facility under the Act, while they are transacting any business(es) only by postal ballot upto 30<sup>th</sup> June 2020 or till further orders, whichever is earlier, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable *mutatis mutandis*. Further, the company will send Postal Ballot Notice by email to all its shareholders who have registered their email addresses with the company or depository/ depository participants and the communication of assent/dissent of the members will only take place through the remote e-voting system. This Postal Ballot is accordingly being initiated in compliance with the MCA Circulars.
2. Hence, in compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the shareholders for this Postal Ballot and the shareholders are required to communicate their assent or dissent through the remote e-voting system only.
3. The shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

Pursuant to the aforesaid Circular issued by Ministry of Corporate Affairs, for remote e-voting for this Postal Ballot, shareholders who have not registered their email address and in consequence the e-voting notice could not be serviced to them may temporarily get their email address registered with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) and follow the registration process as guided thereafter. Post successful registration of the email, the shareholder would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this Postal Ballot. In case of any queries, shareholder may write to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the Resolutions is annexed herewith.
5. The Company has appointed Mr. Vineet K Chaudhary (Certificate of Practice no. 4548) Managing Partner of M/s VKC & Associates, Company Secretaries, or failing him Mr. Mohit K. Dixit (Certificate of Practice no. 17827), Partner of M/s VKC & Associates, Company Secretaries, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
6. After the lockdown is lifted by the Central/State governments, statutory/ regulatory and other administrative authority, relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection at the Registered Office and the copies thereof at the Corporate Office of the Company during normal business hours (between 11.00 A.M. to 1.00 P.M.) on all working days upto and including the date of declaration of the results of Postal Ballot. The relevant documents will also be made available on the website of the Company during the abovementioned period.
7. Pursuant to the provisions of Section 110, the MCA Circulars and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, assent or dissent of the Members in respect of the resolutions contained in the Notice dated May 8, 2020 is being taken through e-voting only.
8. The Notice is being sent to all the Members/Beneficiaries, whose names appear on the Register of Members/Record of Depositories as on Friday, May 8, 2020 in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and Ministry of Corporate Affairs, Government of India's General Circular No. 17/2020 dated April 13, 2020. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the Member(s) as on that date and any person who is not a member as on that date should treat this Notice for information purposes only. The Notice of Postal Ballot is also placed on the website of the Company i.e. [www.sbicard.com](http://www.sbicard.com) and the website of Link Intime India Private Limited i.e. [www.linkintime.co.in](http://www.linkintime.co.in) and at the relevant sections of the websites of the stock exchanges on which the shares of the Company are listed i.e. BSE Ltd. ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Ltd. ([www.nseindia.com](http://www.nseindia.com)).

9. In compliance with the provisions of Sections 108 and 110 of the Act, read with the Companies (Management and Administration) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to offer e-voting facility as an option to all the Members, to enable them to cast their votes electronically. The Company has appointed Link Intime India Private Limited for facilitating e-voting to enable the members to cast their votes electronically (hereinafter referred to as the "Remote e-voting").
10. Please note that pursuant to the MCA Circular voting by members can only be through e-voting.
11. There will be one e-vote for every Folio/Client ID irrespective of the number of joint holders.
12. The voting period begins on Tuesday, May 19, 2020 from 10.00 A.M. and ends on Wednesday, June 17, 2020 (5.00 P.M.). During this period, members of the Company holding equity shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, May, 8, 2020 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.
13. Voting Rights in the Postal Ballot cannot be exercised by a proxy.
14. The Scrutinizer will submit his report to the Chairman or in his absence, any Director/officer of the Company authorised by the Chairman after the completion of scrutiny of the Postal Ballot Forms (including e-voting) on or before Friday, June 19, 2020.
15. The Scrutinizer's decision on the validity of e-voting will be final.
16. In case of any queries, any member who has grievances connected with e-voting for postal ballot can contact Mr. Rajiv Ranjan | Assistant Vice President - e-Voting, Link Intime India Pvt. Ltd, C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083, at +91 22 49186000 | Extn-2540 or at +91 22 49186000 | Extn-2505 or email at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in)
17. The Chairman and in his absence, any Director/officer of the Company authorised by the Chairman will declare/ announce the result of the Postal Ballot/e-voting on or before 5.00 P.M. on Friday, June 19, 2020, at the Corporate Office of the Company. The Resolution(s) as mentioned in the notice shall be deemed to have been passed on Wednesday, June 17, 2020, being the last date for e-voting. In the event that the national lockdown on account of COVID-19 situation is eased off and the Company's offices are open for business, the Company will also display the results of the postal ballot at its registered office and at the corporate office.
18. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company at [www.sbicard.com](http://www.sbicard.com) and on the website of Link Intime India Private Limited and shall also be communicated to BSE Ltd. and National Stock Exchange of India Ltd.

#### **Instructions for shareholders to vote electronically:**

##### **❖ Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

<b>For Shareholders holding shares in Demat Form or Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is communicated to the shareholder.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field.</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
- On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

- If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
- After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call at :- Tel : 022 - 49186000.

**EXPLANATORY STATEMENT CONTAINING MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item 1**

**To consider and approve the Material Related Party Transactions**

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Company's Policy on Related Party Transactions all Material Related Party Transactions shall require the approval of the shareholders as per the Listing Regulations even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

A transaction with a related party shall be considered material under the Listing Regulations, if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.

However, a transaction pertaining to payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

State Bank of India (SBI) and SBI Capital Markets Limited (SBI CAP) are related parties of the Company pursuant to Section 2(76) of the Companies Act, 2013 and the Company enters into various contracts/ arrangements/transactions with them as disclosed in the notes forming part of the financial statements. In the financial year 2019-20, the aforementioned transactions in terms of aggregate value in respect of both the said related parties severally, have exceeded 10% of the Company's annual consolidated turnover for the relevant year. The transactions have been continued so far in the financial year 2020-21 and are expected to exceed the prescribed threshold limits under the Listing Regulations and other laws as may be applicable from time to time so as to qualify as material related party transactions. Going forward also, the Company intends to continue such transactions with SBI and SBI CAP.

Accordingly, as per Regulation 23 of the Listing Regulations, approval and/or ratification of the Members is sought for the arrangements/ transactions undertaken whether by way of continuation/ extension/ renewal/ modification of earlier arrangements/ transactions/to be undertaken by the Company.

Accordingly, the Company proposes to obtain approval of its Members for ratifying as also for giving further approval to the Board for carrying out and/or continuing with the following arrangements and transactions with SBI and SBI CAP:

## **SBI**

- (i) Banking services/loan transactions/credit facility including all forms of borrowings/Fixed Deposits Investments
- (ii) Finance Charges/Bank Charges/fee & Commission
- (iii) Advertisement/Marketing/Sourcing of Cards
- (iv) Payment of Royalty at the rate of 0.20% of Total Income or 2% of Profit after Tax, whichever is higher
- (v) Corporate Card facility
- (vi) Cost allocation and other transactions including transactions as may be disclosed in the notes forming part of the financial statements for the relevant period

## **SBI CAP**

- (i) Certain Capital/debt market services
- (ii) Corporate Credit Card facility
- (iii) Borrowings/investments
- (iv) and other transactions as may be disclosed in the notes forming part of the financial statements for the relevant period.

The above stated arrangements and transactions with SBI and SBI CAP amount to related party transactions falling within the purview of the Listing Regulations and all these transactions in aggregate, are material related party transactions under the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 1 of this Notice except to the extent of their employment/nomination by SBI/employment in the Company, if any and their shareholding in the Company/SBI/SBI CAP, if any.

SBI being promoter of the Company and the promoter and holding company of SBI CAP, shall be deemed to be interested in the proposed resolutions.

The Members may please note that in terms of the provisions of the Listing Regulations, no related party/ies shall vote to approve on the resolution under Item No.1

The Board of Directors at its meeting held on May 8, 2020 recommended the passing of the resolutions set-out under Item No. 1 of the Notice as an Ordinary Resolution.

## **Item 2**

### **To ratify the 'SBI Cards - Employee Stock Option Plan 2019'**

Pursuant to the resolution of the Board passed on January 16, 2019 and the Shareholders' resolution dated February 22, 2019, the Company had established the SBI Cards Employee Stock Option Plan 2019 (herein after referred as "ESOP Scheme 2019" or "Scheme"). Under the said ESOP Scheme 2019, 13,343,700 options have been granted as on the date of this notice out of total authorization of 27,970,028 options, and none of these options have vested as on date. Each option granted under ESOP Plan 2019 is convertible into one equity share.

As per Regulation 12 of the SEBI (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations'), no company shall make any fresh grant of ESOPs which involves allotment or transfer of shares to its employees under any ESOP Schemes formulated prior to its IPO and prior to the listing of its equity shares (Pre-IPO Scheme) unless (i) such pre-IPO scheme is in conformity with SBEB Regulations; and (ii) such pre-IPO scheme is ratified by its shareholders subsequent to IPO.

Considering, that the Company came out with a Public Issue of its Equity shares in March 2020 and its equity shares are listed at BSE and NSE with effect from March 16, 2020, the Company's ESOP Scheme 2019 is required to be ratified by the shareholders of the Company pursuant to Regulation 12 of the SBEB Regulations for making any fresh grant of ESOPs under this Scheme. Accordingly, same is referred to the shareholders for their ratification in terms of Regulation 12 and other applicable provisions of the SBEB Regulations. The said Scheme is in conformity with the SBEB Regulations and the Company has not granted any fresh grant of options to employees as on date after the public issue of the Company.

The Broad features of the SBI Cards Employee Stock Option Plan 2019 are:

The total number of stock options to be granted	Upto 27,970,028 shares subject to adjustments as may be required due to any corporate action as stated in the scheme
Identification of classes of employees entitled to participate in the SBI Cards Employee Stock Option Plan 2019	1) Permanent Employees of the Company working in India or out of India. 2) Director of the company, whether a whole time Director or otherwise (But excluding an independent Director) as decided by the Board/the Nomination and Remuneration Committee
Appraisal process for determining the eligibility of employees to the SBI Cards Employee Stock Option Plan 2019	As decided by the Board/ Nomination and Remuneration Committee from time to time in accordance to the SBI Cards Employee Stock Option Plan 2019.
Requirements of vesting and vesting period	Subject to conditions mentioned in the SBI Cards Employee Stock Option Plan 2019 provided there has to be a minimum period of one year between grant of options and vesting of options.
Maximum period within which the options shall be vested	In accordance with the SBI Cards Employee Stock Option Plan 2019.
Exercise price or the formula for arriving at the exercise price	As decided by the Board/Nomination and Remuneration Committee in accordance with the SBI Cards Employee Stock Option Plan 2019
Exercise period and Exercise Process	As per the SBI Cards Employee Stock Option Plan 2019
Lock-in period	As determined by the Board/Nomination and Remuneration Committee in accordance with the ESOP 2019.
Maximum number of options to be granted / quantum of benefit per employee and in aggregate	As per the SBI Cards Employee Stock Option Plan 2019
Method which the company shall use to value its options	To be determined as per the SBI Cards Employee Stock Option Plan 2019. Company is using fair value method to value its options. In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.
Conditions under which options vested in employee(s) may lapse	As per the SBI Cards Employee Stock Option Plan 2019
Specified Time Period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	It is subject to the conditions mentioned in various clauses of the SBI Cards Employee Stock Option Plan 2019
Implementation and administration of ESOP 2019	The Company shall directly implement and administer the ESOP 2019 through the Board / the Nomination and Remuneration Committee.
Issue of new shares	Company shall issue new shares on exercise of stock options under the ESOP 2019.

Members are requested to note that the Company shall confirm to the applicable Accounting Standards and Policies as applicable to the Company, from time to time.

Your Directors recommend the resolutions set out at Item no. 2 for approval of the Members by way of Special Resolution.

None of the Promoter, Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of the stock options that are granted or may be granted to them under the said Scheme.

**By order of the Board of Directors  
For SBI Cards and Payment Services Limited  
(formerly known as SBI Cards and Payment Services Pvt. Ltd.)**

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

Date: May 8, 2020  
Place: Gurugram