UMMED JAIN & CO.
Estd 1981
Chartered Accountants

51, Snehdhara, Jeevan Vikas Kendra Marg
Andheri (E), Mumbai - 400 069
Tel : 022-26827498 Fax : 022-39167227
Mob.: 9323600966, 9320650966
E-mail : ujc1981@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of SBI Capital Markets Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of SBI Capital Markets Limited (hereinafter referred to as the "Holding Company") its subsidiaries (Holding Company and its subsidiaries collectively referred to as "the Group"), and its associate, which comprise the consolidated Balance Sheet as at 31st March 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Statement" or "the consolidated financial statements").

   In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind-AS) and other accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group and its associate as at March 31, 2021, their consolidated net profit (financial performance including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit of the consolidated financial statements in accordance with the *Standards on Auditing (SAs)* specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and of its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India(ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matters

3.(i)With respect to SBICAP Trustee Limited

a) We draw attention to Note 46 to the consolidated financial statements of the Group *(Note 47 of standalone financial statements of SBICAP Trustee Limited)* which explain that the extents to which COVID 19 pandemic will impact the financial statements, is dependent on future developments, which are highly uncertain. Auditor's opinion is not modified in respect of this matter.

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

JAIPUR : R- 12, Yudhisther Marg, C-Scheme, Jaipur-302005 | Ph. : 0141-2229598, 4019598
KOTA : 88, Shopping Center, Kota-321005 | Mob : +91-98290 96969

b) We draw attention to Note 41(e) to the consolidated financial statements of the Group *(Note 31 of standalone financial statements of SBICAP Trustee Limited)* on adoption of Ind AS 115 'Revenue from Contracts with Customers' with effect from financial year 2020-21 onwards. In the current financial year, the management took an opinion for recognition of income and the cumulative impact on adoption of this standard is given in opening equity on the date of adoption. The previous year audited figures were based on management's estimation and judgement. Auditor's opinion is not modified in respect of this matter.

(ii) SBICAP (Singapore) Limited

We draw attention to Note 45 of the consolidated financial statements of the Group *(Note 2.2 of standalone financial statements of SBICAP Singapore Limited)* which states that the Board of Directors of SBICAP (Singapore) Limited through a circular resolution dated 25 March 2021 resolved that the Company would (i) surrender the Capital Markets Services License ('CMSL') issued by Monetary Authority of Singapore ('MAS'), and (ii) initiate the process of cessation of business after the procedure of surrendering the CMSL is completed. As a result, the Company changed its basis of accounting from the going concern basis to a non-going concern basis during the financial year ended 31st March 2021. Auditor's opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
With respect to SBI Capital Markets Ltd. (Standalone)		
(i)	***Assessment of Valuation of investments measured at fair value for which no listed price in an active market is available and valued using market information and significant unobservable input:*** The Company has certain Investments of which listed price in an active market is not available and has valued at fair value at Rs.2852.48 crore (Rs.1611.76 crore as at 31.03.2020) as required by Ind-AS. The corresponding fair value change is recognised in Other Comprehensive Income (OCI) and deferred tax in accordance with related Accounting Standard (Ind-AS 109). In measuring these Investments, valuation methods are used based on inputs that are not directly observable from market information and	***Principal Audit Procedures*** We understood and tested the design and operating effectiveness of the Company's control over the assessment of valuation of investments. • We evaluated the independence, competence, capabilities and objectivity of Management's expert (Independent professional valuer). • We evaluated together with the auditor's expert to assess the reasonableness of the valuation methodology and underlying assumptions relating to market multiples and growth rate, discount rate, NAV etc. used by the independent professional valuer to estimate the fair value of investments.

	certain other unobservable inputs. The Management has also used the services of an independent professional valuer. Key inputs used in the valuation of above investments are market multiples and growth rate, terminal rate, discount rate, NAV etc. The valuation of these assets is important to our audit as it is highly dependent on estimates (various assumptions and techniques used) which contain assumptions that are not observable in the market. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter. *(Refer Note 2(vii)(b) and Note 6 (1) to the Consolidated Financial Statements)*	• We validated the source data on sample basis and tested the arithmetical accuracy of the calculation of valuation of investments. • We assessed the adequacy of the disclosures in the standalone financial statements. Based on our above audit procedures we consider that the management's assessment of the investment for which no listed price in an active market is available is reasonable.
(ii)	***Allowance for credit losses:*** The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered the likelihood of increased credit risk and consequential default considering emerging situation due to COVID-19 and second phase of COVID. The company closely monitors its receivables that are going through financial stress. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses. *(Refer Note 46 to the Consolidated Financial Statements)*	***Principal Audit Procedures*** Our audit procedures related to the allowance for credit losses for trade receivables and other receivables included the following, among others: We tested the effectiveness of controls over the: (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions and (2) We tested the mathematical accuracy and computation of the allowances using the same input data used by the Company
(iii)	***Evaluation of uncertain tax positions*** The Company has material uncertain tax positions including matters under dispute which involves significant judgment to	***Principal Audit Procedures*** We evaluated the Company's processes and controls for monitoring the tax disputes.

	determine the possible outcome of these disputes. *(Refer Note 8 to the Consolidated Financial Statements)*	Obtained risk assessment of tax litigation from our internal tax expert to assess management's judgment and assumption on such matters to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. They also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management discussion and Analysis, Board's Report including its annexures containing details of its subsidiaries & associate and Corporate Governance Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

   If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including share of its associate, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate 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 and 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and of its associate or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary companies and its associate, which are incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and event s in a manner that achieves fair presentation.

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregated makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative facts in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Matters

8. (i) With respect to SBI Capital Markets Ltd

We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets of Rs.1272.97 crore as at 31st March, 2021, total net assets of Rs.852.64 crore, total revenue of Rs.788.10 crore and net cash inflow of Rs. -103.62 crore for the year ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include Group's share in Net Profit using equity method of Rs.0.69 crore for the year ended March, 2021, in respect of an Associate. These financial statements of subsidiaries and associate have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate end our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such auditors.

Our opinion on the consolidated financial statements, and our report on the other legal and regulatory requirements as mentioned below is not modified is respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Holding company's management.

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate as noted in the 'other matter' paragraph, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company, its subsidiary companies and associate incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, to the extent applicable, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary companies and associate, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and of its associate - Refer Note 31 to the consolidated financial statements.

      ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate incorporated in India.

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

10. As required by Section 143(5) of the Companies Act, 2013 we give in "*Annexure-B*" our comments on the directions issued by the Comptroller and Auditor General of India.

for UMMED JAIN & CO.
Chartered Accountants,
FRN : 119250W

[CA AKHILJAIN]
Partner
M.No. 137970

UDIN: 21137970AAAADF9639
Date: 5th May, 2021
Place: Mumbai

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 8(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the consolidated financial statements of the SBI Capital Markets Limited for the year ended March 31, 2021 on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013).

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over Financial reporting of SBI Capital Markets Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and associate, which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note")and the Standards on Auditing, both issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and associate, incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

The Internal Financial Control over Financial Reporting of three subsidiaries incorporated in India and one associate incorporated in India have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the Internal Financial Control over Financial Reporting of these companies, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such auditors.

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Our opinion on internal financial control over financial reporting, is not modified is respect of the above matters with respect to our reliance on the work done and the reports of the other auditors on the internal financial control over financial reporting.

for UMMED JAIN & CO.
Chartered Accountants,
FRN : 119250W

[CA AKHIL JAIN]
Partner
M.No. 137970

UDIN: 21137970AAAADF9639
Date: 5th May, 2021
Place: Mumbai

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 9 under the heading '*Report on Other Legal & Regulatory Requirement*' of our report of even date to the Consolidated financial statements of the SBI Capital Markets Limited for the year ended March 31, 2021 on directions issued by the Comptroller and Auditor General of India under section 143(5) of Companies Act, 2013 in respect of the holding company and subsidiaries incorporated in India, wherever these provisions are applicable)

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

   - *In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, the holding company and its subsidiary companies incorporated in India, has system in place to process all the accounting transactions through IT system.*

2. Whether there is any restructuring of an existing loan or cases of waiver/write-off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? if yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).

   - *In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, in respect of the holding company and its subsidiary companies incorporated in India, there is no restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the holding company or subsidiary companies incorporated in India.*

3. Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its term and conditions? List the cases deviation.

   - *In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, in respect of the holding company and its subsidiary companies incorporated in India, no funds have been received / receivable for specific schemes from central / state agencies.*

for UMMED JAIN & CO.
Chartered Accountants,
FRN : 119250W

UMMED JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

[CA AKHIL JAIN]
Partner
M.No. 137970

UDIN: 21137970AAAADF9639
Date: 5th May, 2021
Place: Mumbai

SBI Capital Markets Limited
Consoidated Balance sheet as at March 31, 2021

(Rs in Lacs)

	Particulars	Notes	As at 31-Mar-21	As at 31-Mar-20
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	3	30,270	36,318
(b)	Bank balance other than above	3	40,393	30,359
(c)	Securities for trade	4	1,50,246	82,692
(d)	Receivables			
	(I) Trade Receivables	5	47,353	24,781
	(II) Other Receivables	5	66	41
(e)	Investments	6	3,18,567	1,94,407
(f)	Other Financial assets	7	2,593	4,603
	Total Financial Assets		5,89,488	3,73,201
(2)	**Non-financial Assets**			
(a)	Current tax asset (Net)	8	11,767	12,300
(b)	Property, Plant and Equipment	9	7,882	8,012
(c)	Right-of-use assets		4,783	579
(d)	Capital work in progress		275	6
(e)	Intangible assets under development		227	-
(f)	Intangible assets	10	1,196	472
(g)	Other non-financial assets	11	2,755	1,836
	Total Non - Financial Assets		28,885	23,205
	TOTAL ASSETS		**6,18,373**	**3,96,406**
	LIABILITIES AND EQUITY			
(1)	**LIABILITIES**			
(a)	**Financial Liabilities**			
	Payables	12		
	(I) Trade Payables			
	- total outstanding dues of MSME		-	-
	-total outstanding dues of creditors other than MSME		24,097	15,134
	(II) Other Payables			
	- total outstanding dues of MSME		-	-
	-total outstanding dues of creditors other than MSME		509	522
(b)	Borrowings	13	3,674	6,899
(c)	Lease liabilities		4,747	598
(d)	Other financial liabilities	14	12,568	9,595
	Total Financial Liability		45,595	32,748
(2)	**Non-Financial Liabilities**			
(a)	Deferred tax Liabilities (Net)	15	62,997	33,049
(b)	Provisions	16	1,696	2,113
(c)	Other non-financial liabilities	17	7,466	3,193
	Total non financial Liability		72,159	38,355
(3)	**EQUITY**			
(a)	Equity Share capital	18	5,803	5,803
(b)	Other Equity	19	4,94,816	3,19,500
	Total Equity		5,00,619	3,25,303
	TOTAL LIABILITIES AND EQUITY		**6,18,373**	**3,96,406**
	Significant accounting policies and notes to financial statements	1-48		

The accompanying notes forms an integral part of these financial statements

As per our report of even date

For Ummed Jain & Co
Chartered Accountants
Firm Registration No. 119250W

CA Akhil Jain
Partner
Membership No.: 137970

Mumbai
May 5, 2021

For and on behalf of Board of Directors

Ashwini Kumar Tewari
Director

Arun Mehta
Managing Director & CEO

Krishnan Kutty Raghavan
Chief Financial Officer

Amit Shah
Company Secretary

SBI Capital Markets Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(Rs in Lacs)

	Particulars	Notes	Year ended 31-Mar-21	Year ended 31-Mar-20
(I)	**Revenue from operations**			
(i)	Interest Income	20	3,538	3,006
(ii)	Dividend Income	21	2,640	4,105
(iii)	Fees and Commission Income	22	1,24,680	85,484
(iv)	Net gain on fair value changes	23	5,460	5,552
	Total Revenue from Operations		**1,36,318**	**98,146**
(II)	Other Income	24	513	1,069
(III)	**Total Income**		**1,36,831**	**99,215**
	Expenses			
(i)	Finance Costs	25	2,768	252
(ii)	Fees and Commission expenses	26	14,735	14,326
(iii)	Employee Benefits Expenses	27	33,304	25,520
(iv)	Depreciation and Amortization	28	2,364	1,761
(v)	Others expenses	29	11,182	13,674
(IV)	**Total Expenses**		**64,353**	**55,532**
(V)	**Profit before share of profit/ (loss) of assciates**		**72,478**	**43,683**
(VI)	Share of profit/(loss) of associates		69	46
(VII)	**Profit before tax**		**72,547**	**43,729**
(VIII)	**Tax Expense:**			
	(1) Current Tax	38	17,768	9,367
	(2) Tax expense/(credit) of earlier years	38	(86)	(920)
	(3) Deferred Tax	38	2,155	1,833
(IX)	**Profit/(loss) after tax for the year**		**52,710**	**33,449**
(X)	**Other Comprehensive Income (OCI)**			
	A Items that will not be reclassified to profit or loss			
	- Remeasurement of defined employee benefit plans	33	4	(168)
	- Realised gain on Equity instruments through OCI		48,433	
	- Unrealised gain on Equity instruments through OCI		1,24,334	85,253
	- Income tax relating to items that will not be reclassified to Profit or Loss	38	(36,768)	(10,715)
	Subtotal (A)		1,36,003	74,370
	B Items that will be reclassified to profit or loss		-	-
	- Income tax relating to items that will be reclassified to Profit or Loss		-	-
	Subtotal (B)		-	-
	Other comprehensive income		**1,36,003**	**74,370**
(XI)	**Total Comprehensive Income for the year**		**1,88,713**	**1,07,819**
(XII)	**Earning Per Share (face value of Rs. 10 each)**			
	Basic in Rs.	30	90.83	57.64
	Diluted in Rs.	30	90.83	57.64
	Significant accounting policies and notes to financial statements	1-48		

The accompanying notes forms an integral part of these financial statements

As per our report of even date

For Ummed Jain & Co
Chartered Accountants
Firm Registration No. 119250W

CA Akhil Jain
Partner
Membership No.: 137970

Mumbai
May 5, 2021

For and on behalf of Board of Directors

Ashwini Kumar Tewari
Director

Arun Mehta
Managing Director & CEO

Krishnan Kutty Raghavan
Chief Financial Officer

Amit Shah
Company Secretary

SBI Capital Markets Limited
Consolidated Statement of changes in equity as at March 31, 2021

A. Equity share capital

(Rs in Lacs)

Particulars	No. of shares (lacs)	Amount
Balance as at April 1, 2019	580	5,803
Changes in equity share capital	-	-
Balance as at March 31, 2020	580	5,803
Changes in equity share capital	-	-
Balance as at March 31, 2021	580	5,803

B. Other Equity

(Rs in Lacs)

Particulars	Reserves & Surplus				Other Comprehensive Income			Total other equity attributable to equity holders of the Company
	General Reserve	Capital Redemption Reserve	Security premium reserve	Retained earnings	Foreign Currency Translation Reserve	Equity instruments through other comprehensive income	Other items of Other comprhensive income	
Balance as at April 1, 2019	45,385	94	6,347	1,55,374	256	4,028	(34)	2,11,449
Profit for the year	-	-	-	33,449	-	-	-	33,449
Remeasurement of defined employee benefit plans (net of taxes)	-	-	-	-	-	-	(154)	(154)
Unrealised gain on Equity instruments through OCI (net of taxes)	-	-	-	-		74,524	-	74,524
Total comprehensive income for the year	-	-	-	33,449	-	74,524	(154)	1,07,819
	45,385	94	6,347	1,88,823	256	78,551	(188)	3,19,268
Inter-Reserve Transfer	205	-	-	(41)	(164)		-	-
Other Movements	-	-	-	-	231	-	-	231
Balance as at March 31, 2020	45,590	94	6,347	1,88,782	323	78,551	(188)	3,19,500
Profit/additions for the year	-	-	-	52,710	-	-	-	52,710
Remeasurement of defined employee benefit plans (net of taxes)							(1)	(1)
Realised gain on Equity instruments through OCI (net of taxes)	-	-	-	-	-	40,099	-	40,099
Unrealised gain on Equity instruments through OCI (net of taxes)	-	-	-	-	-	95,905	-	95,905
Total comprehensive income for the year	-	-	-	52,710	-	1,36,004	(1)	1,88,713
Dividends paid	-	-	-	(11,607)	-		-	(11,607)
Transition Impact of Ind AS 115				(1,951)				(1,951)
Inter-Reserve Transfer	130	-	-	(130)	-	-	-	-
Other Movements	-	-	-	40,042	161	(40,042)	-	161
Balance as at March 31, 2021	45,720	94	6,347	2,67,847	484	1,74,513	(188)	4,94,816

The above statement of changes in equity should be read in conjuction with the accompanying notes.

As per our report of even date

For Ummed Jain & Co
Chartered Accountants
Firm Registration No. 119250W

CA Akhil Jain
Partner
Membership No.: 137970

Mumbai
May 5, 2021

For and on behalf of Board of Directors

Ashwini Kumar Tewari
Director

Arun Mehta
Managing Director & CEO

Krishnan Kutty Raghavan
Chief Financial Officer

Amit Shah
Company Secretary

SBI Capital Markets Limited
Consolidated Cash Flow Statement for the year ended March 31, 2021

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Cash flow from operating activities :-		
Net profit before taxation	72,478	43,683
Adjustments for -		
Fair valuation gain/loss on FVTPL Financial Instrument	(2,385)	(1,719)
Unwinding of interest on fair valuation of security deposit	(21)	
Gain on disposal of subsidiaries	-	6
Provision for (written back)/doubtful debts	(2,300)	(3,001)
Provision for expected credit loss on cash and cash equivalents	4	-
Depreciation and amortisation expenses	1,791	1,542
Depreciation on Right of use assets	573	219
(Profit) / Loss on sale of Property, plant and equipment (net)	32	1
Interest income on investments	(714)	(692)
Interest income on fixed deposit with Banks	(2,311)	(1,710)
Interest on income Tax refund	(17)	(13)
Interest on delayed payment charges	(66)	-
Dividend income	(2,640)	(4,105)
Interest expenses	2,338	204
Interest expense on contract liabilities	180	-
Interest on lease liability	249	48
Increase in Foreign Currency Translation Reserve	161	231
(Decrease)/increase in provision for gratuity	254	(312)
(Decrease)/increase in Provision for compensated absences	159	251
Operating profit before working capital changes	67,766	34,633
Decrease /(increase) in trade receivables	(20,297)	20,017
Decrease /(increase) in other cash and bank balances	(17,736)	(3,561)
Decrease /(increase) financial asset	2,031	2,015
Decrease /(increase) other non-financial assets	(920)	(538)
Decrease /(increase) securities for trade	(67,554)	(20,033)
(Decrease)/increase payables	8,949	(6,633)
(Decrease)/increase other financial liabilities	2,973	2,392
(Decrease)/increase non-financial liabilities	553	2
Cash generated from operations	(24,236)	28,293
Income tax paid	(25,467)	(11,242)
I. Net cash from operating activities	(49,703)	17,051
Cash flow from investing activities:-		
Purchase of fixed assets	(2,944)	(1,601)
Sale of fixed assets	33	10
Interest received	3,091	2,402
Dividend income	2,640	4,105
Purchase of investments	(1,42,800)	(6,145)
Sale of investments	1,93,819	4,443
II. Net cash from investing activities	53,838	3,213

SBI Capital Markets Limited

Consolidated Cash Flow Statement for the year ended March 31, 2021

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Cash flow from financing activities :-		
Repayment of bank borrowing	1,07,000	-
Bank borrowing availed	(1,10,225)	1,800
Repayment of lease liabilities	(716)	(241)
Interest expenses	(2,338)	(252)
Dividend Paid	(11,607)	-
III. Net cash used in financing activities	**(17,886)**	**1,307**
Net change in cash & cash equivalents (I+II+III)	**(13,750)**	**21,571**
Cash & cash equivalents at the beginning of the year	48,941	27,370
Cash & cash equivalents at the end of the year	35,191	48,941

Cash and cash equivalent included in cash flow statement comprise the following balance sheet amounts :-

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Cash on hand	-	1
Cheques on hand	-	648
Balances with scheduled banks (current & deposit accounts)	17,124	31,524
Deposit with maturity of less than 3 months	13,146	4,145
Fixed deposit with banks	4,921	12,623
Total Cash and Cash Equivalents	**35,191**	**48,941**
(Excludes lien marked as deposits with scheduled banks and current account balance in escrow account)	35,472	17,737

Note:

The above cash flow statement has been prepared under the "Indirect method" as set out on the Indian Accounting Standard (Ind AS-7) Statement of Cash flow

The Cash flow statement and notes to accounts form an integral part of the account.

As per our report of even date

For Ummed Jain & Co
Chartered Accountants
Firm Registration No. 119250W

CA Akhil Jain
Partner
Membership No.: 137970

Mumbai
May 5, 2021

For and on behalf of Board of Directors

Ashwini Kumar Tewari
Director

Arun Mehta
Managing Director & CEO

Krishnan Kutty Raghavan
Chief Financial Officer

Amit Shah
Company Secretary

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

1. Corporate Information

SBI Capital Markets Limited (hereinafter referred to as "the Company") is an Unlisted Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at No.202, Maker Tower, 'E', 20th Floor Cuffe Parade, Colaba, Mumbai - 400 005, Maharashtra, India. The principal activity of group consists of Merchant Banking, corporate advisory services, Equity Broking & Research, Security Agency & Debenture Trusteeship and Private Equity Investment & Asset Management.

The Company is a wholly owned subsidiary and the Investment Banking arm of State Bank of India (SBI).

The consolidated financial statements of the Group include results of SBI Capital Markets Limited, its subsidiaries SBICAP Securities Limited, SBICAP Trustee Company Limited, SBICAP Ventures Limited, and SBICAP (Sinapore) Limited and associates SBI Pension Funds Private Limited.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements.

i. Basis of Preparation

The consolidated financial statements relate to SBI Capital Markets Limited (the Company) and its subsidiaries and associates (together 'the Group). The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as "Ind AS") notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time).

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

The Consolidated financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded off to nearest lacs, except when otherwise indicated.

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013.

The Consolidated financial statements for the year ended March 31, 2021 are being authorized for issue in accordance with a resolution of the director's on May 5, 2021.

ii. Basis of Consolidation

The consolidated financial statements comprises of SBI Capital Markets Limited and all its subsidiaries being the entity that it controls.

a. Subsidiaries
The subsidiaries are entities controlled by the Holding company. The Holding company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the subsidiary companies and entities (including structured entities) controlled by the Company used in the consolidation are drawn up to the same reporting date as of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any noncontrolling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed of.

b. Associates

Associates are all entities over which the Holding company has significant influence but not control or joint control.

When the Holding company share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

c. Principles of Consolidation:

- The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

- Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

- In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

- The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS.

- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

- Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures.

iii. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires that management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of financial statements and the income and expenses for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Group makes certain judgements and estimates for valuation of impairment of financial instruments, useful life of property, plant and equipment, deferred tax assets/liabilities and retirement benefit obligations. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

iv. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been meet for each of the Company's activities as described below.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in the estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

If consideration is collected upfront before the services are provided, a contract liability is recognized when the payment is received or due (whichever is earlier). Contract liabilities are recognized as revenue when the performance obligation for relevant service is satisfied.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

a. Sale of Services Fee based Income

- **Issue Management and advisory fees** is recognised as per the terms of the agreement with the customer/client i.e. fee income is recognised only when the specific act/milestone defined in the agreement is executed/completed.
- Fees for private placement are recognised on completion of the assignment.
- Brokerage Income: Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid. Amounts receivable from and payable to clients/stock exchanges for broking transactions are disclosed separately as trades executed but not settled.
- Selling & Distribution commission: Commission relating to public issues is accounted for on finalization of allotment of the public issue/receipt of information from intermediary. Brokerage Income relating to public issues / mutual fund / other securities is accounted for based on mobilization and intimation received from clients / intermediaries.
- Depository Income: Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.
- Base Management fees is recognized as per the terms of contribution agreement with the contributors.
- Revenue from trusteeship services is recognized on a straight-line basis using time elapsed method over the contract term. In case of contracts where Group provides 'Will' services, revenue is recognized at a point in time when these services are performed, customer is invoiced and right to receive fees is established.

b. Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

c. Sale of Securities
Gains and losses on the sale of securities are recognised on trade date basis.

d. Dividend Income
Dividend income from investments is recognised when the right to receive dividend has been established.

v. Property, Plant and Equipment

Measurement at Recognition:

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount.

All items of property, plant and equipment are initially recorded at cost. Cost comprises acquisition cost and directly attributable cost of bringing the asset to its working condition for the intended use. The cost of an item of property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Depreciation:

Depreciation provided on Property, Plant and Equipment is calculated over the useful life by applying the written down value method as prescribed in Part C of Schedule II to the Companies Act, 2013, except in case of computers, servers and hand-held devices wherein the management estimates the useful life to be lower i.e 3 years. Computers, servers and hand-held devices are depreciated over a period of three years on straight line basis.

Based on a technical evaluation, the management believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Estimated useful lives (in years)	Depreciation Method
Buildings	60	WDV
Office Equipments (other than mobile phones)	5	WDV
Furniture & Fixtures	10	WDV
Vehicles	8	WDV
Computers	3	SLM
Mobiles phones	3	SLM
Leasehold improvements	Over the period lease	SLM

Depreciation is provided from the date the asset is ready for its intended use. In respect of assets sale/disposal, depreciation is provided upto the date of sale/disposal.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and changes if any, are accounted for on a prospective basis.

Capital work-in-progress and capital advances:
Cost of the assets not ready for intended use, as on reporting date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in-progress until construction and installation is completed and assets are ready for its intended use.

Derecognition:
The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on

disposal or retirement of an item of property, plant and equipment is measured as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss when the item is derecognised.

vi. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, future economic benefits are probable, and the group intends to and has sufficient resources to complete the development and to use or sell the asset. Otherwise it is recognized in the statement of profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization.

Amortisation:

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their useful life of three years and is included in the depreciation and amortization expenses in the statement of profit and loss.

vii. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The group recognizes all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorized into:

a. Amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The gains and losses resulting from fluctuations in fair value are not recognized for financial assets classified in amortised cost measurement category. A gain or loss on a financial asset which is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

b. Fair value through other comprehensive income (FVOCI):

The group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and The group's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition. The dividend income on equity instruments are recognised in the statement of profit or loss.

c. Fair value through Profit or Loss (FVTPL):

The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), The group irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of weighted average price.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of principal market, in the most advantageous market for asset or liability.

The principal market or the most advantageous markets must be accessible by The group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. In case of unquoted debt instruments, valuation would be done in accordance with the valuation guidelines issued by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, The group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Based on The group's business model for managing the investments, The group has classified its investments and securities for trade as under:

Sr. No	Particulars	Category
1	Investments-Debt Intruments	Amortised Cost
2	Investments-Equity Instruments other than subsidiary and associate	FVOCI
3	Investment in Mutual Funds and AIF Funds	FVTPL
4	Securities for trade portfolio	FVTPL

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables, the carrying amount approximates the fair value due to short maturity of these instruments.

Impairment of financial assets

In Accordance with Ind AS 109, the Group recognise impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, The group measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. At each reporting date, The group assesses whether the loans have been impaired.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, The group applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from The group balance sheet) when:

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

The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) The group has transferred substantially all the risks and rewards of the asset, or (b) The group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When The group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, The group continues to recognise the transferred asset to the extent of The group's continuing involvement. In that case, The group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that The group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that The group could be required to repay.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

Derecognition

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

Offsetting of financial instruments

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

viii. Taxation

Income tax expense comprise current and deferred tax incurred by The group.

Current Tax:

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group offsets, on a year to year basis, the current tax assets and liabilities, where it is has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amount as per tax laws is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

ix. Impairment of Non-Financial Assets

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets recoverable amount. An asset's recoverable amount is the higher of cash generating unit's ("CGU") fair value less costs of disposal and its value in use. The carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. However, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

x. Leases

Group as a Lessee:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group's lease asset classes primarily consist of leases for premises and leasehold improvements. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

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

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

At the date of commencement of lease, The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses incremental borrowing rate. For leases with reasonably similar characteristics, the group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the group recognises any remaining amount of the re-measurement in statement of profit and loss.

In accordance with the standard, the Group has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. Lease payments for short term leases and leases for which the underlying asset is of low value are recognized as an expense on a straight- line basis over the lease term in the statement of profit or loss.

Group as a Lessor:

At the inception of the lease the group classifies each of its leases as either an operating lease or a finance lease. The group recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

If an arrangement contains lease and non-lease components, the group applies Ind AS 115 Revenue to allocate the consideration in the contract.

xi. Borrowing Costs

Borrowing cost includes interest expense as per the effective interest rate (EIR) and other costs incurred by the group in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument using the EIR.

xii. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend Provision

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

xiii. Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

xiv. Contingent Liabilities and assets

A contingent liabilities are disclosed when there is a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as contingent liability. The existence of contingent liabilities is disclosed in the notes to financial statements. Payments in respect of such liabilities, if any are shown as advances.

Contingent assets are neither recognized nor disclosed.

xv. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xvi. Employee Benefits

Gratuity:

The Group pays gratuity, a defined benefit plan, to its employees who retire or resign after a minimum period of five years of continuous service and in the case of employees at overseas locations as per rules in force in the respective countries. The Group makes contributions to the SBICAP Employees Group Gratuity Scheme which is managed by Life Insurance Corporation of India for the settlement of gratuity liability.

A defined benefit plan is a postemployment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Group.

As required by the Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognized asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Group recognizes these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

Provident Fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

Compensated absence:

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognized in the statement of profit and loss as and when they are incurred.

xvii. Segment Reporting

The Group identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

xviii. Foreign Exchange Transactions

The functional currency and the presentation currency of the Group is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the period in which they arise.

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognized in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

xix. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xx. Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures of contingent liabilities. The estimates and associates assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

- **Defined benefit plans**

  The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

  The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

  The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

  Further details about gratuity obligations are given in Note 33.

- **Fair value measurement of financial instruments**

  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

3 Cash and Bank Balances

(Rs in Lacs)

	Particulars	As at 31-Mar-21	As at 31-Mar-20
(a)	**Cash and Cash equivalents**		
	Cash on hand	-	1
	Balances with Scheduled banks		
	- In current accounts	17,128	31,524
	Cheques on hand	-	648
	Deposit Accounts		
	Deposit with maturity of less than 3 months	13,146	4,145
	Impairment loss on cash and equivalents	(4)	-
	Total	30,270	36,318
(b)	**Other bank balances**		
	Balances with Scheduled banks		
	- In current accounts-Escrow Accounts	476	126
	Deposit Accounts		
	Deposit with original maturity Less than 12 months	39,917	27,740
	Deposit with original maturity more than 12 months	-	2,493
	Total	40,393	30,359

3.1 Fixed deposit amunting to Rs. 34,997 lacs (2020: Rs. 17,611 lacs) kept as collateral security deposit with Bank towards guarantees issued by bank's, Stock Exchanges and with regulatory authorities such as PFRDA and UIDAI.

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

4 Securities for trade

(Rs in Lacs)

	Particulars	As at 31-Mar-2021		As at 31-Mar-2020	
		Units	Amount	Units	Amount
A	**At fair value through profit or loss**				
(i)	**Debt securities- Bonds**				
	7.03% Hindustan Petroleum Corporation Ltd	-	-	100	1,000
	Sub Total		-		1,000
(ii)	**Preference shares (unquoted) fully paid up**				
	0.0001% preference shares of Pasupati Fabrics Ltd of Rs.10/- each	1,40,000	-*	1,40,000	-*
	Sub Total		-		-
(iii)	**Equity Instruments (unquoted)- fully paid up**				
	Cremica Agro Foods Limited, face value Rs.10/- each, fully paid up	46,200	9	46,200	9
	Sub-total		9		9
(iv)	**Mutual Funds (unquoted)**				
	-Money market funds		63,284		25,267
	-Liquid funds		86,953		50,523
	-Arbitrage funds		-		5,893
	Sub-total		1,50,237		81,683
	Total (A) Gross		1,50,246		82,692
	Less: Impairment Allowance		-		-
	Total (B) - Net		1,50,246		82,692

* Fully provided for.

5 Receivables

(Rs in Lacs)

	Particulars	As at 31-Mar-21	As at 31-Mar-20
(a)	**Trade Receivables**		
	(i) Receivables- Secured	4,004	-
	(ii) Receivables- Unsecured, Considered good	31,473	23,575
	(iii) Receivable from related parties	17,797	9,427
	Less : Allowance for expected credit loss	(5,921)	(8,220)
	Total (a)	47,353	24,781
(b)	**Other Receivables**		
	(i) Receivables- Unsecured, Considered good	17	16
	(ii) Receivable from related parties	50	27
	Less : Allowance for expected credit loss	(1)	(2)
	Total (b)	66	41
	Total (a+b)	**47,419**	**24,822**

5.1 Movements in allowance for expected credit loss:

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Balance at the beginning of the year	8,222	11,215
Add/(Less): Allowance for the year	(2,300)	(2,993)
Total	5,922	8,222

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

6 Investments

(Rs in lacs)

	Particulars	As at 31-Mar-2021 Units	Amount	As at 31-Mar-2020 Units	Amount
	Non-Current				
I	Investments carried at fair value through statement of other comprehensive income (FVOCI)				
	(a) Investment in Equity instruments - Quoted				
	Yes Bank Limited, face value of Rs.2 each, fully paid up	94,01,256	1,467	-	-
	Sub-total		1,467		-
	(b) Investment in Equity instruments - Unquoted				
	National Stock Exchange of India Limited, face value of Rs.1 each, fully paid up	2,14,50,000	2,77,005	2,14,50,000	1,58,001
	OTC Exchange of India Limited, face value of Rs. 10 each, fully paid up	11,00,000	*-	11,00,000	*-
	Investor Services India Limited, face value of Rs. 10 each, fully paid up (company under voluntary liquidation)	5,35,768	-	5,35,768	-
	India SME Technology Services Limited, face value of Rs. 10 each, fully paid up (company under voluntary liquidation)	22,000	32	22,000	42
	ONGC Mittal Energy Limited, face value USD 1 each, fully paid up	10,00,000	*-	10,00,000	*-
	Receivable Exchange of India Limited face value Rs 10 each, fully paid up	30,50,000	321	15,25,000	175
	Receivable Exchange of India Limited, face value of Rs 10 each (partly paid up Rs.7.5 per share (2020, Partly paid Rs. 7.5 per share))	-	-	15,25,000	88
	SBI Home Finance Limited, face value of Rs. 10 each, per share (Company under liquidation)	10,32,500	*-	10,32,500	*-
	Sub-total		2,77,358		1,58,307
	(c) Investment in Equity Instruments - Parent's Subsidiaries (unquoted)				
	SBI DFHI Limited, face value of Rs. 100 each, fully paid up	5,95,295	7,889	5,95,295	2,869
	State Bank of India Servicos Limitada Brazil*	1	-	1	-
	SBI Foundation Limited, face value of Rs 10 each, fully paid up	4,002	1	4,002	-
	Sub-total		7,890		2,869
	Total		2,86,715		1,61,176
II	Investments carried at cost				
	(a). Investment in Equity Instruments - Associates (unquoted)				
	SBI Pension Funds Pvt Ltd of Rs.10 each (Percentage holding in the Company is 20%)	60,00,000	882	60,00,000	813
	Total		882		813
III	Investments carried at fair value through Fair Value through Profit and Loss (FVTPL)				
	(a) Investments in AIF units - unquoted		10,217		7,691
	Sub Total		10,217		7,691
	(b) Investments in Mutual funds - Unquoted				
	- Fixed Maturity plans		3,077		2,861
	- Debt funds		8,706		11,666
	- Liquid funds		514		1,745
	Sub Total		12,297		16,272
	Total		22,514		23,963

6 Investments

(Rs in lacs)

	Particulars	As at 31-Mar-2021 Units	As at 31-Mar-2021 Amount	As at 31-Mar-2020 Units	As at 31-Mar-2020 Amount
IV	**Investment carried at amortised cost**				
	Investments in debentures or bonds -Quoted				
	8.20% bonds of National Highway Authority of India Ltd of Rs. 1,000 each	54,876	549	54,876	549
	8.20% Power Finance Corporation Ltd of Rs 1,000 each	71,197	712	71,197	712
	8.10% bonds of India Railways Finance Corporation Ltd of Rs. 1,000 each	3,04,510	3,045	3,04,510	3,045
	7.38% Rural Electrification Corporation Ltd of Rs. 1,000 each	1,00,000	1,000	1,00,000	1,000
	7.34 % Indian Railways Finance Corporation Ltd of Rs. 1,000 each	1,00,000	1,000	1,00,000	1,000
	8.63% Rural Electrification Corporation Ltd of Rs. 1000 each	1,00,000	1,000	1,00,000	1,000
	8.55% India Infrastructure Finance Company Ltd of Rs. 1000 each	1,00,000	1,000	1,00,000	1,000
	8.01% India Infrastructure Finance Company Ltd of Rs. 1000each	15,000	150	15,000	150
	Total		**8,456**		**8,456**
	Total Investment		**3,18,567**		**1,94,408**

* Fully provided for.

6.1 Investments in bonds pledged as security against overdraft facility: Rs. Nil (2020: Rs 5000 lacs)

6.2 Category wise Investments

(Rs in lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Financial Assets		
- Amortised Cost	8,456	8,456
- Cost	882	813
- Fair value through other comprehensive income	2,86,715	1,61,176
- Fair value through profit or loss	22,514	23,963
Total	3,18,567	1,94,408

6.3 Break up of Investments

(Rs in lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Investments in India	3,18,567	1,94,408
Investments outside India	*	*
	3,18,567	1,94,408

7 Other financial assets

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Unsecured, Considered good		
Deposits		
- Security deposits for leased premises	624	577
- Deposits with stock exchanges/clearing house	575	2,949
- Other deposits	59	163
- Less: Provision for expected credit loss	(54)	(5)
Loans to employees	35	40
Accured interest	1,177	863
Accrued income from services	175	14
Other Advances	2	2
Total	**2,593**	**4,603**

8 Income Tax Asset (Net)

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Advance tax and TDS (Net of provision for tax of Rs. 1,90,223 Lacs (2020: Rs.1,75,230 Lacs)	11,767	12,300
Total	**11,767**	**12,300**

SBI Capital Markets Limited

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

9 Property Plant and equipment

(Rs in Lacs)

Particulars	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Vehicles	Computers	Lease hold Improvement	Total	Right to Use Assets
A. Gross carrying amount									
Opening balance as at April 1, 2019	9,517	4,020	986	1,159	14	6,396	100	22,192	-
Additions	-	-	56	10	34	344	-	444	798
Disposals	-	-	28	4	-	116	-	148	-
Balance as at March 31, 2020	9,517	4,020	1,014	1,165	48	6,624	100	22,488	798
Additions	-	-	74	12	-	1,219	-	1,305	4,880
Disposals	-	-	116	146	-	280	61	603	282
Balance as at March 31, 2021	9,517	4,020	972	1,031	48	7,563	39	23,190	5,396
B. Accumulated depreciation									
Opening balance as at April 1, 2019	2,608	4,020	915	1,007	8	4,649	100	13,307	-
Depreciation charge for the year	345	-	54	53	15	838	-	1,305	219
Disposals	-	-	26	2	-	109	-	137	-
Balance as at March 31, 2020	2,953	4,020	943	1,058	23	5,378	100	14,475	219
Depreciation charge for the year	328	-	58	41	11	934	-	1,372	573
Disposals	-	-	109	112	-	257	61	539	179
Balance as at March 31, 2021	3,281	4,020	892	987	34	6,055	39	15,308	613
C. Net carrying value									
Net carrying amount as at March 31, 2021	6,236	-	80	43	14	1,508	-	7,882	4,783
Net carrying amount as at March 31, 2020	6,564	-	72	106	24	1,247	-	8,013	579

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

10 Intangible assets

(Rs in Lacs)

	Particulars	Computer Software
A.	Gross carrying amount	
	Balance as at April 1, 2019	**4,977**
	Addition	353
	Disposals	-
	Balance as at March 31, 2020	**5,330**
	Addition	1,143
	Disposals	2,124
	Balance as at March 31, 2021	**4,349**
B.	Accumulated amortisation	
	Balance as at April 1, 2019	**4,621**
	Amortisation for the year	237
	Disposals	-
	Balance as at March 31, 2020	**4,858**
	Amortisation for the year	419
	Disposals	2,124
	Balance as at March 31, 2021	**3,153**
C.	**Net carrying value**	
	Net carrying amount as at March 31, 2021	1,196
	Net carrying amount as at March 31, 2020	472

11 Other non-financial assets

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Service Tax refund receivable	-	4
Advances for expenses	413	254
Advances rentals for lease premises	-	485
Capital Advances	359	15
Prepaid expenses	457	338
GST Credit	1,342	660
Other advances	184	80
Total	2,755	1,836

12 Payables

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
(I) Trade Payables		
-total outstanding dues of micro enterprises and small enterprises	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	24,097	15,134
Total (I)	24,097	15,134
(II) Other Payables		
-total outstanding dues of micro enterprises and small enterprises	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	509	522
Total (II)	509	522
Total (I+II)	24,606	15,656

13 Borrowings

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Current		
Unsecured, Payable on demand		
Working capital loan from SBI	3,674	6,899
Total	3,674	6,899

13.1 Bank Overdraft carry interest rates of 7.15% per annum. (Previous Year 8.20% per annum) secured by Fixed deposit of the group.

14 Other financial liabilities

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Incentive payable	4,018	2,371
Payable for Capital Expenditure	1	1
Payable in respect of employees	4,047	2,431
Payable for expenses	3,906	4,575
Trust Settlement Fees	1	19
Retention money for Capital expenditure	15	9
Deposits		
-Lease deposits	35	35
-Other deposits	87	28
Other liabilities	458	126
Total	12,568	9,595

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

15 Deferred Tax Liability/ (Asset)

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Deferred Tax Liability (Refer note no. 38)	62,997	33,049
Total	**62,997**	**33,049**

16 Provisions

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Provision for compensated absences	1,365	1,524
Provision for gratuity	331	589
Total	**1,696**	**2,113**

17 Other non-financial liabilities

(Rs in Lacs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Current		
Income received in advance	44	33
Statutory liabilities	2,907	2,364
Contract Liabilities	4,515	796
Total	**7,466**	**3,193**

18 Equity Share Capital

(Rs in Lacs)

	Particulars	As at 31-Mar-21	As at 31-Mar-20
A.	**Authorised**		
	10,00,000 Preference Shares of Rs.100 each	1,000	1,000
	10,00,00,000 Equity Shares of Rs.10 each	10,000	10,000
	Total	11,000	11,000
B.	**Issued, subscribed and fully paid- up**		
	5,80,33,711 Equity Shares of Rs.10 each, fully paid	5,803	5,803
	Total issued, subscribed and Fully paid-up share capital	5,803	5,803

C. Reconciliation of shares at the beginning and at the end of the each reporting year

(Rs in Lacs)

Equity Shares	March 31, 2021		March 31, 2020	
	No.of Shares	Amount	No.of Shares	Amount
At the beginning of the year	5,80,33,711	5,803	5,80,33,711	5,803
At the end of the year	5,80,33,711	5,803	5,80,33,711	5,803

D. Terms/rights attached to equity shares

The group has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled for one vote per share. The dividend proposed (if any) by the Board of Director's is subject to the approval of sharesholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event if liquidation of the company, the holder of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

E. Pattern of shareholding

Details of shares held by shareholders holding more than 5% of the aggregate shares in the group:

Shareholder	March 31, 2021		March 31, 2020	
	No.of Shares	% of Holding	No.of Shares	% of Holding
State Bank of India & its nominees	5,80,33,711	100%	5,80,33,711	100%
Total	5,80,33,711	100%	5,80,33,711	100%

F. Other details of equity shares for a period of five years immediately preceding March 31, 2020:

Particulars	2020	2019	2018	2017	2016
Aggregate no of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-	-	-	-
Aggregate no of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate no of shares bought back	-	-	-	-	-

G. Capital Management :

The group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through cash flows generated from operations.

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

19 Other Equity

(Rs in Lacs)

	Reserves & Surplus	As at 31-Mar-21	As at 31-Mar-20
A	**General Reserve**		
	Balance as per the last financial statements	45,590	45,385
	Add : addition during the year	130	205
	Closing Balance	**45,720**	**45,590**
B	**Securities Premium Account**		
	Balance as per the last financial statements	6,347	6,347
	Add : addition during the year	-	-
	Closing Balance	**6,347**	**6,347**
C	**Capital Redemption Reserve**		
	Balance as per the last financial statements	94	94
	Add : addition during the year	-	-
	Closing Balance	**94**	**94**
D	**Foreign Currency Translation Reserve**		
	Balance as per the last financial statements	323	256
	Add : addition during the year	161	231
	Less: Transferred to Retained Earnings	-	(164)
	Closing Balance	**484**	**323**
E	**Retained Earnings**		
	Balance as per the last financial statements	1,88,782	1,55,374
	Profit for the year	52,710	33,449
	Add: Transferred from Foreign Exchange fluctuation reserve	-	164
	Add: Realised gain on Equity instruments through OCI transferred to Retained Earnings	40,042	
	Add/Less : Appropriations/ Adjustments		
	- Interim dividend	(11,607)	-
	- Transfer to general reserve	(130)	(205)
	- Transition Impact of Ind AS 115 (Refer note 41)	(1,951)	-
	Closing Balance	**2,67,847**	**1,88,782**
F	**Other Comprehensive Income (OCI)**		
	Balance as per the last financial statements	78,364	3,993
	Add : addition during the year	1,36,003	74,370
	Less: Transferred to Retained earnings	(40,043)	
	Closing Balance	**1,74,324**	**78,364**
	Total	**4,94,816**	**3,19,500**

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

20 Interest Income

(Rs in Lacs)

	Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
A	**Interest income on financial assets measured at amortised cost:**		
	- Investments	682	682
	- Fixed deposit with banks	2,311	1,710
B.	**Interest income on financial assets measured at fair value through profit or loss:**		
	- AIF Funds	32	10
	- Securities held for trade	513	604
	Total	**3,538**	**3,006**

21 Dividend Income

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Dividend income on Financial Instruments measured at		
- Fair value through other comprehensive income	2,627	3,878
- Fair value through profit or loss	13	227
Total	**2,640**	**4,105**

22 Fees and Commission Income

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Issue management Fees	3,718	1,508
Underwriting commission	4,650	-
Arranger's fees	4,802	1,317
Advisory fees	36,524	29,106
Brokerage	23,679	16,152
Selling and distribution commission	32,522	24,101
Trusteeship acceptance fees & service charges	2,999	3,556
Depository service income	3,165	2,209
Fund management fees	6,668	2,545
-Other Operating Revenue		
Legal & Documentation Charges	8	14
Other Operating Income	5,945	4,976
Total	**1,24,680**	**85,484**

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

23 Net gain on fair value changes

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Net gain/loss on financial instruments at fair value through profit or loss		
- Profit/loss on securities held for trade	3,075	3,832
- Profit/(loss) on sale of investments (net)	2,385	1,720
Total	5,460	5,552

23.1 Fair value changes

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
-Realised	3,716	3,665
-Unrealised	1,744	1,886
Total	5,460	5,552

24 Other Income

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Bad debts recovered	129	192
Interest on Income Tax refund	17	13
Interest income on delayed payment	66	-
Exchange differences (net)	-	240
Exchange differences on disposal of subsidiary	-	8
Unwinding of Interest on security deposit	21	-
Gain on disposal of Subsidiary		6
Others	46	213
Write back of Provisions		
- Leave Encashment	-	67
-S&D sub-commission payable written back	-	47
- Others	234	283
Total	513	1,069

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

25 Finance costs

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Interest expense	2,331	184
Interest on lease liability	249	48
Unwinding of Interest expense	180	-
Other borrowing cost	8	20
Total	2,768	252

26 Fees and commission expenses

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Fees and commission expenses	4,370	2,591
Other Operating Expenses	10,365	11,735
Total	14,735	14,326

27 Employee Benefits Expenses

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Salaries, wages and bonus	30,461	23,616
Contribution to provident and other funds	1,707	1,123
Contribution to Superannuation	138	26
Contribution to gratuity (Refer note 33)	304	170
Staff welfare expenses	507	585
Total	33,304	25,520

28 Depreciation, amortization and impairment

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Depreciation and amortisation expense	1,791	1,542
Depreciation on Right of use assets	573	219
Total	2,364	1,761

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

29 Other expenses

(Rs in Lacs)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Legal & Professional Fees	2,660	3,404
Conveyance & Travelling	578	1,147
Rental charges	770	888
Rates & Taxes	129	513
Royalty Expenses	917	541
Bad Debts Written off	3,125	4,646
Write back of Provision for Doubtful Debts	(2,300)	(2,993)
Postage, telephone and telex	919	912
Advertisement Expenses	23	22
Printing & Stationery	203	295
Electricity Expenses	176	218
Repairs & Maintenance Building	180	104
Repairs & Maintenance Others	623	681
Insurance	174	125
Auditor's Remuneration (Refer note 32)	59	61
Director's Sitting Fees	47	36
Tax on Perquisites	13	-
Office Maintenance	335	333
Training Charges	3	369
Membership & Subscription	850	815
Filing Fees & Other Charges	42	32
Corporate Social Responsibility expenses (Refer note 36)	829	777
Penalty paid to SEBI	-	17
Exchange differences (net)	68	-
Loss on disposal of subsidiary (Refer note 44)	-	-
Loss on sale of Property, plant and equipment	31	1
Miscellaneous expenses	728	730
Total	**11,182**	**13,674**

30 Earnings per equity share (EPS)

The computation of basic and diluted earnings per share is given below

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Profit after tax	52,710	33,449
Weighted average number of equity shares:		
- For Basic EPS (No.)	5,80,33,711	5,80,33,711
- For Diluted EPS (No.)	5,80,33,711	5,80,33,711
Nominal value per share (Rs.)	10	10
Earnings per share		
- Basic in Rs.	90.83	57.64
- Diluted in Rs	90.83	57.64

31 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs in Lacs)

Particulars	As at March-21	As at March-20
A Contingent Liabilities		
Claims against the Group/disputed liabilities not acknowledged as debts		
- (i) For income tax matters	5,913	4,999
- (ii) For other matters	308	276
Guarantees		
- Performance Guarantees	27,032	19,014
- In respect of Associates	122	86
B Commitments		
- Capital Commitments	1,165	1,283
- Uncalled liability on shares and investments partly pai	-	76
- Other commitments- Investments	666	1,580

32 Auditor's Remuneration

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
- Audit Fees	29	27
- Tax audit	6	4
- Limited Review	7	9
- Other services (certification)	16	20
- Out-of-pocket expenses	1	1
Total	59	61

33 Employee Benefits

A. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Reconciliation of Defined benefit obligation
Changes in defined benefit obligation

(Rs in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Opening of defined benefit obligation	1,422	1,165
Current service cost	243	172
Interest on defined benefit obligatior	87	78
Remeasurements due to :	-	-
- Actuarial loss/(gain) arising from change in financial assumptions	32	63
- Actuarial loss/(gain) arising from change in demographic assumptions	-	45
- Actuarial loss/(gain) arising on account of experience changes	(20)	19
Benefits paid	(184)	(120)
Closing of defined benefit obligation	**1,580**	**1,422**

Movement in plan Assets

(Rs in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Opening fair value of plan assets	652	496
Employer contributions	741	234
Interest on plan assets	43	36
Remeasurements due to :	-	-
- Actual return on plan assets less interest on plan assets	(3)	6
Benefits paid	(184)	(120)
Closing fair value of plan assets	**1,249**	**652**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

(Rs in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Investments with insurer	100%	100%

Balance sheet
Net asset/(liability) recognised in the balance sheet:

(Rs in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Present value of the funded defined benefit obligatior	1,580	1,422
Fair value of plan assets at the end of the year	1,249	652
Liability recognized in the balance sheet (i-ii)	**331**	**770**

Statement of profit & loss

Expenses recognised in the Statement of profit and loss:

(Rs in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Current service cost	243	172
Past service cost	-	-
Expected return on plan assets	44	32
Total expense charged to profit and loss account	**287**	**204**

Statement of other Comprehensive Income (OCI)

(Rs in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Opening amount recognized in OCI outside profit and loss account	163	42
Remeasurements during the year due to		
Changes in financial assumptions	32	63
Changes in demographic assumptions	-	45
Experience adjustment	(19)	19
Actual return on plan assets less interest on plan assets	3	(6)
Adjustment to recognized the effect of asset ceiling		-
Closing amount recognized in OCI outside profit and loss account	179	163

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	Year ended 31st March 2021 %	Year ended 31st March 2020 %
Discount rate	5.20%-7.03%	5.45%-7.03%
Salary Escalation rate	8.00-10.00	8.00-10.00

Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

Particulars	Discount Rate	Salary Escalation Rate
Defined Benefit obligation on increase in 50 bps	1,538	1615
Impact of increase in 50 bps on DBO	**-2.72%**	**2.15%**
Defined Benefit obligation on decrease in 50 bps	1,625	1546
Impact of decrease in 50 bps on DBO	**2.81%**	**-2.17%**

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

Investment details of plan assets

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

Maturity Profile	Rs in Lacs
Expected benefits for year 1	238.57
Expected benefits for year 2	207.44
Expected benefits for year 3	209.54
Expected benefits for year 4	179.83
Expected benefits for year 5	169.70
Expected benefits for year 6 years and above	1,433.60

The weighted average duration to the payment of these cash flows is 6.90 year.

B. **Compensated Absence**

The liability towards compensated absences for the year ended March 31, 2021 is based on actuarial valuation carried out by using the projected unit credit method.

Particulars	Year ended 31st March 2021 %	Year ended 31st March 2020 %
Interest rate	5.20%-7.03%	5.45%-7.03%
Salary Escalation rate	8.00-10.00	8.00-10.00

34	SEGMENTAL REPORTING

- Primary Segment

The Group's operations falls under a single business segment of Financial services. The Company is engaged in providing Investment banking, Merchant banking and corporate advisory services. As per the views of the Company's chief operating decision maker, business activities primarily falls within a single operating segment, no additional disclosure is to be provided under IND AS 108 - Operating Segments, other than those already provided in the financial statements

- Geographical Segment

The Group operates in one geographic segment namely "within India" and hence no separate information for geographic segment wise disclosure is required

35	RELATED PARTY DISCLOSURES

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Company are as follows.

A. Related party where control exists irrespective whether transactions have occurred or not

a. Holding Company	State Bank of India

B. Other related parties where transactions have occurred during the year

a. Fellow Subsidiaries & Associates	SBI DFHI Limited SBI Funds Management Private Limited SBI Life Insurance Company Limited SBI Cards & Payment Services Private Limited SBI General Insurance Company Ltd SBI Foundation Limited State Bank of India Servicos Limitada Brazil SBI Home Finance Limited SBI Pension Funds Private Limited SBI Canada Limited
b. Staff Welfare Fund	SBICAPS Employee's Provident Fund
c. Sponsor of the Trust	SLS Trust
d. Directors and Key Management Personnel of the Company	
Managing Director & CEO	Shri Arun Mehta (from 21st January 2020 onwards) Shri Sanjiv Chadha (from 21st February 2019 to 20th January 2020)
Whole Time Director	Shrimati Uma Shanmukhi Sistla (from 12th July 2018 onwards) Shri. R Viswanathan (from 27th May 2020 onwards)
Non-Executive Independent Director	Shri Narayan K Seshadri (Upto 30th September 2020) Shri Ananth Narayanan G.
Non-Executive Director	Smt. Bharati Rao Shri T.L. Palani Kumar Shri Sharad Sharma (from 6th September 2019 onwards)

35.1	Managerial Remuneration

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Shri. Sanjiv Chadha		
Short term employee benefits	10	37
Post employee benefits	-	4
Shri. Arun Mehta		
Short term employee benefits	56	7
Post employee benefits	5	1
Shri. R. Viswanathan		
Short term employee benefits	34	-
Post employee benefits	4	-
Shrimati Uma Shanmukhi Sistla		
Short term employee benefits	20	38
Post employee benefits	1	5
Total	**130**	**83**

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

35.2 The following transactions were carried out with the related parties in the ordinary course of business:

Particulars	Holding Company		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Income and Expense items:						
(For the year ended)						
Income during the year ended						
Issue Management Fees	2,333					
SBI Cards and Payment Services Limited				643		
Arranger Fees	-	695				
SBI Cards and Payment Services Limited				25		
Advisory fees	8,112	7,172				
SLS Trust					878	-
Trusteeship Fees	19	68				
Brokerage Income	37	61				
SBI Life Insurance Company Limited			258	200		
SBI General Insurance Company Limited			4	4		
SBI Funds Management Private Limited			1	1		
SBI Alternative Equity Fund			-	-		
SBISG Global Pvt Ltd			-	2		
SBI Canada Limited						
Interest Income	889	606				
SBI Cards and Payment Services Limited			-	116		
Net Profit on sale securities						
SBI Cards and Payment Services Limited			-	65		
Dividend received						
SBI DFHI Limited			268	60		
Selling and distribution commission	33,528	23,942				
SBI Life Insurance Company Limited			2	6		
SBI General Insurance Company Limited			433	11		
Other Operating Income	-	64				
Miscellaneous Income	-	100				

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

35.2 The following transactions were carried out with the related parties in the ordinary course of business:

Particulars	Holding Company		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Expenses during the year ended						
Deputation of Employees#	556	564				
Ex-gratia paid						
Shri Arun Mehta					4	4
Shri Sanjiv Chadha					11	12
Shrimati Uma Shanmukhi Sistla					15	9
Director's Sitting Fees						
Smt. Bharati Rao					11	8
Shri T.L. Palani Kumar					8	6
Shri Sharad Sharma					4	2
Shri Narayan K Seshadri					6	7
Shri Ananth Narayanan G.					8	5
Finance charges	2,331	184				
Other Borrowing cost	8	20				
Royalty Expense	917	543				
Insurance Expense						
SBI Life Insurance Company Limited			29	87		
SBI General Insurance Company Limited			137	30		
Rent Expense	90	85				
SBI Funds Management Private Limited			4	-		
Contribution towards CSR						
SBI Foundation Limited			126	570		
Bank & Other Charges	6	109				
SBI DFHI Limited			0*	-		
Referral Fees	239	517				
Bad Debts written off	171	103				
Other expenses	1					
SBI Cards and Payment Services Limited			1	1		

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

35.2 The following transactions were carried out with the related parties in the ordinary course of business:

Particulars	Holding Company		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Balance Sheet Items:						
(Outstanding As on)						
Share Capital	5,803	5,803				
Balance payable as at						
Payables	17,832	158				
SBI General Insurance Company Limited			0*	0*		
SBI Funds Management Pvt. Limited			2	-		
SBI Life Insurance Company Limited			2	-		
Short term borrowings	3,674	6,899				
Advance received from Customers	25	15				
Balance receivable as at						
Bank Balance	15,329	25,706				
Deposit with Banks	18,684	13,435				
Receivables	18,417	767				
SBI Cards and Payment Services Limited			-	759		
SBI Life Insurance Company Limited			-	0*		
SBI Fund Management Pvt. Ltd.			-	0*		
SBI General Insurance Company Limited			16	-		
Investments						
SBI Pension Funds Private Limited			601	601		
SBI DFHI Limited			7,889	2,869		
SBICAP Home Finance Limited@			0*	0*		
SBI Foundation Limited			1	1		
State Bank of India Servicos Limitada Brazil@			0*	0*		
Gratuity Fund						
SBI Life Insurance Company Limited			537	24		
Accrued interest on Deposit with Banks	612	438				

SBI Capital Markets Limited
Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

35.2 The following transactions were carried out with the related parties in the ordinary course of business:

Particulars	Holding Company		Fellow Subsidiaries and Associates		Others	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Others transactions during the year ended						
Investment in Bonds						
SBI Cards & Payment Services Private Limited$			-	82,500		
Sale of securities	1,70,072	1,20,015				
SBI General Insurance Company Limited			32,592	50,028		
SBI DFHI Limited			36,515	75,202		
SBI Life Insurance Company Limited			1,00,575	89,058		
SBI Funds Management Private Limited			70,052	40,015		
Benefits paid from Gratuity fund						
SBI Life Insurance			100	41		
Borrowings availed	1,07,000	-				
Borrowings repaid	1,07,000	*				
Guarantees	407	239				
Expenses shared	44	37				

#. Included in expenses relating to deputation of employees are amounts aggregating to Rs. 117 (2020: Rs. 117) pertaining to salaries paid to key management personnel.
* Insignificant amount.

* Insignificant amount.
@Fully provided
$Outstanding as at 31st March 2021 is Nil.

The Company has contributed Rs. 722 Lacs (March 31, 2020: 772 Lacs) to SBICAPS Employee's Provident Fund during the year.

The Company has sold securities of Rs. 151 Lacs (March 31, 2020: 151) to SBICAPS Employee's Provident Fund during the year.

36 Statement of corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
a Gross amount required to be spent during the year	825	776
b Amount spent during the year on		
- (i) Construction/acquisition of any asset	-	-
- (ii) On purposes other than (i) above - in cash	829	777
Out of the above, contribution made to related party is as below		
SBI Foundation Limited	141	584

37 Micro and small enterprises

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2021. This information is required to be disclosed under the Micro Small and Medium Enterprises Development Act, 2006 that has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March-21	As at March-20
The amounts remaining unpaid to any supplier at the end of the year:		
1 Principal amount	-	-
2 Interest amount	-	-
The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

38 Income taxes

A. The major components of income tax expense for the year are as under

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Current Tax		
In respect of current year	17,768	9,367
In respect of earlier years	(86)	(920)
Total (A)	17,682	8,447
Deferred tax		
Origination of reversal of temporary difference	2,155	1,611
Impact of change in tax rate	-	223
Total (B)	2,155	1,833
Income Tax recognised in the statement of Profit and Loss (A+B)	19,837	10,280
Income tax expenses recognized in OCI		
Income tax relating to items that will not be classified to profit or loss	36,768	10,715
Total	36,768	10,715

B. **Movement of tax expenses and the accounting profit for the year is as under:**

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Profit before tax	72,478	43,683
Enacted tax rates in India	25.168	25.168
Computed tax expense	18,241	10,994
Effect of income taxable on receipt basis	-	917
Tax on expenses not tax deductible	1,694	778
Tax on exempt income	(2,164)	(3,322)
Other adjustments	(3)	-
Total Tax expenses as per statement of profit and loss	17,768	9,367

The applicable Indian corporate statutory tax rate to the group for the year is 25.168%

39 **Financial Instruments**

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(Rs in Lacs)

Particulars	Amortised Cost	Fair Value through P&L	Fair Value through OCI	Total Carrying Value	Total Fair Value
ASSETS:					
Cash and cash equivalents	30,270	-	-	30,270	30,270
Other balances with banks	40,393	-	-	40,393	40,393
Securities for trade	-	1,50,246	-	1,50,246	1,50,246
Trade Receivables	47,419	-	-	47,419	47,419
Investments excluding Associate	8,456	22,514	2,86,715	3,17,685	3,17,685
Other Financial Assets	2,593	-	-	2,593	2,593
Total	1,29,131	1,72,760	2,86,715	5,88,606	5,88,606
LIABILITIES:					
Trade Payables	24,606	-	-	24,606	24,606
Borrowings	3,674			3,674	3,674
Lease liabilities	4,747			4,747	4,747
Other financial liabilities	12,568	-	-	12,568	12,568
Total	45,595	-	-	45,595	45,595

The carrying value of financial instruments by categories as of March 31, 2020 is as follows:

(Rs in Lacs)

Particulars	Amortised Cost	Fair Value through P&L	Fair Value through OCI	Total Carrying Value	Total Fair Value
ASSETS:					
Cash and cash equivalents	36,318	-	-	36,318	36,318
Other balances with banks	30,359	-	-	30,359	30,359
Securities for trade	-	82,692	-	82,692	82,692
Trade Receivables	24,822	-	-	24,822	24,822
Investments excluding Subsidiary and Associate	8,456	23,963	1,61,176	1,93,594	1,93,594
Other Financial Assets	4,603	-	-	4,603	4,603
Total	1,04,558	1,06,655	1,61,176	3,72,388	3,72,388
LIABILITIES:					
Trade Payables	15,656	-	-	15,656	15,656
Borrowings	6,899			6,899	6,899
Lease liabilities	598			598	598
Other financial liabilities	9,595	-	-	9,595	9,595
Total	32,748	-	-	32,748	32,748

Fair Value Hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in inputs use for measuring Level 3 fair value.

The following table summarises financial instruments measured at fair value on recurring basis:

(Rs in Lacs)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Instruments				
Securities for trade				
- Equity Shares	-	-	9	9
- Mutual Funds	1,50,237	-	-	1,50,237
Sub total	1,50,237	-	9	1,50,246
Investments				
- Equity Shares	1,467	-	2,85,248	2,86,715
- Mutual Funds	12,297	-	-	12,297
- AIF Funds	-	-	10,217	10,217
Sub total	13,764	-	2,95,465	3,09,229
Total	1,64,001	-	2,95,474	4,59,475

(Rs in Lacs)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Instruments				
Securities for trade				
- Debt Securities	1,000	-	-	1,000
- Equity Shares	-	-	9	9
- Mutual Funds	81,683	-	-	81,683
Sub total	82,683	-	9	82,692
Investments				
- Equity Shares			1,61,175	1,61,175
- Mutual Funds	16,272	-		16,272
- AIF Funds	-	-	7,691	7,691
Sub total	16,272	-	1,68,866	1,85,138
Total	98,955	-	1,68,875	2,67,830

Movements in Level 3 Financial instruments measured at fair value

The Following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

(Rs in Lacs)

Particulars	As at March-21	As at March-20
Opening Balance	1,68,875	80,959
Add: Purchase	1,213	2,310
Add: Fair Value Gain/(Loss)	1,25,386	85,606
Closing Balance	2,95,474	1,68,875

Financial assets subject to offsetting, netting arrangements

There are no instruments which are eligible for netting and not netted off.

Financial Risk Management
Risk Management Framework

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The Company has exposure to the following risk arising from financial instruments:
a) Credit Risk
b) Liquidity Risk
c) Market Risk

The Company has formulated various policies with respect to such risks, mitigation strategies and internal controls to be implemented. The Board oversees the Company's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

a) Credit Risk

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to the financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits.

The maximum exposure to credit risk at the reporting date is primarily from Company's Trade receivable, Debt instruments in Securities for trade and investment portfolio.

The following table provides exposures to credit risk for trade receivables, securities for trade and investments:

(Rs in Lacs)

Particulars	As at March-21	As at March-20
Trade Receivables	47,419	24,822
Debt Instruments in Securities for trade and Investment portfolio	9,306	9,306
Total	56,725	34,128

Trade Receivables

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables except trade receivables of Broking and Selling and Distribution business that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

The expected credit loss rates are based on the payment profiles over a period of 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macro economic factors affecting the ability of the customers to settle the receivables.

Following table provides information about rate Expected credit loss for trade receivables under simplified approach:

As at March 31, 2021: (Rs in Lacs)

Age of Trade Receivables	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
0-3 Months	7,251	411	6,840
3-6 Months	1,033	108	925
6-9 Months	382	77	305
9-12 Months	680	140	541
12-15 Months	390	151	239
15-18 Months	378	171	207
18-21 Months	142	87	56
21-24 Months	556	418	137
24 Months and above	2,825	2,825	-
Doubtful receivables	183	183	-
Total	13,820	4,570	9,250

As at March 31, 2020: (Rs in Lacs)

Age of Trade Receivables	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
0-3 Months	8,368	434	7,934
3-6 Months	1,111	146	965
6-9 Months	827	170	657
9-12 Months	1,126	310	816
12-15 Months	791	308	483
15-18 Months	230	121	109
18-21 Months	476	326	150
21-24 Months	457	387	70
24 Months and above	3,463	3,463	-
Doubtful receivables	917	917	-
Total	17,765	6,581	11,184

Trade Receivables in Respect of Broking and Selling and Distribution Activities:

In respect of Broking activities, Management considers that trade receivables are in default if the payment is 7 days overdue. ECL has been provided fully on unsecured dues (not backed by securities) outstanding for more than 7 days. Out of the total trade receivable pertaining to Broking activity of Rs. 20,446 lacs Rs (2020: Rs. 6795 lacs) Rs. 1340 lacs (2020: Rs.1560) is unsecured over due for than 7 days. Probability of default has been considered at 100% and treated as credit impaired.

In respect of Selling and distribution of Third Party Products, Management considers that trade receivables are in default if the trade receivables are in default if the payment is 60 days. ECL has been provided fully on dues outstanding for more than 60 days except for dues outstanding from group company. Out of the total trade receivable pertaining to Selling and distribution activity of Rs. 19,036 lacs (2020: Rs. 8443 lacs) Rs. 11 lacs (2020: Rs. 79 lacs) is over due for 60 days. Probability of default has been considered at 100% and treated as credit impaired.

During the year company made write off of Rs. 3125 lacs (2020: Rs. 4645 lacs) it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off

Debt Instruments in Securities for trade and Investment Portfolio:

All of the entity's debt investments are considered to have low credit risk. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Other Financial Assets considered to have low risk:

Credit risk on cash and cash equivalents is limited to the current account and deposit account balance with banks with high credit ratings assigned by International and domestic credit rating agencies. Investments comprised of Equity Instruments, Mutual Funds and commercial papers which are market tradeable. Other financial assets include deposits for assets acquired on lease, deposit with electricity department and interest accrued on securities but not due.

b) Liquidity Risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at March 31, 2021.

(Rs in Lacs)

Particulars	Less than 1 year	1-5 years	Greater than 5 years	Total
Cash and bank balance	70,663	-	-	70,663
Securities for trade	1,50,246	-	-	1,50,246
Receivables	47,419	-	-	47,419
Investments	6,765	20,753	2,91,049	3,18,567
Other Financial assets	1,214	1,379	-	2,593
Total	2,76,307	22,132	2,91,049	5,89,488
Liabilities				
Payables	24,606	-	-	24,606
Borrowings	3,674	-	-	3,674
Lease liabilities	767	1,923	2,056	4,747
Other financial liabilities	12,276	292	-	12,568
Total	41,323	2,215	2,056	45,595
Net Excess/(shortfall)	2,34,984	19,917	2,88,993	5,43,893

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at March 31, 2020.

(Rs in Lacs)

Particulars	Less than 1 year	1-5 years	Greater than 5 years	Total
Assets				
Cash and bank balance	64,101	2,576	-	66,677
Securities for trade	82,692	-	-	82,692
Receivables	24,822	-	-	24,822
Investments	7,802	16,926	1,69,680	1,94,407
Other Financial assets	938	3,665	-	4,603
Total	1,80,355	23,167	1,69,680	3,73,201
Liabilities				
Payables	15,656	-	-	15,656
Borrowings	6,899			6,899
Lease liabilities	-	598		598
Other financial liabilities	8,298	1,297	-	9,595
Total	30,853	1,895	-	32,748
Net Excess/(shortfall)	1,49,502	21,272	1,69,680	3,40,453

C. Market Risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices and interest rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

i) Interest rate risk

The company's investments are primarily in fixed rate interest/ dividend bearing instruments. Accordingly there is no significant risk exposure to interest rate risk with respect to investment in debt securities.

The exposure of group's borrowings to interest rate changes at the end of the reporting period is given in the table below. At the end of reporting period, the group had the following variable rate borrowings outstanding:

(Rs in Lacs)

Particulars	March 31, 2021		March 31, 2020	
	Weighted Average Interest Rate	Balance	Weighted Average Interest Rate	Balance
Bank overdrafts	7.15%	3,674	8.20%	6,899

Sensitivity

The table below set out the effect on profit or loss due to parallel shift of 10% in interest rates

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Effect on Profit and loss		
10% decrease in Interest rates	(26)	(57)
10% increase in Interest rates	26	57

ii) Price Risk

Price risk is the risk that value of the financial instrument will fluctuate as a result of change in market prices and related market variables including interest rate for investment in mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer and markets. The company's exposure to price risk arises from investments in unquoted equity securities, debt securities units of mutual funds and alternative investment funds which are classified as financial assets either at fair value through other comprehensive income or at fair values through profit and loss.

(Rs in Lacs)

Particulars	As at March-21	As at March-20
Securities for trade	1,50,246	82,692
Investments	3,09,229	1,85,138
Total	4,59,475	2,67,830

Sensitivity Analysis

The table below set out the effect on profit or loss and equity due to reasonable possible weakening/strengthening in prices of 10%

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Effect on Profit and loss		
10% increase in prices	12,980	8,036
10% decrease in prices	(12,980)	(8,036)
Effect on Equity		
10% increase in prices	22,120	12,430
10% decrease in prices	(22,120)	(12,430)

40 Leases

40.1 As a Lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

40.2 The following is the movement in lease liability:

(Rs in Lacs)

Particulars	As at March-21	As at March-20
Opening Balance	598	-
Add: Lease liability created	4,718	791
Add: Interest on lease liability	249	48
Less: Lease modification	(103)	-
Less: Repayment of lease liability	(716)	(241)
Total	4,746	598

40.3 The details of the right-of-use assets held by the Company is as follows:

As at March 31, 2021:

(Rs in Lacs)

Particulars	Additions for the year	Carrying Amount
Buildings	4,640	4,574
Furniture & Fixtures	240	208
Office Equipment	-	1
Total	4,880	4,783

As at March 31, 2020:

(Rs in Lacs)

Particulars	Additions for the year	Carrying Amount
Buildings	687	515
Furniture & Fixtures	110	62
Office Equipment	1	1
Total	798	579

40.4 Depreciation on Right of use assets is as follows:

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Buildings	512	172
Furniture & Fixtures	60	48
Office Equipment	1	-
Total	573	219

40.5 The coompany has taken certain premises on short term leases and leases of low value and lease rent charged in respect of same have been charged under Rent expenses in Note 30 to the statement of Profit and Loss. Lease rent amounting to Rs 770 lacs (2020: Rs. 887 lacs) has been debited to statement of profit and loss during the year ended March 31, 2021.

40.6 As a Lessor

The group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.

41 Revenue from contracts with customers

The group is engaged in the business of investment banking and corporate advisory services, equity broking and research, Selling and distribution of third party products, Security agency, debenture trustee ship and Private Equity Investment and Asset Management in accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner under each head.

A. Merchant Banking and Corporate Advisory Services

The group provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, corporate advisory services etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Company may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognized until the outcome of those events or values are known. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

B Equity Broking

The group provides trade execution and settlement services to the customers in retail and institutional segment. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognised as revenue on trade date basis. Related receivables are generally recovered in a period of 2 days as per the settlement cycle.

C Selling and Distribution Income

The group distributes various financial products and other services to the customers on behalf of third party i.e. the group acts as an intermediary for distribution of financial products and services. The Company executes contracts with the Principal, viz AMC's, Mutual Funds, Bank, Insurance Company etc. to procure customers for its products. As a consideration, the group earns commission income from the third parties for the distribution of their financial products. The commission is accounted net of claw back if any, due to non-fulfilment of contract by the customer with the principal. The customer obtains control of the service on the date when customer enters into a contract with principal and hence subscription or contract date is considered as the point in time when the performance obligation has been satisfied.

D. Depository service income

Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

E. Trusteeship Acceptance Fees & Service charges

Revenue from trusteeship services is recognised on a straight-line basis using time elapsed method over the contract term.

During the year, the company has applied the Ind AS 115 Revenue from Contracts with Customers (Ind AS 115) on trusteeship acceptance fess and service charges. Changes in policy is described below:

The group has applied the modified retrospective approach for trusteeship acceptance fees and service charges as per para C3(b) of Ind AS 115 to contracts that were not completed as on April 1, 2020 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. April 1, 2020 in accordance with para C7 of Ind AS 115 as an adjustment to the other equity. The transitional adjustment of Rs Rs 1951 lacs (net of taxes) has been stated as Transition Difference under other equity based on the requirements of the Ind AS 115.

Due to the application of Ind AS 115, revenue from trusteeship services is recognized on a straight-line basis using time elapsed method over the contract term. The previous standard permitted the upfront recognition of the fees on execution of the contract.

Accordingly, the information presented for financial year 2019-20 has not been restated, hence previous period figures are not comparable to that extent. Additionally, the disclosure requirements in Ind AS 115 have not been applied to comparative information for the previous period.

F Remaining performance obligation disclosure:

The group recognises revenue from a customer in an amount that corresponds directly with the value to the customer provided on the basis of performance completed to date. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation-related disclosures for contracts. The group has further not disclosed the amount of remaining performance obligations for the contracts with customers duration of less than one year applying practical expedient as given in Ind AS 115.

Unsatisfied performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, economic factors etc. The aggregate value of transaction price allocated to unsatisfied performance obligations in respect of trusteeship acceptance fees and service charges is Rs. 3,538 lacs out of which Rs. 975 lacs (27.65%) is expected to be recognised as revenue in the next reporting period and the balance Rs. 2560 lacs (72.35%) thereafter.

G Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognized as revenue on completing the performance obligation.

Reconciliation of Contract liabilities is as given below:

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Opening Balance	796	792
Add: Contract liabilities recognised during the yea	7,501	796
Add: Interest expense recognized during the year	180	-
Less: Revenue recognised during the year	(3,793)	(792)
Less: Adjustment to contract liabilitie	(169)	-
Closing Balance	4,515	796

H. **Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price:**

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Revenue from the contracts (as per contract)	1,25,771	86,280
Add : Interest expenses recognised	180	-
Adjustment for Contract Liabilities	1,271	796
Revenue from the Contracts (as per Statement of Profit and Loss)	1,24,680	85,484

42 **Maturity Analysis**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at March-21	Within 12 months	After 12 months	As at March-20	Within 12 months	After 12 months
ASSETS						
Financial Assets						
Cash and cash equivalents	30,270	30,270	-	36,318	36,318	-
Bank balance other than above	40,393	40,393	-	30,359	27,783	2,576
Securities for trade	1,50,246	1,50,246	-	82,692	82,692	-
Receivables						
Trade Receivables	47,353	47,353	-	24,781	24,781	-
Other Receivables	66	66	-	41	41	-
Investments	3,18,567	6,765	3,11,802	1,94,407	7,802	1,86,606
Other Financial assets	2,593	1,214	1,379	4,603	938	3,665
Total Financial Assets	5,89,488	2,76,307	3,13,181	3,73,201	1,80,354	1,92,847
Non-financial Assets						
Current tax asset (Net)	11,767	947	10,820	12,300	-	12,300
Property, Plant and Equipment	7,882	595	7,287	8,012	46	7,967
Right-of-use assets	4,783	441	4,342	579		579
Capital work in progress	275	97	178	6	-	6
Intangible assets under development	227	227	-			
Intangible assets	1,196	-	1,196	472	-	472
Other non-financial assets	2,755	642	2,114	1,836	1,802	33
Total Non - Financial Assets	28,885	2,949	25,937	23,205	1,848	21,357
TOTAL ASSETS	6,18,373	2,79,256	3,39,117	3,96,406	1,82,202	2,14,204
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
Payables	24,606	24,136	470	15,656.49	15,186	470
Borrowings	3,674	3,674	-	6,899	6,899	-
Lease liabilities	4,747	767	3,980	598	-	598
Other financial liabilities	12,568	12,276	292	9,595	8,298	1,297
Total Financial Liability	45,595	40,853	4,742	32,748	30,383	2,365
Non-Financial Liabilities						
Deferred tax Liabilities (Net)	62,997	289	62,709	33,049	(0)	33,049
Provisions	1,696	1,321	374	2,113	949	1,164
Other non-financial liabilities	7,466	6,403	1,063	3,193	3,193	-
Total non financial Liability	72,159	8,013	64,146	38,355	4,142	34,213
Total Liabilities	1,17,754	48,866	68,888	71,103	34,526	36,578
Net	5,00,619	2,30,390	2,70,229	3,25,303	1,47,677	1,77,626

43 Enterprises Consolidated as Subsidiary in accordance with Ind AS-110 Consolidated Financial Statements and as Associates as per Ind AS-28 Investment in Associates and Joint Ventures.

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
SBICAP Securities Ltd	India	100%
SBICAP Trustee Company Ltd	India	100%
SBICAP Ventures Ltd	India	100%
SBICAP (Singapore) Ltd	Singapore	100%
SBI Pension Funds Private Limited	India	20%

44 Additional Information, as required under schedule III to the Companies Act, 2013, of Enterprise Consolidated as Subsidiary/Associates

(Rs in Lacs)

Name of Establishments	Net Asset		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
SBI Capital Markets Limited	83%	4,15,074	50%	26,278	100%	1,35,956	86%	1,62,234
Subsidiaries								
Indian								
1. SBICAP Securities Limited	11%	56,694	41%	21,646	0%	58	12%	21,704
2. SBICAP Trustee Company Limited	2%	10,647	2%	1,298	0%	(1)	1%	1,297
3. SBICAP Ventures Limited.	2%	11,980	7%	3,835	0%	(10)	2%	3,825
Foreign								
1. SBICAP (Singapore) Limited.	1%	5,943	-1%	(416)	0%	-	0%	(416)
Associate								
1. SBI Pension Fund Private Limited	0%	281	0%	69	0%	0	0%	69
Total		5,00,619		52,710		1,36,003		1,88,713

45 Winding up of Subsidiary SBICAP (Singapore) Limited

SBICAP (Singapore) Limited the wholly owned subsidiary of the Company has been incurring losses consistently. The Board of Directors of the company in their meeting held on January 22, 2021 have approved the winding up of SBICAP (Singapore) Limited.

The Board of Directors of SBICAP (Singapore) Limited through a circular resolution dated 25 March 2021 resolved that the Company would (i) surrender the Capital Markets Services License ('CMSL') issued by Monetary Authority of Singapore ('MAS'), and (ii) initiate the process of cessation of business after the procedure of surrendering the CMSL is completed.

As a result, SBICAP (Singapore) Limited changed its basis of accounting from the going concern basis to a non-going concern basis during the financial year ended March 31, 2021. There is no material effect on the financial statements of the group due to change in the basis of accounting from going concern to a non-going concern for SBICAP (Singapore) Limited.

Financial performance of SBICAP (Singapore) Limited is as given below

A. Financial Performance

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Revenue from operations	167	343
Other income	5	125
Total Income	**172**	**468**
Expenses		
Finance Costs	1	2
Employee Benefits Expenses	201	215
Depreciation and Amortization	43	40
Others expenses	343	165
Total Expenses	**588**	**422**
Profit/(loss) for the year	**(416)**	**46**

B. Cash flow statement

(Rs in Lacs)

Particulars	Year ended March-21	Year ended March-20
Net cash used in operating activities	(186)	(63)
Net cash from investing activities	21	32
Net cash used in financing activities	(38)	(37)

46 Impact of COVID-19 (Global Pandemic)

The group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption and recoverable values of its financial and non-financial assets.

The group has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

Financial assets carried at fair value as at March 31, 2021 is Rs. 459,475 lacs and financial instruments carried at amortised cost as at March 31, 2021 is Rs. 129,131 lacs. The fair value of these assets is marked to an market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Group are mainly Investments in liquid debt securities and unquoted equities and accordingly, any material volatility is not expected.

Financial assets of Rs 129,131 lacs as at March 31, 2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits where the Company has assessed the counterparty credit risk. Trade receivables of Rs. 47,419 lacs (net of provision) as at March 31, 2021 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The Company closely monitors its receivables who are going through financial stress. The assessment is done in respect of receivables of Rs. 47,419 lacs as at March 31, 2021 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of Rs. 5,922 lacs as at March 31, 2021 is considered adequate.

47 Events occurring after the balance sheet date

There have been no events after the reporting date that require disclosure in these financial statements

48 The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable

As per our report of even date

For Ummed Jain & Co
Chartered Accountants
Firm Registration No. 119250W

CA Akhil Jain
Partner
Membership No.: 137970
May 5, 2021

Ashwini Kumar Tewari
Director

Krishnan Kutty Raghavan
Chief Financial Officer

Arun Mehta
Managing Director & CEO

Amit Shah
Company Secretary