

# WHATEVER YOUR DREAM, THERE IS A MUTUAL FUND SOLUTION FOR YOU!

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## SBI FUNDS MANAGEMENT PRIVATE LIMITED

(A joint venture between State bank of India & AMUNDI)

**Corporate Office:** 9<sup>th</sup> floor, Crescenzo, C-38 & 39, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400051  
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## Board of Directors of SBI Funds Management Private Limited



**Mr. Ashwani Bhatia**  
Managing Director & CEO



**Mr. Dinesh Kumar Khara**  
Associate Director



**Mr. Fathi Jerfel**  
Associate Director



**Mr. Jashvant Raval**  
Independent Director



**Mr. O. P. Gahrotra**  
Independent Director



**Dr. Prafulla Agnihotri**  
Independent Director



**Mr. C. N. Ram**  
Independent Director



**Mr. Jean-Yves Glain**  
Associate Director



**Mr. Denys Charles Jean Marie  
Fougereux De C**  
(Denys De Campigneulles),  
Dy. Chief Executive Officer

## Auditors

### **C N K & ASSOICATES LLP**

Chartered Accountants  
Narain Chambers, 5th Floor  
Vile Parle (E)  
Mumbai - 400 057

## Bankers

State Bank of India

## Registered Office

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**DIRECTORS' REPORT**

TO,

**THE MEMBERS**

The Directors of SBI Funds Management Pvt Ltd (SBIFM) are pleased to present the 28th Annual Report along with the audited accounts for the year ending March 31, 2020, prepared in accordance with the Indian Accounting Standards (Ind As).

**I. FINANCIAL PERFORMANCE**

The financial performance of the company on both standalone and consolidated basis for the financial year ending March 31, 2020 is summarized as under:

(₹ in lakh)

Particulars	Standalone		Consolidated	
	Reporting Year	Previous Year	Reporting Year	Previous Year
	2019-20	2018-19	2019-20	2018-19
Total Income	1,31,686	1,55,849	1,31,851	1,56,197
Profit before tax	79,390	64,666	79,374	64,784
Add: Net share of profit from associates	-	-	45	38
Less: Provision for tax	18,834	21,768	18,842	21,772
Profit for the period	60,556	42,898	60,577	43,050
Balance brought forward from previous year (net)	1,34,106	91,208	1,34,439	91,389
Profit available for appropriation	1,94,662	1,34,106	1,95,016	1,34,439

**II. DIVIDEND:**

The board of Directors have recommended dividend of ₹ 3.00 per share for the financial year 2019-20 amounting to ₹ 150.00 crore..

**III. TRANSFER TO GENERAL RESERVES:**

During the period under review, a sum of ₹ 500 lakh has been transferred from Profit and Loss to the General Reserve of the Company.

**IV. CAPITAL STRUCTURE**

There has been no fresh issue of capital during the year. The net worth of the Company has increased to ₹ 1,98,518 lakh as at the end of March 31, 2020 from ₹ 1,37,376 lakh as at the end of March 31, 2019.

**V. DETAILS OF SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATES:****I) SUBSIDIARY:**

As on March 31, 2020, the Company had one wholly owned subsidiary, namely SBI Funds Management (International) Private Limited. This subsidiary provides investment management services to the offshore fund, SBI Resurgent India Opportunities Fund (SBIRIOF) & SBI India Opportunities Fund. In accordance with the provisions of Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statement including requisite details of the subsidiary, which was adopted by the Board of Directors.

Further, a statement containing the salient features of the financial statements and details of performance and financial position of the Subsidiary in the format AOC-I is appended as Annexure I. During the year the Company had declared dividend of \$ 7.50 per share



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The performance and financial position of the Subsidiary for the year ended March 31, 2020 is as under:

(Figures in lakh)

Particulars	Reporting Year (\$)	Previous Year (\$)	Reporting Year (₹)	Previous Year (₹)
	2019-20	2018-19	2019-20	2018-19
Total Income	6.01	4.97	426.32	347.40
Profit before tax	3.50	1.68	247.95	117.58
Profit after tax	3.39	1.63	240.91	113.83
Amount available for Appropriation	2.07	2.44	168.43	168.43

[USD Conversion Rate Source: RBI website]

Annual Report of SBI Funds Management (International) Private Limited is available on our website [www.sbimf.com](http://www.sbimf.com)

### II) ASSOCIATE COMPANY:

The Company has 20% investment in the Equity Share Capital of 'SBI Pension Funds Private Limited'. SBI Pension Funds Private Limited has been appointed as the Pension Fund Manager by the Pension Fund Regulatory Authority of India (PFRDA) to manage pension funds for Government Sector and Private Sector employees in accordance with the applicable provisions of the Investment Management Agreement for the New Pension Scheme, the guidelines / notifications issued by the PFRDA, the Ministry of Finance and the Government of India from time to time. Further, a statement containing the salient features of the financial statements and details of performance and financial position of the Associate in the format AOC-I is appended as Annexure I.

The performance and key financial parameters of the Associate Company based on Ind As for the year ended March 31, 2020 is as under:

(₹ in lakh)

Particulars	Reporting Year	Previous Year
	2019-20	2018-19
Total Income	1692	1275
Profit before depreciation	369	274
Less: Depreciation	61	8
Profit before tax	308	266
Less: Provision for tax	80	77
Profit after tax	228	189
Balance brought forward from previous year	839	650
Amount available for Appropriation	1067	839

### III) JOINT VENTURE:

The Company did not have a Joint Venture with any company during the financial year under review.

## VI. BUSINESS ENVIRONMENT:

Financial year 2019-20 has seen it all, from the markets reaching its all-time high to three-year returns being erased within a span of a month. This year we saw the GDP touching its lowest level in seven years while crude oil fell to levels last seen about 18 years back. The biggest shock came at the end of the year, the COVID-19 global pandemic on a scale that's seen once in a lifetime.

Overall, the NIFTY delivered negative returns of around 26% for FY19-20. Midcaps and Smallcaps that had started outperforming largecaps by early 2020, gave away all the outperformance and underperformed the largecap indices. When compared to other emerging markets, India was a stark underperformer with MSCI India delivering negative returns of nearly 32% (in US\$ terms) compared with MSCI Emerging Market Index's -20%.



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The fiscal year had started on a positive note helped by a strong political mandate at the center and India being a natural hedge against the adverse growth impact of US-China trade war. The full majority to BJP led NDA government reinforced the belief in some of the policies undertaken during their last term; particularly the actions to keep the inflation contained and focus on social security net.

However, the slowing economic growth (4.7% in Q3 FY20), the slowest in almost 7 years, and stress in the non-banking financial entities kept the markets jittery. The sharp economic slowdown necessitated policy action at a war scale. The Government responded with big bang reforms on corporate taxes, which boosted market sentiment. Further, India being integrated with the rest of the world was also impacted a bit by slowing global growth.

Despite a backdrop of weak economic growth, the Indian markets hit fresh highs in early 2020 on expectations of economic recovery. Both service sector and manufacturing sector PMIs had started looking up. Even the IIP numbers suggested that the economy was turning in the Jan-Feb 2020 period. However, the recovery was cut short by the sudden outbreak of the Coronavirus pandemic.

Markets plummeted consequently in line with the global markets, reacting as much to the lockdown and its economic fallout as to the pandemic itself. FPIs (Foreign Portfolio Investors) that had positive inflows for most part of the financial year, sold nearly US\$ 8.3bn worth of equities in March alone even as DIIs bought US\$ 7.5bn. For the full financial year, FPIs were net buyers to the tune of US\$ 1.3 billion in equities.

There will be economic consequences as the world deals with triple shocks simultaneously- supply shock, demand shock, and oil shock (as oil prices plunged after the disagreement between OPEC nations on cutting down of oil supply). Aggressive policy intervention will be critical in limiting the damage.

The government announced a ₹ 1.7 trillion stimulus aimed at easing the bottom of the pyramid through the lockdown. At 0.8% of GDP this would be modest compared to several other countries that have undertaken much larger stimuli; the US for example has approved a package which is 10% of their GDP. We hope that on the other side of the lockdown, there will be more help from the government. The pain that several businesses, especially smaller ones, face around their very survival and the corresponding rise in unemployment, need to be addressed. While poverty in India has usually been associated with rural India, this crisis has brought to fore the plight of the urban poor, who will need focused support as unemployment situation continues to worsen.

On the fixed income markets side, the market rallied in the initial months of the financial year with the budget adhering to fiscal consolidation, global developments tilting towards monetary easing, accommodative RBI policy on the backdrop of slowing economic growth and surplus systemic liquidity.

The bond market remained volatile for the remaining part of the year on concerns about the prospects of fiscal slippage due to tax cut announcement and on the prospects of additional fiscal stimulus measures given the economic slowdown. With hike in the near-term CPI, RBI kept the policy action on hold post the October 2019 policy and resorted to unconventional actions to ensure that term premiums reduce. These measures were intended to bring down sovereign rates and thereby enable better transmission in the corporate markets over time.

Liquidity conditions remained in surplus all through the second half of the financial year, with the effective overnight rates trading substantially below the policy rate in all the secured overnight funding markets. The onset of market volatility post the large scale spread of the Covid-19 pandemic across the globe rattled domestic debt markets as large scale FPI outflows were witnessed.

The RBI advanced its scheduled April review and announced an out of schedule policy Repo rate cut by 75bps to 4.40%. Simultaneously CRR was cut by 100 bps along with a Targeted LTRO(Long Term Repo Operations) of ₹ 1 trillion specifically for purchase of corporate bonds in primary and secondary markets. These extraordinary measures announced at the end of March 2020 had the impact of unwinding the stressed levels witnessed during the preceding few weeks with rates across the curve retracing substantially. While fiscal pressures would magnify in the current context with the shutdown, RBI direct and indirect accommodation of the same becomes an inevitable option at some point.

### **The year was:**

Marked by regular inflows of assets, the Indian Mutual Fund Industry witnessed a reasonable growth of approximately 10%\* in terms of Quarterly AAUM (Average Assets Under Management). The Quarterly AAUM for the industry reached ₹ 27,02,511 Crores\* (March 31, 2020) from ₹ 24,48,121 Crores\* (March 31, 2019). The number of new SIP registrations saw an uptick during the year and were more than 16.8 million.





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SBIFM Pvt Ltd. saw approximately 31.5%\* growth in assets during the year - the fastest in the industry, with Quarterly AAUM at ₹ 3,73,537 Crores\* during March 2020 quarter, (₹ 2,83,807 Crore during the March 2019 quarter). Along with growth in Mutual Fund assets, we also saw huge growth in PMS (Portfolio Management Services) assets with new mandates received from EPFO and SBI staff retirement funds, AIF and Offshore funds accounting to total assets of about ₹ 10,33,663 Crores as on March 31, 2020 (₹ 3,33,088 Crores as on March 31, 2019).

\*Source-AMFI, #Source-MFI Explorer

### MUTUAL FUND INDUSTRY

During the year under review, following key SEBI Regulations, Guidelines and change in taxation aspects were announced for the Mutual Fund Industry.

1. Introduction of changes in the Risk Management framework for liquid and overnight funds. viz, holding 20% of net assets of liquid schemes in liquid assets effective from May 01, 2020; no parking of funds pending deployment in Short Term Deposits of Scheduled Commercial Banks; restrictions on investment in debt securities having structured obligations or credit enhancements; levy of exit load on investors who exit the Liquid Fund within 7 days of their investment on a graded basis; cut off timing for applicability of NAV in liquid and overnight funds reduced to 1:30 pm instead of 2 pm.
2. Reviewed existing provisions on valuation of money market and debt securities and updated guidelines with best market practices to improve the robustness of valuation of these securities.
3. Reviewed mutual funds investment norms for investment in Debt and Money Market Instruments and revised norms for investment in listed and unrated debt instruments; restrictions on investment in debt instruments having Structured Obligations / Credit Enhancements; revised the Sector and Group Level Exposure Limits, etc.
4. New norms for Debt Exchange Traded Funds (ETFs)/Index Funds. The Debt ETF/Index Fund issuer shall ensure compliance to the norms for rebalancing at the end of every calendar quarter.
5. AMCs can now provide management and advisory services in terms of Regulation 24(b) of MF Regulations to FPIs falling under categories of FPIs as specified in SEBI (Foreign Portfolio Investors) Regulations, 2019.
6. Mutual Funds and AIFs to follow the Stewardship Code in relation to their investment in listed companies which include monitoring and actively engaging with investee companies on various matters including performance, strategy, corporate governance, material environmental, social, and governance (ESG) opportunities or risks, capital structure, etc.
7. AMCs are required to complete the KYC in all cases and obtain PAN in all non-PAN exempt cases before processing any transaction including redemptions. Accordingly, it is now a mandatory requirement that all investors should complete the KYC requirements for all normal transactions (including purchases, redemptions, switches and all types of systematic plans) and non-financial requests.
8. Certain rules were amended for gold exchange traded schemes. The assets of the scheme being gold or gold related instruments may be kept in the custody of a custodian registered with SEBI. Earlier requirement was to keep in custody of a Bank which is registered as a custodian with the SEBI.
9. The provision regarding investment by the sponsor or asset management company being not less than one percent of the amount raised in the new fund offer or fifty lakh rupees, whichever is less, is now also made applicable to new fund offer of close ended schemes and such investment shall not be redeemed unless the scheme is wound up.
10. For Portfolio Management Services, new rules were notified in January 2020 on charging of fees, charges option for direct onboarding of clients, periodic reporting, reporting of performance disclosure, supervision of Distributors.
11. Effective from 1st April, 2020, the dividend distribution tax on the units of mutual funds under section 115R of the Income Tax Act, 1961 was discontinued and the dividend exceeding ₹ 5000 per annum paid / payable by mutual funds on the units of mutual fund is liable for tax deducted at source under section 194K and taxable at the hands of holder of units.



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### MUTUAL FUND INDUSTRY DATA

(₹ in Crore)

Particulars	Reporting Year 2019-20	Previous Year 2018-19
Total Assets mobilized	1,88,13,458	2,43,94,362
Total Redemptions/ Repurchases	1,87,26,470	2,42,84,661
Net Inflows	86,988	1,09,701
Average Assets Under Management (year ended quarter)	27,02,511	24,48,121

### PERFORMANCE REVIEW

SBIFM Pvt Ltd. achieved a growth of 31.5% in terms of average AUM on a year on year basis in financial year 2019-20, which is the highest in the industry among the top Fund Houses. The Fund house achieved the top rank in the industry in terms of average AUM for the quarter ended March 2020, up from the 3rd position as of end March 2019. The market share gain in average AUM terms was 2.23% during the year, the highest in the industry. The Fund House got over 85% market share of the new net funds inflow during the year.

The Fund House continued to be the largest ETF Asset Manager in India, with QAAUM of ₹ 91,746 Crore and a market share of 50.8% for the quarter ending 31st March 2020 from ₹ 62,861 Crore and a market share of 52.9% for the quarter ending 31st March 2019. We also crossed 4.9 million live Systematic Investment Plan (SIP) investors during the year ended 31st March 2020 from 4.4 million SIP investors during the year ended 31st March 2019. The monthly SIP book size also showed a growth of 12% year-on-year (to ₹1,180 Crore in FY2019-20 from ₹1,056 Crore in FY2018-19).

The Fund House has been continuously striving to evolve the investment management capabilities including developing a digital channel as mode of transaction and building new investment portfolios for clients. During the year, 85% of all purchase transactions, 75% of all SIP transactions were registered digitally and 61% of new investors were added digitally.

During the year, the Fund House launched twenty six funds under SBI Debt Fund Series and six Capital Protection Funds which mobilized ₹ 3,366 Crore from around sixty two thousand applications.

The value of assets under management for Portfolio Management/Advisory Services went up to ₹ 7,15,278 Crore as on 31st March 2020 as a result of new mandates primarily from the EPFO and SBI staff retirements funds as against ₹ 53,632 Crore as on 31st March 2019.

The value of Assets Under Management in SBI Resurgent India Opportunities Fund, the offshore equity fund managed decreased to ₹ 179 Crore as on 31st March 2020 from ₹ 192 Crore as on 31st March 2019.

The various business performance indicators are as under:

Particulars	Reporting Year ₹ in Crore	Previous Year ₹ in Crore
Average Assets Under Management*	₹ 3,73,537	₹ 2,83,807
Inflows / Purchase	₹ 21,47,254	₹ 22,38,144
Redemptions / Repurchase	₹ 20,73,083	₹ 21,86,163
Net Inflows (net of dividend payout)	₹ 74,171	₹ 51,981
AAUM Market Share*	13.82%	11.59%
Ranking in terms of AAUM*	1	3
Systematic Investment Plan (SIPs) market share	15.7%	16.7%

\*For the year-end quarter

As on March 31, 2020, under the one-year return category:

- 1) 76% of our equity assets and 98% of our debt funds were in the top two quartiles.
- 2) Most of our major equity funds like SBI Small Cap Fund, SBI Magnum Focused Equity Fund, SBI Magnum Global Fund, SBI Magnum Infrastructure Fund, SBI Technology Opportunity Fund and SBI Magnum Equity Hybrid Fund were in the top quartile.
- 3) In the fixed income category, SBI Magnum Dynamic Bond Fund, SBI Magnum Gilt Fund, SBI Magnum Low Duration Fund, SBI Magnum Medium Duration Fund, SBI Magnum Income Fund, SBI Magnum Savings Fund, SBI Magnum Ultra Short Duration Fund and SBI Magnum Asset Allocation Fund were in the top quartile.





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### Awards and Recognition

The Fund has won several accolades for investment performance as mentioned below:

- 1) SBIFM funds was recognized for its superior risk adjusted performance in the **Lipper Fund Awards Ceremony of 2019**; namely, SBI Banking & Financial Services Fund in Equity Sector Financials Category (3 Years), SBI Magnum Constant Maturity Fund in Bond Indian Rupee – Government Category (3 & 10 Years) and SBI Magnum Children's Benefit Fund in Mixed Asset INR Conservative Category (3, 5 & 10 Years)
- 2) SBI Magnum Income Fund is the winner in the Medium and Long Duration Category by **Morningstar**
- 3) SBIFM was awarded as the "Best Debt Fund House" by **Outlook Money Awards 2019**
- 4) SBIFM was honoured as the "Best Fund House: Debt" by **Money Today 2019**
- 5) SBI Magnum Equity ESG received "Outstanding Initiative" by the **Association of International Wealth Management of India**
- 6) SBIFM won the prestigious "The Disruptive 100" Award for its technological initiatives from **IDG**
- 7) SBIFM was honoured as the Asia's Most Trusted Mutual Fund **Brand as per Brand Research Report**.
- 8) SBI Mitra has won the Best Financial Services/Banking App in the **Drivers of Digital Awards and Summit – DOD 2019**
- 9) SBIFM was awarded as the Best Fund House – **Equity by Morningstar**
- 10) SBIFM won the Best Fund House – **Debt by Morningstar**
- 11) SBIFM was honoured as the Best Fund House - **Overall by Morningstar**
- 12) SBI Magnum Income Fund was the winner in the Best Medium to Long Duration Fund category by **Morningstar**
- 13) SBIFM received the Most Responsible Investor Award in the **International Responsible Investors Summit (IRIN) Conference 2020**

### DISTRIBUTION NETWORK

The Fund House had 77,756 AMFI certified agents as on 31st March 2020 as against 75,438 AMFI certified agents as on 31st March 2019. The number of Employees holding Unique Identification Number in the State Bank Group also increased to 24,660 from 23,795 during the period.

During the year, we opened 25 new Branches and as on 31st March 2020, we had 222 Branches spread all over India and 1 overseas Point of Presence.

### INVESTOR EDUCATION

Awareness of mutual funds continues to increase as investors seek newer avenues with returns from traditional avenues seeing a downward trend. Led by regular investor education initiatives by AMFI/SEBI and industry players, the objective to move savers to investing is gaining momentum. Our focus on investor education initiatives this year was to educate potential investors and savers, including in B30 locations, on how mutual funds can act as solutions for their financial goals. We used different communication, advertising and thought-leadership platforms to engage with them. We continue to believe; this is the way ahead for the industry as we see different customer niches and needs emerge.

The major investor awareness activities undertaken by us during the year are mentioned as under:

1. Development and Dissemination of Investor Education material
  - a. Articles – This year we partnered with the India Today Group for a series of investor education articles on different areas of personal finance, investing and mutual funds. A separate section has been created in the English & Hindi editions of their India Today magazine called 'Nivesh Yatra – The Journey towards Financial Freedom' for this initiative which publishes articles for their readers. In addition, we developed brochures from in-house content like 'Planning for Retirement' and '14 Reasons to fall in love with Mutual Funds' to promote the effectiveness of mutual funds as an investment solution. The content when required, is adapted to formats like online mailers/WhatsApp and is circulated to investors and distribution partners alike and hosted on our website blog - *Inspire*.



- b. Videos – We worked with content partners to develop videos on hybrid funds and benefits of staying invested. The video titled 'Bumpy Ride' highlights the benefits of staying invested despite ups and downs in market conditions while the second video titled "Hitesh Ritesh" shows the investment journey of two friends where one chooses to stay invested during volatile markets and reaches his financial goals, while the other friend chooses to opt out during tough market conditions. Their journey is beautifully showcased lyrically. We also developed a light-hearted video on Children's Day with two child artists who are curious to know about things in their surroundings. The message that we wanted to convey was as an investor you must have many queries about your investments and mutual funds could be an answer for the same. All videos were promoted through our social media channels.
2. Social Media – Our objective on social media is to drive more engagement on our official social handles by using an approach of unique content, rich formats, and engaging representation. Following this approach, we have run quite a few quiz series under the name #SBIMFQuizTime on Twitter with an intention to engage with our existing and potential followers on different aspects of mutual funds and financial planning. We also did some topical content on festivals and occasion such as:
  - a. New Year- Get fiscally fit (promoted SIP, ELSS & SWP)
  - b. Valentine's Day - 14 Reasons to fall in love with Mutual Funds
  - c. Women's Day - Creatives targeting a Homemaker, Working women and Women entrepreneurOther than this we continue to reach out to audiences with various posts on SIP, Equity Investing through Mutual Funds, Fixed Maturity Plans, Use of Systematic Withdrawal Plans for regular cash flow for expenses and more. Our community on social media platforms like Facebook, YouTube, Instagram, LinkedIn, and Twitter has crossed over seven lakh followers and continues to grow.
3. Online Marketing – We continue to focus on reaching out to millennials who are increasingly preferring a digital experience over the traditional. One of our investor awareness initiatives of the year was #WhatsYourExcuse, aimed at those audiences who keep delaying their investments due to various reasons. Concepts like online investing and possibility to register SIP even when on a holiday online/via an app were specifically made for them. In addition, we continuously promote concepts like SIP, Goal-based investing through mutual funds and ELSS (ELSS means LESS tax) through prominent domain and finance sites like Café Mutual, Morningstar India, Value Research and distribution-led sites like AdvisorKhoj. These activities are supplemented with organic and affiliate email campaigns which help in reach and awareness to a large group of online audiences.
4. Public Relations/Media – With the evolving media consumption habits, interaction across social media, print publications, and online media remains important. We continue to reach out to key media including regional (Newspapers, Magazines, Online and Television) to establish thought leadership by getting relevant coverage in large format industry stories, authored articles and Q&A's with spokespersons covering business, funds and investment and investor awareness aspects. We also continued to have a sustained focus on reaching out to potential investors through regional media sharing concepts for investor awareness like our 'Nivesh Ke Nuske' section in magazines like 'Nivesh Manthan' and highlighting the benefits of mutual funds, financial planning and other aspects of personal finance.
5. Television & On-ground Events – Our association with CNBC Awaaz, a leading Hindi business channel from the CNBC-TV18 network, for Pehla Kadam – Season 5, a holistic investor education initiative across India, continued this year with an exclusive tie-up to promote mutual funds as an investment option for financial goals. This included a mix of on-ground events, in-studio discussions, corporate campus events and online/social media. As part of the sponsorship, we plan to have 15 episodes (10 in-studio discussions and 5 episodes compiled from on-ground events) on different facets of financial planning and mutual funds. The on-ground events will include corporate campus and public auditorium events to engage with first-time investors, homemakers, youth, retail investors, entrepreneur community and retirees. The initiative is also promoted extensively via social media and promos on TV18 channels.
6. Media Campaigns – We had a couple of opportunities in the past year to use tactical media campaigns to promote mutual funds amongst the masses with the theme/message viral at that point of time.
  - a) Cricket World Cup is an important property from an advertising standpoint, as it is once in 4 years, where a lot of 'eyeballs' are available across media. It was an opportune time for us to use this highly viewed event as a tactical opportunity to promote mutual funds amongst the masses and correlate the similarities in Cricket with Mutual Funds. Our investor education campaign, '*Khelo Financial Growth Ka Innings*', during the World Cup brought out the similarities in scenarios between mutual funds and cricket with advertisements like e.g. Singles can also help win a match (similar to using SIPs to build a corpus) and Long-Innings and Long-term investing both don't deserve a run out. This was promoted in online media (our website, third-party advertising and social media) and in select business/personal finance publications like MINT, Business Standard, Financial Express, Hindu Business Line and ET Wealth.



- b) Our next tactical campaign of the year was inspired from the Prime Minister's Independence Day speech where he laid out a vision for India to become a \$5 Trillion economy. Our message focused on the fact the policy reforms being put in place by the Government for different sectors will enable them to grow. Thus, an allocation through equity funds can enable an investor to build long-term wealth and our message '*Participate in the journey towards a \$5 Trillion economy with Equity Funds*' was to reinforce that equity as an asset class through mutual funds is a convenient option to participate. The campaign was extensively promoted across outdoor (40 cities), online media (our website, third-party advertising and social media) and print media (English and 8 Regional language publications - Hindi, Marathi, Gujarati, Bengali, Tamil, Kannada, Telegu and Punjabi).
  - c) Equity Linked Saving Schemes (ELSS) continue to be an ideal investment option for those looking to build long-term wealth while availing tax benefit on their investments. 'ELSS means LESS tax' was our message to investors so the tax-saving message clearly stood out to investors. The message explained in detail in the magazine advertisements how investments in ELSS can help save tax while elaborating on the benefits on investing in equity-linked schemes like ELSS to build wealth while getting tax benefit on investments of up to ₹. 1.5 lakh under Section 80C of the Income Tax Act. The message was promoted through below-the-line collaterals like banners, standees as well as in online/social media to increase the reach of the message.
  - d) The last quarter of FY 19-20 saw a lot of market movement, firstly with the downturn in the economy and later with the coronavirus situation limiting activity worldwide, with fall across large, mid and small cap companies. At such a time, we thought to remind investors that such 'black swan events' are opportune times to stay invested as long-term goals should not get affected by these bumps in the road. Our message 'Don't take a U-turn on your investments' was to drive that point across and we exclusively used online media (emailers and social media posts) to promote the same as other media were affected due to the lockdown in force across the country, while the entire audience was online tracking news and other information.
7. The AMC conducted 297 Investor Education meets with 17,487 participants in FY 19-20. In these events, trained professionals discussed the importance of savings, financial goals, benefit of compounding in wealth creation, healthy wealthy habits amongst other personal finance topics. Investment awareness videos were screened at these programs with trainers available to explain, clarify or answer various queries. Booklets/Collaterals in regional languages on investor awareness were also distributed in these programs. We also did an investor awareness program at a Chartered Accountants Conference for nearly 3,200 participants. Our investor awareness programs are conducted at State Bank of India Branches, Army Cantonments, CRPF, Air Force stations, Educational Institutes, Municipal Schools and at Corporate offices of Companies. These events continue to be well received by the investing/general public and are key to spreading financial literacy and awareness across the country.

#### **NEW INITIATIVES**

- 1. In FY 2020, SBIFM was certified as a 'Great Place To Work' for the period March 2020 to Feb 2021. This is a result of High-Trust and High-Performance Culture in the organisation.
- 2. On the digital front, 85% of all lumpsum purchase transactions and 75% of all SIP transactions were registered digitally. Despite discontinuation of Aadhaar based on-boarding, last year over 10.85 lacs, i.e. 61% of new investors of SBI Mutual Fund were added digitally. We also launched voice assistants on Alexa and Google Home devices. We have also created 'smart statement' of accounts which redefines online statement of accounts by including several insights on one's investments. Further, we introduced the WhatsApp Chatbot in March 2020, which already has over 14,000 registered users.
- 3. Our focus continued to be on the B30 locations as our endeavour is to grow organically through higher penetration in these geographies. To further boost our efforts in B30 locations, we have launched 14 new Branches in the year taking the total number of Branches to 222 including 176 in B30 locations.
- 4. We have also gained a fair share of the industry SIP book as SIP is one of the strongest investment tools available to investors and it also adds to regular and sustainable long term inflows in core assets. In March 2020, our SIP book stood at ₹1,180 crores as compared to ₹ 1,056 crores as of March 2019.
- 5. With a view to build a sustainable business for all the stakeholders and putting investors safety first, we continuously work towards enhancing our risk mitigation processes and the same has proven to be effective in FY 2020.
- 6. In FY 2020, SBIFM became the first AMC in the country to be fully compliant with the Global Investment Performance Standards (GIPS), administered by the CFA Institute. GIPS is a global guide for the principles that investment companies need to follow while calculating and presenting performance data to clients. This adds another layer of credibility to our business functioning through a fair representation of the performance to our customers



## **SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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7. With the focus on customer service, SBIFM continues to invest significantly in this segment to help investors throughout their investment journey. We have addressed many customer pain points by gathering customer feedback, process improvements, system enhancements, strengthened governance around repeated queries and upskilling of teams along with speedy resolution. We have made continuous improvement in On-boarding and Investment processes by providing enhanced digital solutions both for our investors and distributors. Overall complaints continue to trend downwards.
8. We have substantially grown our PMS institutional book by On-boarding some of the most esteemed and the largest PF (Provident Fund) organisations.
9. From customer's perspective, SBI Mutual Fund continues to believe in offering investment solutions rather than a product-selling approach. Accordingly, we launched services such as SWP – A, SIP Top up cap, SIP Pause etc. during the year.

### **VII. CHANGE IN NATURE OF BUSINESS**

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

### **VIII. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED IN BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2019-20 and the date of this report.

### **IX. FUTURE PLANS**

1. FY 20-21 has begun amidst COVID-19 - a completely unprecedented situation. Everyone in the industry and across the globe has been affected by it. While everyone is trying innovative ways to ensure business continuity, the real challenge will be the new world that we will be a part of once this is over and we enter a new normal.
2. From the business perspective, we expect FY 20-21 to be a challenging year for the entire industry, both from the perspective of growth in assets as well as pressure on margins. We will accordingly focus on cost optimization through forward and backward integration. However, we will continue to invest in the core needs of business enhancement. We will also make significant investments into technology to protect our data and develop highest standards of data security.
3. On the digital front, we will continue to work on making the customer journey more personalised and effective in better investment planning. We will work on a data platform project which will help in various analytics use-cases for business impact.
4. In terms of our product basket, we will continue to add funds, both from the point of view of introducing innovative products and addressing product gaps. We will have products across solution-oriented and debt categories. We will also continue to expand our passive offerings. We will also focus on creating tools and solutions which will help investors in achieving their investment goals.
5. We will continue to develop newer business segments of PMS and AIF by launching differentiated strategies under these vehicles.

### **X. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The objective of the CSR policy adopted by the Company is working towards social welfare and strengthening its bond with community. Its emphasis is on assisting groups belonging to the weaker and downtrodden sections of society by providing avenues for improvement of their economic condition. CSR activities are undertaken through Registered Trusts / Society / Foundations / NGOs / Charitable Institutions registered as Societies or Public Charitable Trusts or a Company established either by itself or its holding entity, subsidiary company or associate company under section 8 of the Companies Act, 2013.

In accordance with the provisions of section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, a Corporate Social Responsibility ('CSR') Committee, constituting the Directors of the Company, decides about the activities to be undertaken, expenditure to be incurred and also monitors the performance of the CSR activities undertaken by the Company. The Annual report on CSR activities is annexed as Annexure II and forms part of the Director's Report.



## SBI FUNDS MANAGEMENT PRIVATE LIMITED

During the year under review, two meetings of the CSR Committee were held on:

May 30, 2019 and November 20, 2019.

The attendance of each Director at the meetings of the CSR Committee is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. O. P. Gahrotra	00936696	Independent	2
Mr. Ashwani Bhatia	07423221	Associate	2
Mr. Fathi Jerfel*	05225974	Associate	1
Mr. Nicolas Simon*	07332820	Alternate Director to Mr. Fathi Jerfel	1
Mr. C. N. Ram	00211906	Independent	2

\* Mr. Nicolas Simon attended the CSR Committee meetings as an Alternate Director during the period of absence of Mr. Fathi Jerfel till the close of business hours of March 06, 2020.

### XI. COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2013:

In terms of the above rules issued by the Central Government the following information is furnished:

#### 1) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Our Company is in the financial services industry and does not consume high levels of energy. However, regular efforts are made to adopt appropriate energy conservation measures and technology absorption methods.

#### 2) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year under review, the Company earned ₹4,708.71 lakh in foreign exchange as portfolio management fee. The foreign exchange outgo on account of salary, business promotion and other administrative expenses was ₹ 629.44 lakh. An amount of ₹ 3,700 lakh was remitted during the year to non-resident shareholder (AMUNDI) on account of dividend declared for the last year.

#### 3) RISK MANAGEMENT SYSTEM

The Company has in place a Risk Management Policy duly approved by the Risk Management Committee of the Board and the Board of Directors. An Enterprise Risk approach is followed, and the Policy covers Investment Risk, Operational Risk, Strategic Risk, Fraud Risk, and Financial Risk. The Enterprise Risk control framework, escalation, and monitoring mechanism is outlined in the Policy and is in place within the Company. We follow the Risk Control Self-Assessment approach for identification of risks and the same is duly escalated to the Risk Management Committee of the Board.

#### 4) RISK MANAGEMENT COMMITTEE

During the year under review, four meetings of the Risk Management Committee of the Board were held on April 23, 2019, July 22, 2019, October 15, 2019, and January 17, 2020. The attendance of each Director at the meetings of the Committee is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Jashvant Raval	00171896	Independent	4
Mr. O. P. Gahrotra	00936696	Independent	4
Mr. Ashwani Bhatia	07423221	Associate	4
Mr. Fathi Jerfel*	05225974	Associate	0
Mr. Nicolas Simon*	07332820	Alternate Director to Mr. Fathi Jerfel	3
Mr. C. N. Ram	00211906	Independent Director	3

\* Mr. Nicolas Simon attended the Risk Management Committee meetings as an Alternate Director during the period of absence of Mr. Fathi Jerfel till the close of business hours of March 06, 2020.



**5) INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls systems with reference to the financial reporting. During the year, these controls were tested and were found to be operating effectively.

**6) LOANS, GUARANTEES OR INVESTMENTS**

- a) There are no Loans or Guarantees given by the Company under the provisions of Section 186 of the Companies Act, 2013.
- b) All the Investments made by the Company are within the limits specified under Section 186 of The Companies Act, 2013.

**7) DEPOSITS**

The Company has neither accepted deposits from the public nor from the members of the Company falling within the ambit of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, the company has not accepted any funds from the director(s) of the company during the financial year under the review.

**8) RELATED PARTY TRANSACTIONS**

All the related party transactions entered during the financial year were not material in nature; they are in the ordinary course of business of the Company and were in compliance with the applicable rules and provisions of the Companies Act, 2013. Details of all related party transactions have been placed before the Audit Committee of Board.

**9) PREVENTION OF SEXUAL HARASSMENT POLICY AND ITS REPORTING**

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has framed and implemented a detailed and comprehensive Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), to provide safe and conducive work environment for women employees, to work without fear and prejudice, gender bias and harassment. The policy clearly indicates operational guidelines and mechanism for effectively dealing with cases of sexual harassment / misdeeds against women employees. As per the policy, we have an Internal Committee which looks into the complaints and cases falling under the above Act.

Annual Report of the Internal Committee as per the requirement of Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 for the year ended in respect of all the locations of SBI Fund Management Pvt Ltd.

- No. of Complaints received during the year: Nil
- No. of Complaints disposed of during the year: Nil
- No. of Cases pending for more than 90 days: Nil
- Nature of action taken by the employer or District Office: Suitable action was taken against employees as recommended by Internal Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: Nil
- Awareness regarding POSH Act, 2013 was carried out for Year 2019-20 as under:
  - 1. E-learning module on POSH was made available to all employees and it was made mandatory for all employees to complete the E-learning module and clear an assessment based on the module.
  - 2. POSH Act is made available on intranet which is accessible to all employees.
  - 3. POSH Act is displayed on notice boards at all locations.
  - 4. All new joiners receive the POSH policy docket as part of their joining kit.

**10) EXTRACT OF ANNUAL RETURN**

The Details forming part of the extract of the annual return in Form MGT-9 are enclosed as Annexure-III.

**11) INDEPENDENT DIRECTOR DECLARATION U/S 149 (6)**

Section 149(6) of the Companies Act, 2013 is not applicable to a Private Company. However, in terms of SEBI (Mutual Funds) Regulation, 1996, the Company has appointed Independent Directors and has also obtained declarations of Independent Directors on voluntarily basis.





## SBI FUNDS MANAGEMENT PRIVATE LIMITED

### 12) MATERIAL ORDERS BY REGULATOR, COURT, TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATION

There is no significant and material order by any regulator, court, tribunals which have any impact on the going concern status and the company's operation in future.

### 13) DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)

The Company identified a fraud committed by an employee. The entire fraud amount has been recovered subsequently and necessary action has been taken against the employee. In this regard, management has strengthened processes & controls in the required area.

### 14) MAINTENANCE OF COST RECORDS

Disclosure pertaining to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

## XII. DIRECTORS:

During the year under review and till date, the following changes took place in the Board of Directors of the Company

1. Mr. Nicolas Simon ceased to be Alternate Director to Mr. Fathi Jerfel from close of business hours of March 06, 2020
2. Mr. Denys de Campigneullus was appointed as Alternate Director to Mr. Fathi Jerfel with effect from March 19, 2020.

The Board places on record its appreciation to the valuable contribution made by Mr. Nicolas Simon during his tenure and welcomes Mr. Denys de Campigneullus - appointed as Alternate Director to Mr. Fathi Jerfel, who joined the Board of the Company.

The Company is a Private Limited Company, the provision of appointment of Independent Directors does not apply. However, in terms of SEBI (Mutual Funds) Regulations, 1996, the Company has appointed Independent Directors.

## XIII. BOARD MEETINGS:

Nine Board meetings were held during the financial year under review on following dates: April 24, May 08, June 15, July 22, September 04, October 15, and, November 20 of 2019 and January 21 and March 20 of 2020

The attendance of each director at the meetings of the Board of Directors is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Dinesh Kumar Khara	06737041	Associate	9
Mr. Fathi Jerfel	05225974	Associate	2
Mr. Ashwani Bhatia, Managing Director & CEO	07423221	Associate	9
Mr. Jashvant Raval	00171896	Independent	8
Mr. O. P. Gahrotra	00936696	Independent	8
Dr. Prafulla Agnihotri	07238278	Independent	7
Mr. Jean- Yves Glain	07761090	Associate	3
Mr. C.N. Ram	00211906	Independent	4
Mr. Nicolas Simon*	07332820	Alternate Director to Mr. Fathi Jerfel	5
Mr. Denys de Campigneulles**	08716335	Alternate Director to Mr. Fathi Jerfel	1
Total No. of Board Meetings held			9

\* Mr. Nicolas Simon attended the Board meetings as an Alternate Director during the period of absence of Mr. Fathi Jerfel till the close of business hours of March 06, 2020.

\*\* Mr. Denys de Campigneulles was appointed as an Alternate Director to Mr. Fathi Jerfel with effect from March 19, 2020 and attended the Board meeting as an Alternate Director during the period of absence of Mr. Fathi Jerfel.



**XIV. AUDIT COMMITTEE OF DIRECTORS:**

The Committee reviews the reports of internal and statutory auditors placed before them from time to time. The Committee met nine times during the year on:

April 23, May 08, May 30, July 22, September 03, October 15, November 20 of 2019 and January 17 and March 20 of 2020.

All the meetings of the Audit Committee were chaired by an Independent Director who is a Chartered Accountant.

The attendance of each member at the meetings of the Committee is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Jashvant Raval	00171896	Independent	9
Mr. O. P. Gahrotra	00936696	Independent	8
Dr. Prafulla Agnihotri	07238278	Independent	8
Mr. Fathi Jerfel	05225974	Associate	1

**XV. COMMITTEE OF DIRECTORS:**

During the year, four meetings of the Committee of Directors were held on following dates:

April 23, July 22, October 15 of 2019 and January 17 of 2020. The attendance of each member at the meetings of the Committee is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. O. P. Gahrotra	00936696	Independent	4
Mr. Ashwani Bhatia	07423221	Associate	4
Mr. Fathi Jerfel#	05225974	Associate	None
Mr. C. N. Ram	00211906	Independent	3
Mr. Nicolas Simon#	07332820	Alternate Director to Mr. Fathi Jerfel	3

# Mr. Nicolas Simon attended the Committee of Directors meetings as an Alternate Director during the period of absence of Mr. Fathi Jerfel till the close of business hours of March 06, 2020.

**XVI. SHARE ALLOTMENT & HR SUB-COMMITTEE OF DIRECTORS:**

During the year one meeting of the Share Allotment & HR Sub-Committee of Directors was held on September 25, 2019. The attendance of each member at the meeting of the Committee is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Dinesh Kumar Khara	06737041	Associate	1
Mr. O. P. Gahrotra	00936696	Independent	1
Mr. Ashwani Bhatia	07423221	Associate	1
Mr. Fathi Jerfel #	05225974	Associate	None
Mr. Nicolas Simon#	07332820	Alternate Director to Mr. Fathi Jerfel	1

# Mr. Nicolas Simon attended the Share Allotment & HR Sub-Committee meetings as an Alternate Director during the period of absence of Mr. Fathi Jerfel till the close of business hours of March 06, 2020.



**XVII. TECHNOLOGY COMMITTEE OF DIRECTORS:**

During the year six meetings of the Technology Committee of Directors were held on April 22, July 22, October 15, December 04 of 2019, and January 17 and March 20 of 2020. The attendance of each member at the meetings of the Committee is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. C. N. Ram	00211906	Independent	6
Mr. O. P. Gahrotra	00936696	Independent	5
Mr. Ashwani Bhatia	07423221	Associate	6
Mr. Fathi Jerfel	05225974	Associate	None
Mr. Nicolas Simon *	07332820	Alternate Director to Mr. Fathi Jerfel	4
Mr. Denys de Campigneulles**	08716335	Alternate Director to Mr. Fathi Jerfel	1

\* Mr. Nicolas Simon attended the Technology Committee meetings as an Alternate Director during the period of absence of Mr. Fathi Jerfel till the close of business hours of March 06, 2020.

\*\* Mr. Denys de Campigneulles was appointed as an Alternate Director to Mr. Fathi Jerfel with effect from March 19, 2020 and attended the Technology Committee meeting as an Alternate Director during the period of absence of Mr. Fathi Jerfel.

**Information security in the WFH environment**

The company has been adopting digital strategies to achieve business growth as well as offer clients a seamless customer experience. This has been further accentuated by the COVID scenario which has resulted in a significant shift towards technology and digital adoption. The resultant risks have been duly recognised. Information security technologies and strategies for the same are a priority.

A dedicated Information Security function works towards managing the confidentiality, integrity and availability of data across organization processes, covering all the people involved and securing all the applications and systems continuously. The IT and cyber security strategies are guided by a Board level Committee, namely the Technology Committee of the Board and the Board of Directors serves as the apex governance body.

The Covid scenario poses challenges to people, process and technology and risk to business continuity could arise due to any of these factors. Work from home policies have been put in place, thereby addressing the risk to employees and ensuring business continuity. Secure technological solutions have been provided to offer employees a seamless working experience. Security Controls have been made more robust with access to critical applications being provided through Virtual Private Network (VPN), enabled with Two Factor Authentication (2FA). All security events are closely monitored through the Security Operations Centre (SOC), which works on a 24\*7 basis. End-point Detection & Response (EDR) solution is implemented on all endpoints and is being updated for latest signatures. Monitoring through the Data Leakage Protection tool is conducted on a daily basis.

Cyber security awareness and training of employees is conducted through various initiatives such as advisories issued by the infosec team, mock phishing campaigns, recognition of employees who have been good cyber citizens, etc. Information Security Training is mandatory for all new joiners and every employee also undergoes an annual refresher training.

We have also enhanced the monitoring over critical vendors, as they continue to support us in the WFH environment.

We shall continue to monitor the evolving threat landscape in order to adapt our security strategies with emerging threats.

**XVIII. ISSUE OF EMPLOYEE STOCK OPTION:**

During the financial year 2017-18, the Company instituted duly approved "Employee Stock Option Plan 2018 (ESOP-2018) for eligible employees of the Company. The scheme was approved at the Extra-Ordinary General meeting held on 31st January 2018. As per the plan, the Company has granted options to eligible employees which vest over a period of 3 years on each successive anniversary of the grant date.

In line with the disclosure requirement under the Companies Act 2013, the various components of the Scheme including options granted, options exercised and lapsed during the financial year 2018-19 and 2019-20, are set out in Annexure IV. Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

**XIX. MODEL CODE OF CONDUCT:**

The Directors confirm that all Board members and Senior Management have affirmed compliance with the Company's Code of Conduct for the financial year 2019-20.



**XX. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134 (5) OF THE COMPANIES ACT, 2013:**

The Directors confirm that all Board members and Senior Management have affirmed compliance with the Company's code of conduct for the financial year 2019-20.

The Directors hereby confirm that:

1. In the preparation of the annual accounts of the Company for the year ended 31st March 2020, the Indian Accounting Standard (Ind AS) have been followed along with proper explanation relating to material departures.
2. Reasonable and prudent accounting policies have been selected and applied consistently, along with reasonable and prudent judgments and estimates so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss of the Company for that period;
3. Proper and sufficient care has been taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis and
5. The company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**XXI. PERSONNEL**

Employee relations remained cordial during the year. The Directors place on record their appreciation of the dedicated work put in by all the employees.

**XXII. AUDITORS**

The Comptroller and Auditor General of India, New Delhi had appointed M/s. C N K & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company for the year under review, who will retire at the conclusion of the Twenty-eighth Annual General Meeting. There were no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their reports.

Under Section 142(1) of the Companies Act, 2013, the remuneration of Auditors appointed under Section 139(5) by the Comptroller and Auditor General of India, is fixed by the Company in the Annual General Meeting.

**XXIII. COMPLIANCE OF SECRETARIAL STANDARDS**

The Company has complied with applicable Secretarial Standards during the year.

**XXIV. ACKNOWLEDGEMENTS**

The Directors take this opportunity to express their gratitude for the continued support and co-operation extended by the Securities and Exchange Board of India, Reserve Bank of India, State Bank of India, Amundi, the Registrars & Transfer Agents, the Custodians, the Bankers, Market Intermediaries and Distributors, Government Agencies, Auditors, Association of Mutual Funds of India and the Board of Directors of SBI Mutual Fund Trustee Company Private Limited and SBI Funds Management (International) Private Limited.

The Directors also express their gratitude to the large body of investors of various schemes of SBI Mutual Fund for the faith reposed in the Fund House and look forward to their continued patronage.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
SBI FUNDS MANAGEMENT PRIVATE LIMITED**

**DINESH KUMAR KHARA**  
CHAIRPERSON  
DIN: 06737041

Mumbai

Dated: July 17, 2020



## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of  
subsidiaries or associate companies or joint ventures

## Part A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

S.No	Particulars	Details	USD	₹ In Lakhss
1.	Name of the subsidiary	SBI Funds Management (International) Private Limited		
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as holding company's reporting period		
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Reporting currency - USD & Exchange Rate ₹ 75.3859 closing rate as per RBI Ref Rate as on 31.03.2020 for monetary assets and liabilities and ₹ 70.8791 average rate as per RBI reference rate		
4.	Share capital		50,000	37.69
5.	Reserves and surplus		2,07,825	156.67
6.	Total assets		4,21,889	318.04
7.	Total Liabilities		1,64,066	123.68
8.	Investments		2	0.001
9.	Turnover		5,97,441	423.46
10.	Profit before taxation		3,49,821	247.95
11.	Provision for taxation		(10,495)	(7.44)
12.	Profit after taxation		3,39,326	240.91
13.	Proposed Dividend		3,75,000	265.80
14.	Extent of shareholding (in percentage)		100	100

## Part B: Associate and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related  
to Associate Companies and Joint Ventures

Sr. No.	Name of Associates or Joint Ventures	SBI Pension Funds Private Limited
1.	Latest audited Balance Sheet Date	31/03/2020
2.	Shares of Associate or Joint Ventures held by the company on the year end: Numbers	60 Lakhs shares of ₹ 10 each
3.	Amount of Investment in Associates or Joint Venture (₹ in Lakhss)	600.25
4.	Extent of Holding (in percentage)	20%
5.	Description of how there is significant influence	As per Indian Accounting Standard 28
6.	Reason why the associate/joint venture is not consolidated	Not Applicable
7.	Net-worth attributable to shareholding as per latest audited Balance Sheet (₹ in Lakhss)	813.38
8.	Profit or Loss for the year (₹ in Lakhss)	228
	i. Considered in Consolidation	45.60
	ii. Not Considered in Consolidation	182.40



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2019-20

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

The objective of the CSR policy adopted by the Company is working towards social welfare and strengthening its bond with the community's local thereto. Its emphasis is on assisting groups belonging to the weaker and downtrodden sections of society by providing avenues for improvement of their economic condition. CSR activities are undertaken through Registered Trusts/Society/ Foundations/NGOs/Charitable Institutions registered as Societies or Public Charitable Trusts or a Company established either by itself or its holding entity, subsidiary company or associate company under section 8 of the Companies Act, 2013. The details of CSR activities undertaken are provided in this report.

The CSR policy adopted by the Company is available on its website i.e. [www.sbimf.com](http://www.sbimf.com).

2. The Composition of the CSR Committee

(a) Total No. of Directors in the Committee : **Four**

(b) No. of Independent Directors in the Committee : **Two**

Name of the Director	Director Identification Number (DIN)	Category of Director
Mr. O. P. Gahrotra	00936696	Independent
Mrs. Ashwani Bhatia	07423221	Associate
Mr. Fathi Jerfel*	05225974	Associate
Mr. C. N. Ram	00211906	Independent

\* Mr. Nicolas Simon attended the CSR Committee meetings as an Alternate Director to Mr. Fathi Jerfel till the close of business hours of March 06, 2020.

\* Mr. Denys de Campigneulles was appointed as an Alternate Director to Mr. Fathi Jerfel with effect from March 19, 2020

3. Average net profit of the company for last three financial years (as per Section 198)

Sr. No.	Financial Year	Profit Before Tax (₹ in Lakhs)
1	2016-17	32,989.59
2	2017-18	50,322.41
3	2018-19	62,258.59
	Average Net Profit	48,523.53

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ **970.45 Lakh**

5. Details of CSR spent during the financial year: ₹ **972.73 Lakh**

(a) Total amount to be spent for the financial year: ₹ **970.45 lakhs**

(b) Amount unspent, if any ; Nil





**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in lakhs)

CSR Projects identified	Sector in which the project is covered	State and district of Project coverage	Project wise outlay	Amt Spent		Cumulative Expenditure up to the reporting period	Direct Or through agency
				Direct Expenses	Overheads		
Annamrita Foundation	Education, Healthcare, eradication of hunger	Maharashtra	86.50	86.50	-	-	Direct
Light Of Life Trust	Healthcare	Maharashtra	23.42	23.42	-	-	Direct
Bhagwaan Mahaveer Viklang Sahitya Samiti	Healthcare	Ahmedabad and Jaipur	60.00	60.00	-	-	Direct
Watershed Organisation Trust	Sanitation	Maharashtra	48.13	48.13	-	-	Direct
Rotary Club Bombay Charities Trust No.3	Healthcare and education services	Mumbai	15.00	15.00	-	-	Direct
Fairfax India Charitable Foundation	Healthcare	Manipur	99.72	99.72	-	-	Direct
Tata Medical Centre-Kolkata	Healthcare	Kolkata	54.29	54.29	-	-	Direct
Sri Sathya Sai Sanjeevani Hospital Palwal (Haryana)	Healthcare	Palwal, Haryana	15.39	15.39	-	-	Direct
Hdfc Cancer Fund	Healthcare	Maharashtra	0.72	0.72	-	-	Through agency
Sri Sathya Sai Sanjeevani Centre	Healthcare	Palwal, Haryana	41.33	41.33	-	-	Direct
Olympic Gold Quest	Sports	Delhi	40.00	40.00	-	-	Direct
Gita Krishnamurthy	Education	Tirunelveli, Tamil Nadu	14.25	14.25	-	-	Direct
Akshay Patra Foundation	Healthcare	Hubli and Rourkela	85.71	85.71	-	-	Direct
Ayang Trust	Education	Kuppam Andhra Pradesh	20.00	20.00	-	-	Direct
Sunbird Trust	Education	Assam and Manipur	17.68	17.68	-	-	Direct
Swades Foundation	Healthcare	Raigad, Maharashtra	44.00	44.00	-	-	Direct
United Way Of Chennai	Healthcare & sanitation	Chennai, Tamil Nadu	30.00	30.00	-	-	Direct
Mahan Trust	Healthcare & sanitation	Melghat, Maharashtra	62.83	62.83	-	-	Direct
Kasturba Hospital	Healthcare	Nanded, Maharashtra	84.00	84.00	-	-	Direct
SBI Foundation	Healthcare	Maharashtra	102.35	102.35	-	-	Through agency
Sanskriti Samvardhan Mandal	Education	Nanded, Maharashtra	27.41	27.41	-	-	Direct
Total			972.73	972.73			



**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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

Not applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For SBI Funds Management Private Limited

Ashwani Bhatia  
Managing Director & CEO

O. P. Gahrotra  
Chairman  
Corporate Social Responsibility Committee of Board of Directors

Place: Mumbai  
Date: July 17, 2020



Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on March 31, 2020  
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i	CIN	U65990MH1992PTC065289
ii	Registration Date	07/02/1992
iii	Name of the Company	SBI Funds Management Private Limited
iv	Category/Sub-Category of the Company	Private Limited Company having Share Capital
v	Address of the Registered office and contact details	9th Floor, Crescenzo, C - 38 & 39, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra Tel. no: 022 61793000; Fax: 022 67425690 Email: <a href="mailto:vinaya.datar@sbimf.com">vinaya.datar@sbimf.com</a> Website: <a href="http://www.sbimf.com">www.sbimf.com</a>
vi	Whether Listed Company (Yes/No)	NO
vii	Name, Address and Contact details of Registrar & Transfer Agents, if any	Not Applicable

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Investment Management	66301	94.79

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	SBI Funds Management (International) Private Limited	--	Subsidiary	100%	2(87)
2	SBI Pension Funds Private Limited	U66020MH2007GO1176787	Associate	20%	2(6)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year April 01, 2019				No. of shares held at the end of the year March 31, 2020				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual* / HUF	-	2000	2000	0.0004	-	2000	2000	0.0004	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Bank / FI	314998000	-	314998000	62.9996	314998000	-	314998000	62.9996	NIL
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>314998000</b>	<b>2000</b>	<b>315000000</b>	<b>63.00</b>	<b>314998000</b>	<b>2000</b>	<b>315000000</b>	<b>63.00</b>	<b>NIL</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

Category of Shareholders	No. of shares held at the beginning of the year April 01, 2019				No. of shares held at the end of the year March 31, 2020				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d)Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>314998000</b>	<b>2000</b>	<b>315000000</b>	<b>63.00</b>	<b>314998000</b>	<b>2000</b>	<b>315000000</b>	<b>63.00</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1.Institutions</b>									
a)Mutual Funds	-	-	-	-	-	-	-	-	-
b)Banks / FI	-	-	-	-	-	-	-	-	-
c)Central Govt	-	-	-	-	-	-	-	-	-
d)State Govt(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g)FIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others – Amundi India Holding, a wholly owned subsidiary of Amundi Asset Management	185000000	-	185000000	37.00	185000000	-	185000000	37.00	NIL
<b>Sub- total (B) (1)</b>	<b>185000000</b>	<b>-</b>	<b>185000000</b>	<b>37.00</b>	<b>185000000</b>	<b>-</b>	<b>185000000</b>	<b>37.00</b>	<b>NIL</b>
<b>2.Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i)Indian	-	-	-	-	-	-	-	-	-
ii)Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i)Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c)Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>185000000</b>	<b>-</b>	<b>185000000</b>	<b>37.00</b>	<b>185000000</b>	<b>-</b>	<b>185000000</b>	<b>37.00</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDR's &amp; ADR's</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>499998000</b>	<b>2000</b>	<b>500000000</b>	<b>100.00</b>	<b>499998000</b>	<b>2000</b>	<b>500000000</b>	<b>100.00</b>	<b>NIL</b>

\*State Bank of India is the beneficial holders of these shares



**SBI FUNDS MANAGEMENT PRIVATE LIMITED****ii) Shareholding of Promoters**

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	State Bank of India	314998000	62.9996	NA	314998000	62.9996	NA	NIL
2	Mr. Ashwani Bhatia*	1000	0.0002	NA	-	-	-	-
3	Shri S. P. Singh*	1000	0.0002	NA	-	-	-	-
	Total	315000000	63.00	NA	315000000	63.00	NA	NIL

\*State Bank of India is the beneficial holder of these shares.

**iii) Change in Promoters' Shareholding**

There is no change in promoters' Shareholding during the financial year.

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	18,50,00,000	37	18,50,00,000	37
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	18,50,00,000	37	18,50,00,000	37

**v) Shareholding of Directors and Key Managerial Personnel:**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Ashwani Bhatia*	1000	0.0002	1000*	0.0002

\*State Bank of India is the beneficial holder of these 1000 shares.

**V. INDEBTNESS – NIL****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S. No	Particulars of Remuneration	Name of Managing Director	Total Amount
		Mr. Ashwani Bhatia	(₹ in lakh)
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	43.96	43.96
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7.36	7.36
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	
2	Stock Option	--	
3	Sweat Equity	--	
4	Commission:- as % of profit - others, specify...	Nil	
5	Others, please specify	--	--
	Total (A)	51.32	51.32
	Ceiling as per the Act	NA	NA



**SBI FUNDS MANAGEMENT PRIVATE LIMITED****B. Remuneration to other directors****I. Independent Directors#:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ in Lakhs)
		Mr. Jashvant Raval	Mr. O. P. Gahrotra	Dr. Prafulla Agnihotri	Mr. C. N. Ram	
1	Fee for attending Board / Committee meetings (₹ in Lakh)	5.70	7.90	4.35	4.35	22.30
2	Commission	--	--	--	--	--
3	Others	--	--	--	--	--
	<b>Total (1)</b>	<b>5.70</b>	<b>7.90</b>	<b>4.35</b>	<b>4.35</b>	<b>22.30</b>

**II. Other Non-Executive Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹ in Lakhs)
		Mr. Fathi Jerfel	Mr. Jean-Yves Glain	Mr. Dinesh Kumar Khara	
1	Fee for attending Board / Committee meetings	--	--	--	--
2	Commission	--	--	--	--
3	Others	--	--	--	--
	<b>Total (2)</b>	--	--	--	--
	<b>Total (B)=(1+2)</b>				<b>22.30</b>
	<b>Total Managerial Remuneration</b>	<b>73.62</b>			
	<b>Overall Ceiling as per the Act</b>	<b>--</b>			

#Since the Company is a Private Limited Company, the provision of Independent Directors does not apply. However, in terms of SEBI (Mutual Funds) Regulation, 1996, the Company has appointed Independent Directors and sitting fees are paid to these Directors for attending Board & Committee Meetings.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB**

Since the Company is a Private Limited Company, the provision of Key Managerial Personnel does not apply.

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences during the year ending March 31, 2020.





## DETAILS OF EMPLOYEE STOCK OPTION SCHEME

In line with the compliance requirement to Section 62 of the Companies Act, 2013, the various components of the scheme including Options granted during the FY 2018 - 19 - Tranche I and FY 2019 - 20 - Tranche II

Particulars	Employee Stock Option Scheme -2018	
	2018-19 Tranche -I	2019-20 Tranche -II
Opening outstanding	23,14,221	-
Options Granted	-	23,22,132
Options Exercised	-	-
The total number of shares arising as a result of exercise of option	-	-
Options lapsed (as at 31.03.19)	27,611	11,166
Exercise Price	₹ 155.00	₹ 250.30
Variation of terms of options	-	-
Money realized by exercise of options	-	-
Total number of options in force (as at 31.03.20)	22,86,610	23,10,966
Employee-wise details of options granted to:		
(i) Key managerial personnel during the year	-	-
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	-	-
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	-	-



## INDEPENDENT AUDITOR'S REPORT

To the members of  
SBI Funds Management Private Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of SBI Funds Management Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 the 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 state of affairs of the Company as at 31st March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Director's Report but does not include the Standalone Financial Statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### Management's Responsibility for the Standalone Financial Statements

The 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Standalone Financial Statements, Management is responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the Standalone Financial Statements, 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 Company's ability 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 Standalone 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 Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors 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 standalone financial statements.

We communicate with the Management, 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.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020 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 with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Standalone Financial Statements;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

The Company being a Private Limited Company, the provisions of Section 197 read with schedule 5 to the Act are not applicable to the company and hence reporting under Section 197(16) is not required;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note 24 to the Standalone Financial Statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
    - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



3. As required by Section 143 (5) of the Act, with respect to reporting under the directions issued by the Comptroller and Auditor-General of India, we report that :

Sr. No.	Directions issued by the Comptroller and Auditor-General of India	Auditor's Comment
a)	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.	The Company has a system in place to process all the accounting transactions through IT system. According to the information and explanations given to us, and on the basis of our examination there are no accounting transactions processed outside IT system impacting the integrity of the accounts.
b)	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.	According to the information and explanations given to us, and on the basis of our examination of the records of the Company, we report that there are no cases of waiver/write off of Debts/loans/interest due to the Company's inability to repay.
c)	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 of deviation.	According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no funds received/ receivable from Central/State agencies.

**For C N K & Associates LLP**

**Chartered Accountants**

Firm Registration No: 101961W / W - 100036

Sd/-

**Hiren Shah**

Partner

Membership No.: 100052

UDIN: 20100052AAAABN2337

Place: Mumbai

Date: 30th April 2020



## Annexure A to Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of SBI Funds Management Private Limited ("the Company") on the Standalone Financial Statements as of and for the year ended 31st March 2020]

- (i) In respect of the Company's fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
  - The Company has formulated a phased programme for physical verification of fixed assets, designed to cover all items over a period of three years. According to the programme, the company has during the year, physically verified the relevant assets. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company;
- (ii) Since the Company is a service provider, clause 3(ii) of the Order is not applicable to the Company;
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause 3 (iii)(a) to (c) of the order is not applicable to the Company;
- (iv) The Company has not given any loans, guarantees or securities in respect of provisions of sections 185 and 186 of Companies Act, 2013. Further, in respect of investments made, the Company has complied with the provisions of section 186 of the Companies Act, 2013;
- (v) In our opinion the Company has not accepted deposits within the meaning of sections 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence clause 3 (v) of the order is not applicable to the Company;
- (vi) The Central Government of India has not specified the maintenance of Cost records under section 148(1) of Companies Act, 2013 for any of the services rendered by the Company;
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and other statutory dues applicable to the Company with appropriate authorities;
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and any other material statutory dues applicable to the Company, were outstanding as on the last day of the financial year, for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us, there are no dues outstanding in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which has not been deposited on account of any dispute;
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the order is not applicable to the Company;
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company;
- (x) According to the information and explanations given by the Management, no material frauds by the Company or on the company by its officers or employees has been noticed or reported except for 1 case aggregating to Rs. 50 Lakhs which is subsequently recovered;





- (xi) The Company being a private limited company, the provisions of Section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company and hence clause 3 (xi) of the order is not applicable to the Company;
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements, as required by the applicable Ind-AS;
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, the reporting requirements under clause 3(xiv) of the Order is not applicable to the Company;
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered during the year into any non-cash transactions with its directors or persons connected with them and hence clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For C N K & Associates LLP**

**Chartered Accountants**

Firm Registration No.: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No.: 100052

UDIN: 20100052AAAABN2337

Place: Mumbai

Date: 30th April 2020



## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SBI Funds Management Private Limited of even date]

### Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls with reference to the standalone financial statements of SBI Funds Management Private Limited ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control criteria established by the Company considering the essential components of internal controls 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 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 Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements 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 specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to the standalone financial statements were 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 with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone financial statements, 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

#### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements 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 authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements, and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March 2020, based on the internal financial controls criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by ICAI.

**For C N K & Associates LLP**

**Chartered Accountants**

Firm Registration No.: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No.: 100052

UDIN: 20100052AAAABN2337

Place: Mumbai

Date: 30th April 2020



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI FUNDS MANAGEMENT PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 April 2020.

The assets under management through various schemes managed by SBI Funds Management Private Limited are not reflected in its Balance Sheet, since these assets do not form part of the SBI Funds Management Private Limited. Therefore, I do not look into operation of these schemes including decision making regarding acquisition, management and disposal of the assets managed by the SBI Funds Management Private Limited and express no opinion on the soundness of the investments.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2020 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-  
(P. V. Hari Krishna)  
Principal Director of Audit (Shipping), Mumbai

Place : Mumbai  
Date : 25/06/2020



**BALANCE SHEET AS AT 31 MARCH 2020**

(₹ In Lakhs)

Particulars	Note No.	As at 31 Mar 2020	As at 31 Mar 2019
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash & Cash equivalents	2	608.75	446.81
(b) Bank Balance other than (a) above	3	2,174.43	10,324.26
(c) Receivables			
(i) Trade Receivables	4	4,000.35	2,675.04
(ii) Other Receivables		-	-
(d) Investments	5	1,74,704.15	1,09,170.84
(e) Other Financial assets	6	1,094.91	730.13
<b>Sub-total - Financial Assets</b>		<b>1,82,582.59</b>	<b>1,23,347.08</b>
<b>(2) Non Financial Assets</b>			
(a) Current Tax assets ( Net)	7	4,308.70	3,636.84
(b) Deferred Tax assets (Net)	8	-	-
(c) Property, Plant and Equipment	9	17,016.71	17,260.77
(d) Capital work-in-progress		-	34.75
(e) Right to use Assets	9	5,799.41	-
(f) Other Intangible assets	10	761.76	899.03
(g) Other Non- financial assets	11	5,122.17	17,970.78
<b>Sub-total - Non- Financial Assets</b>		<b>33,008.75</b>	<b>39,802.17</b>
<b>Total Assets</b>		<b>2,15,591.34</b>	<b>1,63,149.25</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	12	0.98	56.64
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	1,317.79	2,536.34
(b) Other financial liabilities	13	6,427.56	12,347.94
<b>Sub-total - Financial Liabilities</b>		<b>7,746.33</b>	<b>14,940.92</b>
<b>(2) Non Financial Liabilities</b>			
(a) Provision	14	8,993.10	10,167.79
(b) Other non-financial liabilities	15	-	163.52
(c) Deferred tax liabilities (Net)	8	334.07	501.00
<b>Sub-total - Non Financial Liabilities</b>		<b>9,327.17</b>	<b>10,832.31</b>
<b>(3) Equity</b>			
(a) Equity Share capital	16	5,000.00	5,000.00
(b) Other Equity	17	1,93,517.84	1,32,376.02
<b>Sub-total -Equity</b>		<b>1,98,517.84</b>	<b>1,37,376.02</b>
<b>Total Liabilities and Equity</b>		<b>2,15,591.34</b>	<b>1,63,149.25</b>
Summary of Significant Accounting Policies	1		
Other Notes to the Financial Statements	2-42		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No: 100052

For and on behalf of the Board of Directors of  
**SBI Funds Management Private Limited**

Sd/-

**Dinesh Kumar Khara**

Director

DIN 6737041

Sd/-

**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)

Director

DIN 08716335

Sd/-

**Ashwani Bhatia**

Managing Director &amp; CEO

DIN 07423221

Sd/-

**Vinaya Datar**

Company Secretary

M. No 15527

Place: Mumbai

Date: 30 April 2020

Place: Mumbai

Date : 30 April 2020



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020**

(₹ In Lakhs)

Particulars	Note No.	For th Year Ended 31 Mar 2020	For th Year Ended 31 Mar 2019
<b>Revenue from Operations</b>			
(i) Management Fees		1,18,972.72	1,44,967.86
(ii) Portfolio Management & Other Advisory Fees		5,847.03	4,253.39
<b>I. Total revenue from operations</b>		<b>1,24,819.75</b>	<b>1,49,221.25</b>
II. Other Income	18	6,866.69	6,627.51
<b>III. Total Income (I+II)</b>		<b>1,31,686.44</b>	<b>1,55,848.76</b>
<b>Expenses</b>			
(i) Finance cost		363.49	-
(ii) Schemes expenses		9,719.40	52,100.75
(iii) Employee benefits expense	19	23,241.39	21,066.89
(iv) Depreciation and amortization expense	9	3,024.63	1,666.30
(v) Other expenses	20	15,947.66	16,348.55
<b>IV. Total expenses</b>		<b>52,296.57</b>	<b>91,182.49</b>
V. Profit / (Loss) before exceptional items and tax (III-IV)		79,389.87	64,666.27
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V-VI)		79,389.87	64,666.27
<b>VIII. Tax Expense:</b>			
- Current Tax	21	19,200.00	21,200.00
- Deferred Tax	22	(151.93)	761.39
- Adjustment of tax relating to earlier periods		(213.63)	(193.22)
<b>IX. Profit / (loss) for the period (VII-VIII)</b>		<b>60,555.43</b>	<b>42,898.10</b>
<b>X. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss :			
i) Remeasurements of the defined benefit plans		(280.75)	(221.44)
ii) Deferred tax on above		70.67	77.38
<b>XI. Total Comprehensive Income for the period</b>		<b>60,345.35</b>	<b>42,754.04</b>
XII. Earnings per equity share	23		
Basic (₹)		12.11	8.58
Diluted (₹)		12.08	8.57
Summary of Significant Accounting Policies	1		
Other Notes to the Financial Statements	2-42		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No: 100052

For and on behalf of the Board of Directors of

**SBI Funds Management Private Limited**

Sd/-

**Dinesh Kumar Khara**

Director

DIN 6737041

Sd/-

**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)

Director

DIN 08716335

Sd/-

**Ashwani Bhatia**

Managing Director &amp; CEO

DIN 07423221

Sd/-

**Vinaya Datar**

Company Secretary

M. No 15527

Place: Mumbai

Date: 30 April 2020

Place: Mumbai

Date : 30 April 2020



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020****(₹ In Lakhs)**

Particulars	For the Year End 31 Mar 2020	For the Year End 31 Mar 2019
<b>Cash Flow from Operating Activities</b>		
Net profit Before Tax	79,389.87	64,666.27
<b>Adjustments for:</b>		
Depreciation and amortisation	1,680.18	1,666.30
Impact on adoption of Ind AS 116	291.81	-
Employee Stock Option Expenses	688.61	565.03
Provision for contingency written back	(273.13)	0.00
(Profit) /Loss on sale of fixed assets (Net)	0.42	(1.69)
Fair value of Investment (Net)	(2,589.19)	(3,867.33)
Gain on sale/redemption of investments	(1,326.99)	(142.43)
Dividend from subsidiary	(280.46)	-
Interest income on investments	(709.31)	-
Other Interest income	(48.57)	(43.39)
Dividend income	(1,719.05)	(2,394.79)
<b>Operating profit before working capital changes</b>	<b>75,104.19</b>	<b>60,447.97</b>
Decrease / (Increase) in trade receivables	(1,325.31)	7,307.82
Decrease / (Increase) in other Financial assets	(364.78)	(24.53)
Decrease / (Increase) in other Bank Balance	10,000.00	-
Decrease / (Increase) in other non Financial assets	12,848.61	10,993.56
(Decrease) / Increase in trade payables	(1,274.21)	(7,298.30)
(Decrease) / Increase in other Financial Liabilities	43.93	(52.37)
(Decrease) / Increase in other non Financial liabilities	-	56.85
(Decrease) / Increase in provisions	(1,182.31)	(1,602.91)
<b>Net cash generated from operations</b>	<b>93,850.12</b>	<b>69,828.09</b>
Income taxes paid	19,658.23	22,733.81
<b>Net cash generated from Operating Activities (A)</b>	<b>74,191.89</b>	<b>47,094.28</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Intangible assets(including advances for capital)	(215.31)	(410.15)
Purchase of Property, plant and equipment (including advances for capital)	(1,051.01)	(1,724.96)
Sale of Property, plant and equipment & Intangibles	1.80	10.31
Purchase of Investments	(2,33,840.03)	(1,87,778.70)
Proceeds from Sale of Investments	1,72,222.91	1,48,556.97
Fixed deposits	(1,850.17)	284.39
Other Interest income	48.57	53.95





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019****(₹ In Lakhs)**

Particulars	For the Year End 31 Mar 2020	For the Year End 31 Mar 2019
Dividend received on investments	1,719.05	2,394.79
Dividend from subsidiary	280.46	-
Interest income on investments	709.31	-
<b>Net Cash used in Investing Activities (B)</b>	<b>(61,974.42)</b>	<b>(38,613.40)</b>
<b>Cash Flow from Financing Activities</b>		
Dividend paid	(10,000.00)	(7,000.00)
Tax on Dividend	(2,055.53)	(1,425.06)
<b>Net cash used in Financing Activities (C)</b>	<b>(12,055.53)</b>	<b>(8,425.06)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>161.94</b>	<b>55.82</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>446.81</b>	<b>390.99</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>608.75</b>	<b>446.81</b>
<b>Cash and Cash Equivalent comprising of :</b>		
Cash/Cheques in hand	1.12	0.27
Cheques in hand	-	139.31
Balance with Banks in current accounts	607.63	307.23
<b>Total</b>	<b>608.75</b>	<b>446.81</b>
<b>Note :</b> The above Statement of Cash Flows has been prepared under the ' indirect Method' as set out in Ind AS 7, 'Statement of Cash flows'		
Summary of Significant Accounting Policies	1	
Other Notes to the Financial Statements	2-42	

As per our report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No: 100052

For and on behalf of the Board of Directors of  
**SBI Funds Management Private Limited**

Sd/-

**Dinesh Kumar Khara**

Director

DIN 6737041

Sd/-

**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)

Director

DIN 08716335

Sd/-

**Ashwani Bhatia**

Managing Director &amp; CEO

DIN 07423221

Sd/-

**Vinaya Datar**

Company Secretary

M. No 15527

Place: Mumbai

Date: 30 April 2020

Place: Mumbai

Date : 30 April 2020



**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020****a. Equity Share Capital:**

(₹ in Lakhs)

Particulars	Amount
Equity Shares of ₹ 1.00 each ( March 19 ₹ 1.00 each)	
<b>Balance as at 31 March 2018</b>	<b>5,000.00</b>
Changes in equity share capital during the year 2018-19	-
<b>Balance as at 31 March 2019</b>	<b>5,000.00</b>
Changes in equity share capital during the year 2019-20	-
<b>Balance as at 31 March 2020</b>	<b>5,000.00</b>

**b. Other Equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus			OCI*	Total Other Equity
	General Reserve	Retained Earnings	ESOP**		
<b>Balance as at 31 March 2018</b>	<b>9,760.09</b>	<b>91,208.32</b>	<b>104.30</b>	<b>39.77</b>	<b>1,01,112.48</b>
Less : Dividend paid	-	(10,000.00)	-	-	(10,000.00)
Less: Dividend distribution Tax	-	(2,055.53)	-	-	(2,055.53)
Transfer to/from retained earnings	500.00	(500.00)	-	-	-
Other Additions/Deductions during the year	-	-	565.03	-	565.03
Profit / (Loss) for the year after income tax	-	42,898.10	-	-	42,898.10
Other Comprehensive Income for the year before income tax (net of tax)	-	-	-	(144.06)	(144.06)
Total Comprehensive Income for the year	-	42,898.10	-	(144.06)	42,754.04
<b>Balance as at 31 March 2019</b>	<b>10,260.09</b>	<b>1,21,550.89</b>	<b>669.33</b>	<b>(104.29)</b>	<b>1,32,376.02</b>
Add: Impact on adoption of Ind AS 116 #	-	107.86	-	-	107.86
<b>Balance as on 1st April 2019</b>	<b>10,260.09</b>	<b>1,21,658.75</b>	<b>669.33</b>	<b>(104.29)</b>	<b>1,32,483.88</b>
Transfer to/from retained earnings	500.00	(500.00)	-	-	-
Other Additions/Deductions during the year #	-	-	688.61	-	688.61
Profit / (Loss) for the year after income tax	-	60,555.43	-	-	60,555.43
Other Comprehensive Income for the year before income tax (net of tax)	-	-	-	(210.08)	(210.08)
Total Comprehensive Income for the year	500.00	60,055.43	688.61	(210.08)	61,033.96
<b>Balance as at 31 March 2020</b>	<b>10,760.09</b>	<b>1,81,714.18</b>	<b>1,357.94</b>	<b>(314.37)</b>	<b>1,93,517.84</b>

\* Other Comprehensive Income

\*\* Employee Stock Option Plan

# refer note no 36

Summary of Significant Accounting Policies 1

Other Notes to the Financial Statements 2-42

As per our report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No: 100052

For and on behalf of the Board of Directors of

**SBI Funds Management Private Limited**

Sd/-

**Dinesh Kumar Khara**

Director

DIN 6737041

Sd/-

**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)

Director

DIN 08716335

Sd/-

**Ashwani Bhatia**

Managing Director &amp; CEO

DIN 07423221

Sd/-

**Vinaya Datar**

Company Secretary

M. No 15527

Place: Mumbai

Date: 30 April 2020

Place: Mumbai

Date : 30 April 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICY

#### Company Overview

SBI Funds Management Private Limited ('the Company') was incorporated on 7<sup>th</sup> February 1992 under The Companies Act, 1956 (Act) as a private limited company. The Company is presently a joint venture between SBI and AMUNDI.

The Company was granted approval by Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1993, subsequently replaced by SEBI (Mutual Funds) Regulations, 1996, to act as the Investment Manager of SBI Mutual Fund ('the Fund'). The Company manages the Investment Portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated December 29, 2004. The Company has a fully owned foreign subsidiary namely SBI Funds Management (International) Private Limited, which is based at Mauritius and manages an Off-shore Fund.

The Company is also registered with SEBI under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services (PMS) to domestic and international clients.

The Company also offers alternate asset investment products through Alternative Investment Funds (AIF). The Company is acting as Investment Manager of SBI Alternative Equity Fund & SBI Alternative Debt Fund which is registered with SEBI as a category III & category II AIF respectively under SEBI (Alternative Investment Funds) Regulations, 2012.

The Company is also providing the management and advisory services to Category I foreign portfolio investors and Category II foreign portfolio investors through fund manager(s) managing the schemes of the SBI Mutual Fund as permitted under Regulation 24(b) of the SEBI (Mutual Funds) Regulations, 1996.

#### 1.1 Statement of compliance

The Financial statements of SBI Funds Management Private Limited ('the Company') have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (The Act) [the (Indian Accounting Standards) Rules, 2015] and other provisions of the Act as amended from time to time.

#### 1.2 Basis of preparation and presentation

The Standalone Financial statements have been prepared on the historical cost basis except for following: -

- Financial instruments that are measured at fair value (refer accounting policy regarding financial instruments)
- Assets held for sale – measured at fair value less cost to sell
- Defined benefit plans- plan assets measured at fair value

The Company has adopted all the Ind AS standards and adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards.

Accounting policies have been consistently applied except where a 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.

#### 1.3 Measurement of fair value

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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and



## NOTES TO THE FINANCIAL STATEMENTS

- Level 3 inputs are unobservable inputs for the asset or liability.

### 1.4 Use of judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect application of accounting policies and the reported amount of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses for the periods presented.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Financial instruments
- Property, plant and equipment
- Intangible assets
- Obligation relating to employee benefits
- Provisions and contingencies
- Provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.
- Scheme expenses

### 1.5 Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any in its separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of such investments, the difference between net disposal proceeds and the carrying amount are recognised in the Statement of Profit and Loss. The company has elected deemed cost exemption as per Ind AS 101.

### 1.6 Revenue recognition

#### 1.6.1 Revenue from Operations

The company recognises revenue when amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company, regardless of when payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The following is the description of the activities of the business from which the Company generates its revenue:

#### (a) **Management Fees:**

Management fee is recognized at specific rates agreed with the relevant schemes in terms of scheme document, applied on the average daily net assets of each scheme (excluding inter-scheme investments, wherever applicable, investments made by the Company in the respective scheme and deposits with Banks), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996. Management fees on AIF schemes are recognized at specific rates agreed with relevant schemes in terms of offer document, applied on daily average asset of each schemes.

#### (b) **Portfolio Advisory services and Portfolio Management services:**

Portfolio advisory services and Portfolio Management services income is recognized as per the contractual arrangement.



## NOTES TO THE FINANCIAL STATEMENTS

### 1.6.2 Other Income:

#### (a) Dividend income:

Dividend income from investments is recognised when the right to receive payment has been established, which is generally when shareholders approve the dividend. On investments in certain mutual funds, the company is entitled to a daily / weekly dividend. This dividend is accounted for at such frequency as the right to receive payment is established.

#### (b) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company 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 (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in finance income in the statement of profit and loss. In case of staff loans interest income is recognised on accrual basis.

### 1.7 Scheme Expenses

- (a) Recurring expenses of schemes borne by the Company are recognised under respective expense heads in the Statement of Profit and Loss unless considered recoverable from the schemes in accordance with provisions of SEBI (Mutual Fund) Regulations 1996 and circular issued from time to time.

Expenses of schemes of SBI Mutual Fund, in excess of the stipulated rates, are required to be borne by the Company in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996, and as such, are charged to the Statement of Profit and Loss.

- (b) Brokerage: Brokerage and/or Incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortized over a period of 36 months and in case of other schemes, over the claw back period from beginning of the month brokerage is paid. In case of Close ended schemes, brokerage is amortized over the tenure of schemes.

- (c) New Fund Offer Expenses: Expenses relating to new fund offer of SBI Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996.

### 1.8 Leases

The Company as a lessee The Company's lease asset classes primarily consist of leases for office on lease and other assets . The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.



## NOTES TO THE FINANCIAL STATEMENTS

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 1.9 Foreign currencies

#### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of primary economic environment in which the company operates ('the Functional currency'). The functional currency of the company is determined to be Indian rupee (INR). The financial statements are presented in Indian rupee and rounded off to the nearest lakhs except shares and per share data.

#### (b) Foreign Currency Transactions and translations

Foreign currency transactions are translated into functional currency using respective currency exchange rates prevailing on the date of transaction first qualify for recognition.

##### i. Monetary items:

Foreign exchange gains or losses realized up on settlement of transactions or translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss account using reporting date exchange rates.

##### ii. Non-monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### 1.10 Employee benefits

#### (a) Defined Contribution Plan:

##### - Provident Fund

The Company has defined contribution plans for post-employment benefits in the form of Provident fund. Under the Provident Fund plan, the company contributes to Government administered Provident Fund on behalf of employees. The Company has no further obligation beyond making the contribution.

The Company's contribution to Government Provident Fund is charged to the Statement of Profit and Loss.

##### - Superannuation

Superannuation fund is a defined contribution scheme. In case employee opts for superannuation fund, the Company contributes a sum equivalent to 15% of basic salary plus dearness pay of the eligible managerial cadre employees' salary to the Superannuation Fund administered by trustees and managed by the Life Insurance



## NOTES TO THE FINANCIAL STATEMENTS

Corporation of India. The Company recognizes such contribution as an expense as and when incurred.

- **National Pension Scheme**

National Pension Scheme is a defined contribution scheme. In case employee opts for National Pension Scheme, the Company contributes a sum not exceeding 10% of basic salary plus dearness pay of the eligible employees' salary to the National Pension Scheme. The Company recognizes such contribution as an expense as and when incurred.

(b) **Defined Benefit Plan: Gratuity**

Gratuity liability is a defined benefit obligation and is funded through a Gratuity Fund administered by trustees and managed by the Life Insurance Corporation of India. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year. Actuarial gains and losses are immediately recognized in the Statement of Profit and loss.

Gratuity liabilities are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability, as the case may be. The discount rate is based on the government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in other comprehensive income in the statement of comprehensive income in the period in which they arise.

(c) **Other Long-term employee benefit obligation: Compensated absences**

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation carried out as at the end of each financial year.

(d) **Employee Share Based Payments:**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on amortised basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### 1.11 **Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(a) **Current tax**

Current income tax for current and prior period is recognised at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income taxes are recognised in the statement of profit and loss except for items those are recognised outside profit or loss (either in other comprehensive income or in equity), related tax for such items are recognised either in Other Comprehensive income or in Equity.





## NOTES TO THE FINANCIAL STATEMENTS

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

### (b) Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 deferred tax asset to be recovered.

Deferred tax liabilities are generally recognised for all taxable temporary differences except for investment in subsidiaries and associates, when the timings of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

### 1.12 Property, plant and equipment

#### (a) Recognition and measurement

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenses directly attributable to the acquisition of an asset.

Advances paid towards the acquisition of property and equipment and the cost of property and equipment not ready for use before the reporting date are disclosed separately in the property and equipment schedule.

Improvements to leasehold premises are amortised over the primary lease period subject to a maximum period of five years.

#### (b) Depreciation

Depreciation on property, plant and equipment is recognised using Straight Line Method (SLM) to expense the cost less residual values over estimated useful lives as prescribed under Schedule II of Companies Act, 2013. Estimated useful lives of property, plant and equipment as stipulated under Schedule II of the Companies Act, 2013 and adopted by management for various block of assets in as under:

Assets	Useful life (in years)
Office Premises	60
Computers- Servers and networks	6
Computers- End user devices, such as, desktops, laptops, etc.	3
Furniture and fixtures	10
Office Equipment (including Electrical Installation & Building Management systems)	5
Glow Sign Board	2
Vehicles	8

Depreciation on assets purchased or sold during the year is recognised in the statement of profit and loss on a pro-rata basis from the date of addition or as the case may be, up to the date on which the asset is sold.

All fixed assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase/acquisition.

Estimated useful lives and residual values are reviewed at the end of each financial year and changes, if any, are accounted prospectively.



## NOTES TO THE FINANCIAL STATEMENTS

### 1.13 Intangible assets

#### (a) Recognition and measurement

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Initial cost of software implementation is capitalised and any subsequent maintenance cost or enhancement cost are expensed out to statement of profit and loss unless it meets recognition criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation expense is recognised on a straight-line basis over their estimated useful lives in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### (b) Useful lives of intangible assets

Estimated useful lives of the intangible assets adopted by management are as follows:

Description of assets	Useful lives (In years)	Method of depreciation / amortization
Computer software	3 - 6 years	SLM
Website development cost	3 years	SLM
Copyright licenses	5 years	SLM

### 1.14 De-recognition of PPE and Intangible Assets

Carrying amount (net of accumulated depreciation and amortisation) of property, plant and equipment and intangible asset is derecognised upon its disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gains or losses arising on such disposal is determined based on difference between net proceeds and carrying amount and such gains or losses are recognised in statement of profit and loss.

### 1.15 Provisions, Contingent liability and contingent asset

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events, 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.

The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risk specified to the liability. The increase in provision due to passage of time is recognised as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but



## NOTES TO THE FINANCIAL STATEMENTS

discloses its existence in the financial statements unless the possibility of an outflow of economic resources is considered remote.

Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

### 1.16 Financial instruments

#### **Financial instruments**

##### **Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

##### **Subsequent measurement**

##### ***Financial assets carried at 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.

##### ***Financial assets at fair value through other comprehensive income***

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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 Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

##### ***Financial assets at fair value through profit or loss***

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### **Derecognition of Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)



## NOTES TO THE FINANCIAL STATEMENTS

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or have expired.

### **Equity instruments:**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### **1.17 Earnings per share**

The basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period/year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

### **1.18 Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

### **1.19 Standards Issued but not Effective**

There is no such notification issued by the Ministry of Corporate Affairs ("MCA") which would have been applicable from April 1, 2020.



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 2. CASH AND CASH EQUIVALENTS

	As at 31 Mar 2020	As at 31 Mar 2019
Cash on hand	1.12	0.27
Cheques in hand	-	139.31
Balance with banks *		
-in Current accounts	607.63	307.23
<b>Total</b>	<b>608.75</b>	<b>446.81</b>

(\*Refer note no 37 for related party disclosures)

## 3. OTHER BANK BALANCES \*

	As at 31 Mar 2020	As at 31 Mar 2019
In Current accounts - Dividend Payable	-	10,000.00
In Fixed deposit **	2,174.43	324.26
<b>Total</b>	<b>2,174.43</b>	<b>10,324.26</b>

(\*Refer note no 37 for related party disclosures)

(\*\* includes AED 50,000 (₹ 10.17 lakh ) {Previous year AED 50,000 (₹ 9.43 Lakh)} towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of branch at Dubai). Includes ₹ 2125 lakh( Previous year ₹ 25 lakh) towards lien created for PMS activities for providing the Performance Guarantee.

## 4. TRADE RECEIVABLES

	As at 31 Mar 2020	As at 31 Mar 2019
(a) Receivables considered good - Secured;	-	-
(b) Receivables considered good - Unsecured;		
i. Management Fees receivable	1,506.33	1,381.28
ii. Portfolio Management & Advisory Fees receivables	2,494.02	1,293.76
(c) Receivables which have significant increase in credit risk;	-	-
(d) Receivables – credit impaired	-	-
<b>Total</b>	<b>4,000.35</b>	<b>2,675.04</b>

(\*Refer note no. 37 for related party disclosures)

(No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member)



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 5. INVESTMENTS

Particulars	As at 31 Mar 2020					
	At Fair Value				Others	Total
	Amortised cost	Through OCI*	Through profit and loss account	Subtotal		
	1	2	3	4=(2+3)	5	6=(1+4+5)
Mutual fund units	-	-	1,72,094.36	1,72,094.36	-	1,72,094.36
Debt Securities	-	-	2,000.00	2,000.00	-	2,000.00
Subsidiaries	-	-	-	-	4.44	4.44
Associates	-	-	-	-	600.25	600.25
Equity shares of SBI Foundation of ₹10 each fully paid up	-	-	-	-	0.10	0.10
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each fully paid up	-	-	5.00	5.00	-	5.00
<b>Total – Gross (A)</b>	-	-	1,74,099.36	1,74,099.36	604.79	1,74,704.15
(i) Overseas Investments	-	-	-	-	4.44	4.44
(ii) Investments in India	-	-	1,74,099.36	1,74,099.36	600.35	1,74,699.71
<b>Total (B)</b>	-	-	1,74,099.36	1,74,099.36	604.79	1,74,704.15
Less: Impairment loss allowance (C)	-	-	-	-	-	-
<b>Total – Net (D) = (A)-(C)</b>	-	-	1,74,099.36	1,74,099.36	604.79	1,74,704.15

  

Particulars	As at 31 Mar 2019					
	At Fair Value				Others	Total
	Amortised cost	Through OCI*	Through profit and loss account	Subtotal		
	1	2	3	4=(2+3)	5	6=(1+4 +5)
Mutual fund units	-	-	1,00,402.42	1,00,402.42	-	1,00,402.42
Debt Securities	-	-	8,158.63	8,158.63	-	8,158.63
Subsidiaries	-	-	-	-	4.44	4.44
Associates	-	-	-	-	600.25	600.25
Equity shares of SBI Foundation of ₹10 each fully paid up	-	-	-	-	0.10	0.10
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each fully paid up	-	-	5.00	5.00	-	5.00
<b>Total – Gross (A)</b>	-	-	1,08,566.05	1,08,566.05	604.79	1,09,170.84
(i) Overseas Investments	-	-	-	-	4.44	4.44
(ii) Investments in India	-	-	1,08,566.05	1,08,566.05	600.35	1,09,166.40
<b>Total (B)</b>	-	-	1,08,566.05	1,08,566.05	604.79	1,09,170.84
Less: Impairment loss allowance (C)	-	-	-	-	-	-
<b>Total Investments – Net (D) = (A)-(C)</b>	-	-	1,08,566.05	1,08,566.05	604.79	1,09,170.84

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 6. OTHER FINANCIAL ASSETS\*

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Staff Loans		
(a) Loans receivables considered good - Secured;	74.06	85.60
(b) Loans receivables considered good – Unsecured	10.26	15.13
(c) Loans receivables which have significant increase in credit risk	-	-
(d) Loans receivables which credit impaired	-	-
Security deposits (Unsecured considered good)	775.46	629.4
Others	235.13	-
<b>Total</b>	<b>1,094.91</b>	<b>730.13</b>

(\*Refer note no 37 for related party disclosures)

## 7. CURRENT TAX ASSETS AND LIABILITIES

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Income Tax Refund Receivable	261.61	1,187.64
Advance Tax (Net of Provision)	4,047.09	2,449.20
<b>Total</b>	<b>4,308.70</b>	<b>3,636.84</b>

## 8. DEFERRED TAX

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
<b>Deferred Tax Assets/ (Liabilities)</b>		
- Provision for compensated absences	537.77	538.81
- Provision for gratuity	42.08	(21.37)
- Amortization /Depreciation on tangible / intangible assets	(45.15)	(496.54)
- Others including 40(a) and 43B items	451.42	541.44
- <b>Fair value of Investment (Net)</b>	<b>(1,395.84)</b>	<b>(1,119.88)</b>
- DTA created on Security Deposit	2.20	0.87
- Rent Equalisation	-	55.67
- Right to use assets	73.45	-
<b>Deferred Tax Assets/(Liabilities) (net)**</b>	<b>(334.07)</b>	<b>(501.00)</b>

(\*\* Refer Note no 22 )





## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 9. PROPERTY PLANT AND EQUIPMENT

## 9.1 PROPERTY PLANT AND EQUIPMENT - AS AT 31 MAR 2020

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block
	As at 01.04.2019	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2020	Upto 01.04.2019	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2020	As at 31.03.2020
Building (refer note i )	15,018.24	-	-	15,018.24	534.10	267.05	-	801.15	14,217.09
Electrical Fittings (including Building Management Systems)	77.19	5.37	(3.78)	78.78	76.90	5.55	(3.78)	78.67	0.11
Furniture and Fixtures	650.86	57.03	9.08	716.97	228.30	98.26	10.89	337.45	379.52
Vehicles	53.64	-	-	53.64	18.54	8.13	-	26.67	26.97
Office Equipments	473.88	111.31	26.12	611.31	120.46	109.85	26.23	256.54	354.77
Computers	1,781.92	685.12	237.56	2,704.60	579.95	605.56	237.86	1,423.37	1,281.23
Leasehold Improvements	900.05	226.91	16.46	1,143.44	136.76	233.20	16.46	386.42	757.02
<b>Total Tangible Assets</b>	<b>18,955.78</b>	<b>1,085.74</b>	<b>285.44</b>	<b>20,326.98</b>	<b>1,695.01</b>	<b>1,327.60</b>	<b>287.66</b>	<b>3,310.27</b>	<b>17,016.71</b>

## 9.2 PROPERTY PLANT AND EQUIPMENT - AS AT 31 MAR 2019

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block
	As at 01.04.2018	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2019	Upto 01.04.2018	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2019	As at 31.03.2019
Building (refer note i )	15,018.24	-	-	15,018.24	267.05	267.05	-	534.10	14,484.14
Electrical Fittings (including Building Management Systems)	74.28	2.91	-	77.19	59.69	17.21	-	76.90	0.29
Furniture and Fixtures	573.81	99.08	22.03	650.86	127.40	119.25	18.35	228.30	422.56
Vehicles	53.86	-	0.22	53.64	9.44	9.10	-	18.54	35.10
Office Equipments	220.72	277.73	24.57	473.88	68.78	75.77	24.09	120.46	353.42
Computers	1,281.86	703.44	203.38	1,781.92	313.98	467.63	201.66	579.95	1,201.97
Leasehold Improvements	287.02	613.03	-	900.05	39.94	96.82	-	136.76	763.29
<b>Total Tangible Assets</b>	<b>17,509.79</b>	<b>1,696.19</b>	<b>250.20</b>	<b>18,955.78</b>	<b>886.28</b>	<b>1,052.83</b>	<b>244.10</b>	<b>1,695.01</b>	<b>17,260.77</b>

Note: i. On long term assignment basis



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 9.3 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Depreciation on Property plant and equipment	1,327.60	1,052.83
Amortisation of Intangible assets	352.58	613.47
Right to use Assets #	1,344.45	-
<b>Total</b>	<b>3,024.63</b>	<b>1,666.30</b>

\*includes ₹15.96 lakh ( previous year ₹ 31.96 lakh ) assets costing up to ₹ 5000

# refer note 36

## 10 INTANGIBLE ASSETS

## 10.1 INTANGIBLE ASSETS - AS AT 31 MARCH 2020

Particulars	Gross Block (At Cost)				Accumulated Amortisation				Net Block
	As at 01.04.2019	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2020	Upto 01.04.2019	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2020	As at 31.03.2020
Computer Software	1,675.20	215.31	290.33	2,180.84	806.58	330.14	290.33	1,427.05	753.79
Copyright License	15.81	-	-	15.81	11.20	4.29	-	15.49	0.32
Website Development Cost	50.93	-	20.33	71.26	25.13	18.15	20.33	63.61	7.65
<b>Total Intangible Assets</b>	<b>1,741.94</b>	<b>215.31</b>	<b>310.66</b>	<b>2,267.91</b>	<b>842.91</b>	<b>352.58</b>	<b>310.66</b>	<b>1,506.15</b>	<b>761.76</b>

## 10.2 INTANGIBLE ASSETS- AS AT 31 MARCH 2019

Particulars	Gross Block (At Cost)				Accumulated Amortisation				Net Block
	As at 01.04.2018	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2019	Upto 01.04.2018	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2019	As at 31.03.2019
Computer Software	1,174.29	562.16	61.25	1,675.20	280.35	584.96	58.73	806.58	868.62
Copyright License	15.81	-	-	15.81	5.60	5.60	-	11.20	4.61
Website Development Cost	38.34	12.59	-	50.93	2.22	22.91	-	25.13	25.80
<b>Total Intangible Assets</b>	<b>1,228.44</b>	<b>574.75</b>	<b>61.25</b>	<b>1,741.94</b>	<b>288.17</b>	<b>613.47</b>	<b>58.73</b>	<b>842.91</b>	<b>899.03</b>

## Right to use Assets #

Particulars	Capitalised Value- Gross	Depreciation/ Amortisation	Capitalised Value- Net
Office premises	7,017.59	1,326.87	5,690.72
Furniture	90.10	13.15	76.95
Vehicles	36.17	4.43	31.74
<b>Total</b>	<b>7,143.86</b>	<b>1,344.45</b>	<b>5,799.41</b>

# refer note no 36



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 11. OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Pre payment under operating lease	126.18	136.03
Balance with Statutory authorities	278.74	1,864.62
Prepaid expenses	4,606.04	15,503.38
Others	111.21	466.75
<b>Total</b>	<b>5,122.17</b>	<b>17,970.78</b>

## 12. TRADE PAYABLES\*

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
(i) total outstanding dues of micro enterprises and small enterprises ** (*Refer note no. 38 for MSME disclosure)	0.98	56.64
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises (*Refer note no.37 for related party disclosures)	1,317.79	2,536.34
<b>Total</b>	<b>1,318.77</b>	<b>2,592.98</b>

## 13. OTHER FINANCIAL LIABILITIES

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Creditors for capital expenditure **	199.72	186.41
Other liabilities		
i. Earnest money deposit **	3.05	4.80
ii. Retention money **	37.53	19.09
iii. Statutory dues	96.04	82.11
iv. Proposed interim dividend*	-	10,000.00
v. Tax on proposed interim dividend	-	2,055.53
vi. Lease liability	6,091.22	-
<b>Total</b>	<b>6,427.56</b>	<b>12,347.94</b>

(\*Refer note no.37 for related party disclosures)

(\*\*Refer note no. 38 for MSME disclosure)

## 14. PROVISIONS

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
(a) Provision for employee benefits	7,914.06	7,654.39
(b) Provision for contingencies	420.00	870.00
(c) Other provisions		
i. Provision for expenses	659.04	1,643.40
<b>Total</b>	<b>8,993.10</b>	<b>10,167.79</b>



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 15. OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
i. Lease straight lining Provision	-	163.52
<b>Total</b>	<b>-</b>	<b>163.52</b>

## 16. EQUITY SHARE CAPITAL \*

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
<b>Authorised</b>		
52,50,00,000 Equity Shares of ₹ 1 each (Previous Year : 52,50,00,000 Equity Shares of ₹ 1 each)	5,250.00	5,250.00
<b>Issued, Subscribed and Paid Up</b>		
50,00,00,000 Equity Shares of ₹ 1 each fully paid (Previous Year : 50,00,00,000 Equity Shares of ₹ 1 each fully paid)	5,000.00	5,000.00

## 16.1 RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Particulars	As at 31 Mar 2020		As at 31 Mar 2019	
	No of Shares	(₹ In Lakhs)	No of Shares	(₹ In Lakhs)
<b>Equity</b>				
Outstanding at the beginning of the year	50,00,00,000	5,000.00	50,00,00,000	5,000.00
Add : Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>50,00,00,000</b>	<b>5,000.00</b>	<b>50,00,00,000</b>	<b>5,000.00</b>

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. However, the shareholders are restricted from selling their shares for a period of five years from the date of the joint venture agreement. The transfer of shares by either shareholder to its approved group company is permitted subject to thirty days prior written notice and written approval of the other shareholder. Each shareholder has the right of first refusal in the event of any shareholder wishing to sell the whole or part of its shareholding. The dividend proposed by the Board of Directors is subject to the approval of both the shareholders in the ensuing Annual General Meeting, except in the case of an interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## 16.2 DETAILS OF SHARES HELD BY HOLDING COMPANY

Particulars	As at 31 Mar 2020		As at 31 Mar 2019	
	No of Shares	(₹ In Lakhs)	No of Shares	(₹ In Lakhs)
State Bank of India	31,50,00,000	3,150.00	31,50,00,000	3,150.00

## 16.3 DETAILS OF SHARE HOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31 Mar 2020		As at 31 Mar 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India	31,50,00,000	63%	31,50,00,000	63%
Amundi India Holding, a wholly owned subsidiary of Amundi	18,50,00,000	37%	18,50,00,000	37%

45,97,576 equity shares of ₹ 1 each are reserved for issuance towards outstanding Employee share option.



## NOTES TO THE FINANCIAL STATEMENTS

The Company was a joint venture between State Bank of India and Société Générale Asset Management. However, consequent upon Société Générale S.A. and Credit Agricole S.A. entering into an agreement to undertake a global merger of their fundamental asset management businesses, 18,50,000 equity shares constituting 37% of the paid-up equity share capital held by Société Générale Asset Management have been transferred to Amundi India Holding, a wholly owned subsidiary of Amundi on 30th May, 2011 after obtaining relevant regulatory approvals. The company has only one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held.

(₹ in Lakhs)

## 17. OTHER EQUITY

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
<b>(A) General Reserve</b>		
Balance at the beginning of the year	10,260.09	9,760.09
Add: Transfer from Retained Earnings	500.00	500.00
<b>Subtotal (A)</b>	<b>10,760.09</b>	<b>10,260.09</b>
<b>(B) Retained Earnings</b>		
Balance at the beginning of the year	1,21,550.89	91,208.32
Add: Profit for the year	60,555.43	42,898.10
Add: Impact on adoption of Ind AS 116 #	107.86	-
Less: Transfer to general reserve	(500.00)	(500.00)
Less: Interim dividend	-	(10,000.00)
Less: Tax on interim dividend	-	(2,055.53)
<b>Subtotal (B)</b>	<b>1,81,714.18</b>	<b>1,21,550.89</b>
<b>(C) Share option outstanding account (Employee stock options)</b>		
Balance at the beginning of the year	669.33	104.30
Additions during the year	688.61	565.03
<b>Subtotal (C)</b>	<b>1,357.94</b>	<b>669.33</b>
<b>(D) Other Comprehensive Income</b>		
Balance at the beginning of the year (Net)	(104.29)	39.77
Add: Movement in OCI (Net) during the year	(210.08)	(144.06)
<b>Subtotal (D)</b>	<b>(314.37)</b>	<b>(104.29)</b>
<b>Total (A+B+C+D)</b>	<b>1,93,517.84</b>	<b>1,32,376.02</b>

# refer note no 36

**General Reserve :**

General Reserve is created from time to time by transferring profits from retained earnings.

**Employee Stock Option Plan :**

During the year 2017-18, the Company has instituted duly approved "Employee Stock Option Plan 2018 (ESOP-2018) for eligible employees and directors of the Company. The scheme was approved by the Board of Directors at their meeting held on 31st January 2018. In relation to this, ESOP has been created in accordance to IND AS 102.



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 18. OTHER INCOME

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Net gain on fair value change	2,589.19	3,867.33
Gain on sale/redemption of investments (Financial Assets classified at fair value through profit or loss)	1,326.99	142.43
Dividend income		
- Mutual fund investments (Financial Assets classified at fair value through profit or loss)	1,719.05	2,394.79
- Subsidiary *	280.46	-
Interest		
- banks deposits*	46.03	43.39
- staff loans	2.54	2.87
- Security Deposits	28.99	26.35
- Investments Bonds (Financial Assets classified at fair value through profit or loss)	666.55	-
- Investments AIF (Financial Assets classified at fair value through profit or loss)	42.76	-
Net gain on sale of assets	-	1.69
Net gain on foreign currency transactions and translations	18.89	35.11
Interest on Income tax refund	31.18	-
Miscellaneous Income	114.06	113.55
<b>Total</b>	<b>6,866.69</b>	<b>6,627.51</b>

(\*Refer note no 37 for related party disclosures)

## 19. EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Salaries and allowances*	20,733.04	18,879.10
Contribution to provident and other funds	1,039.93	857.25
Employee Stock Option Expenses	688.61	565.03
Staff welfare expenses	779.81	765.51
<b>Total</b>	<b>23,241.39</b>	<b>21,066.89</b>

(\*Refer note no 37 for related party disclosures)



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 20. OTHER EXPENSES\*

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Rent, taxes and energy cost #	517.13	1,688.73
Repairs and maintenance	2,178.72	1,916.33
Insurance	27.49	27.09
Travelling and conveyance	1,146.82	1,035.97
Recruitment and training	166.50	240.09
Printing and stationery	152.18	183.04
Postage and courier	101.49	106.14
Communication Cost	704.87	639.41
Business promotion	2,981.44	3,058.69
Advertising and publicity	118.94	124.04
Outsource manpower services	3,415.74	3,326.62
Legal and professional fees	1,593.32	1,654.86
Auditor's remuneration:		
-Audit fees	26.55	26.55
-Certification fee & other assurance fees( including reimbursements)	15.77	15.45
Directors' sitting fees	22.30	20.55
Royalty to SBI for logo	855.08	662.07
Corporate social responsibility	972.73	724.56
Membership and subscription	677.34	658.31
Loss on sale of assets (net)	0.42	-
Miscellaneous expenses	272.83	240.05
Total	15,947.66	16,348.55

(\* Refer note no 37 for related party disclosures)

(# refer note no 36)

## 21. CURRENT TAX

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
<b>Current tax</b>		
In respect of the current year	19,200.00	21,200.00
Excess provision of earlier years	(213.63)	(193.22)
Deferred Tax	(151.93)	761.39
Deferred Tax - on Other Comprehensive Income (OCI)	70.67	77.38
<b>Total income tax expense recognised in the current year relating to continuing Operations</b>	<b>18,905.11</b>	<b>21,845.55</b>





## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2019 and 31 March 2020

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Profit before tax	79,389.87	64,666.27
Applicable tax rate*	25.17%	34.94%
Computed Tax Expenses	19,982.43	22,596.98
<b>Tax Effect of:-</b>		
Exempt income	(441.80)	(836.83)
Expenses Disallowable	392.29	610.69
Effect of Items taxable at lower rate	(732.90)	(1,170.84)
<b>Current Tax Provision (B1)</b>	<b>19,200.01</b>	<b>21,200.00</b>
Tax Adjustments of earlier years (B2)	(213.63)	(193.22)
Deferred Tax Adjustments on Tangible and Intangible Assets	(451.39)	341.35
Deferred Tax Adjustments on account of Financial Assets and Other Items	299.46	420.04
Deferred Tax Provision(B3)	(151.93)	761.39
Deferred Tax Provision - OCI	70.67	77.38
<b>Tax expense recognised during the year (Total 1 to 4)</b>	<b>18,905.12</b>	<b>21,845.55</b>
<b>Effective Tax Rate</b>	<b>23.81%</b>	<b>33.78%</b>

\* Company has opted for concessional tax rate as notified by taxation laws (Amendment) ordinance, 2019 under section 115BAA.

## 22. DEFERRED TAX BALANCES

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Deferred tax assets	1,106.92	1,136.79
Deferred tax liabilities	(1,440.99)	(1,637.79)
<b>Net</b>	<b>(334.07)</b>	<b>(501.00)</b>

## CURRENT YEAR ( 2019-20)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Reclassified from equity to profit or loss	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>						
Amortization /Depreciation on tangible / intangible assets	(496.54)	451.39	-	-	-	(45.15)
Rent Equalisation	55.67	-	-	(55.67)	-	-
Fair valuation of investments	(1,119.88)	(275.96)	-	-	-	(1,395.84)
Provision for compensated absences	538.81	(1.04)	-	-	-	537.77
Provision for gratuity	(21.37)	(7.22)	70.67	-	-	42.08
Other 40(a) and 43B items	541.44	(90.02)	-	-	-	451.42
Right to uses Assets	-	73.45	-	-	-	73.45
DTA created on Security Deposit	0.87	1.33	-	-	-	2.20
<b>(A)</b>	<b>(501.00)</b>	<b>151.93</b>	<b>70.67</b>	<b>(55.67)</b>	<b>-</b>	<b>(334.07)</b>
Tax losses	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>(501.00)</b>	<b>151.93</b>	<b>70.67</b>	<b>(55.67)</b>	<b>-</b>	<b>(334.07)</b>

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## PREVIOUS YEAR ( 2018-19)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Reclassified from equity to profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Amortization /Depreciation on tangible / intangible assets	(155.19)	(341.35)	-	-	-	(496.54)
Rent Equalisation	35.80	19.87	-	-	-	55.67
Fair valuation of investments	(592.00)	(527.88)	-	-	-	(1,119.88)
Provision for compensated absences	539.89	(1.08)	-	-	-	538.81
Provision for gratuity	5.82	(104.57)	77.38	-	-	(21.37)
Other 40(a) and 43B items	347.80	193.64	-	-	-	541.44
DTA created on Security Deposit	0.89	(0.02)	-	-	-	0.87
(A)	183.01	(761.39)	77.38	-	-	(501.00)
<b>Tax losses</b>	-	-	-	-	-	-
Others	-	-	-	-	-	-
(B)	-	-	-	-	-	-
<b>Total (A+B)</b>	<b>183.01</b>	<b>(761.39)</b>	<b>77.38</b>	-	-	<b>(501.00)</b>
<b>Total (A+B)</b>	<b>(501.00)</b>	<b>151.93</b>	<b>70.67</b>	<b>(55.67)</b>	-	<b>(334.07)</b>

## 23 EARNINGS PER SHARE

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
(a) Nominal Value of an Equity Share (₹)	1.00	1.00
(b) Net profit available to Equity Shareholders (₹ in Lakh)	60,555.43	42,898.10
(c) Number of shares outstanding	50,00,00,000	50,00,00,000
(d) Effect of potential equity shares for stock outstanding	14,30,559	7,47,827
(e) Weighted average number of equity shares used for computing diluted earning per share	50,14,30,559	50,07,47,827
<b>(f) Basic EPS (₹) = (b)/(c)</b>	<b>12.1111</b>	<b>8.5796</b>
<b>(g) Diluted EPS (₹) = (b)/(e)</b>	<b>12.0765</b>	<b>8.5668</b>

## 24. CONTINGENT LIABILITIES &amp; CAPITAL COMMITMENTS

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A. Contingent Liabilities</b>		
Claims against the company not acknowledged as debts	277.52	270.46
<b>Subtotal (A)</b>	<b>277.52</b>	<b>270.46</b>
<b>B. Capital &amp; Other Commitments</b>		
i. Contracts remaining to be executed on capital account	91.74	263.28
ii. Infusion of additional capital to SBI Funds Management (International) Private Limited	-	130.09
iii. Capital Commitment for AIF Funds	2,625.00	240.00
<b>Subtotal (B)</b>	<b>2,716.74</b>	<b>633.37</b>
<b>Total (A+B)</b>	<b>2,994.26</b>	<b>903.83</b>



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 25. ACCOUNTING FOR EMPLOYEES SHARE BASED PAYMENTS

During the year 2017-18, the Company had instituted duly approved "Employee Stock Option Plan 2018 (ESOP-2018) for eligible employee and directors of the Company. The scheme was approved by the Board of Directors at their meeting held on 31st January 2018. In terms of said plan, the Company has granted options to the eligible employees which vest over the period of 3 years on each successive anniversary of the grant date. The option can be exercised over the period of 7 years from the date of grant. Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Company at the time of grant.

**Employee Stock Option Plan 2018 (ESOP-2018)-I**

During the year 2017-18 Company had granted 23,30,668 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 155.

Movements in the number of options outstanding under the ESOP 2018 -I and weighted average exercise prices (WAEP) are as follow:

Particulars	2019-20	2018-19
	Nos	Nos
Opening outstanding	23,14,221	23,30,668
Granted During the year	-	-
Exercised	-	-
Forfeited	-	-
Lapsed	27,611	16,447
Closing outstanding ESOPS	22,86,610	23,14,221
Vested Options as at the year end	15,25,792	7,81,515
Weighted average exercise price INR	155.00	155.00

The fair value of options used to compute pro forma net income and earnings per equity share has been estimated on the date of grant using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 7.03%-7.18% p.a.; (b) expected life: 4-6 years; (c) expected volatility: 17.9% to 19.33% and (d) dividend yield: 1.40% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹155/- per option.

**Employee Stock Option Plan 2018 (ESOP-2018)-II**

During the current year Company has granted 23,22,132 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 250.30.

Movements in the number of options outstanding under the ESOP 2018 -II and weighted average exercise prices (WAEP) are as follow

Particulars	Nos
	2019-20
	Nos
Opening outstanding	-
Granted During the year	23,22,132
Exercised	-
Forfeited	-
Lapsed	11,166
Closing outstanding ESOPS	23,10,966
Vested Options as at the year end	-
Weighted average exercise price INR	250.30

The fair value of options used to compute pro forma net income and earnings per equity share has been estimated on the date of grant using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 6.14% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 16.82% and (d) dividend yield of around : 1% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 250.30/- per option.

During 2019-20 ₹ 688.61 Lakh (previous year ₹ 565.03 Lakh) has been recognised in statement of profit and loss



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 26.PROVISIONS

Movement in Provision for contingency is as under :

(₹ In Lakh)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Carrying amount as at the beginning of the year	870.00	2,250.00
Additions during the year	0.00	87.00
Utilised	(176.87)	(1,467.00)
Reversed during the year	(273.13)	-
<b>Carrying amount as at the end of the year</b>	<b>420.00</b>	<b>870.00</b>

During the current financial year an amount of ₹ 176.87 Lakh was paid towards settlement of VAT dues and an amount of ₹ 273.13 Lakh has been reversed.

(Previous year : Pursuant to the Settlement order in respect of SBI Mutual Fund in the matter of Padmini Technologies Limited, the Company has paid an amount of ₹1,405.13 Lakh towards settlement charges and ₹ 62.05 Lakh towards the Investor Protection and Education Fund of SEBI).

## 27.DIVIDEND REMITTANCES TO NON-RESIDENT SHAREHOLDERS:

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Number of non-resident shareholders	1	1
Number of equity shares held by them	18,50,00,000	18,50,00,000
Amount of dividend paid (₹ in Lakh)	3,700.00	2,590.00
Year to which dividend relates	2018-19	2017-18

## INTERIM DIVIDEND

Current year Nil (Previous year 2018-19, The Board of Directors of the company had declared an Interim dividend of ₹ 10,000 Lakh @ ₹ 2.00/- per share in its meeting held on 26 March, 2019.)

## 28.CORPORATE SOCIAL RESPONSIBILITY (CSR)

An amount of ₹ 972.73 Lakh (Previous year ₹ 724.56 Lakh ) was spent on CSR activities during the year as against an amount of ₹ 970.45 Lakh (Previous year ₹ 723.05 Lakh) available for spending as provided under the Companies Act, 2013.

(₹ In Lakh)

Particulars	In Cash	Yet to be paid in Cash	Total
(i)Construction/ acquisition of any asset	Nil	Nil	Nil
On purposes other than (i) above – midday meals, promoting education and healthcare facilities.	9.73	Nil	9.73
<b>Total</b>	<b>9.73</b>	<b>Nil</b>	<b>9.73</b>



## NOTES TO THE FINANCIAL STATEMENTS

## 29. EMPLOYEE BENEFIT PLANS

## DEFINED CONTRIBUTIONS PLAN- PROVIDENT FUND, SUPERANNUATION FUND AND NATIONAL PENSION SCHEME

The Company has recognised the following amounts in the Statement of Profit and Loss, which are included under Contributions to Provident Fund, Superannuation Fund and National Pension Scheme:

(₹ in Lakhs)

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Employer's Contribution to Provident Fund, Superannuation Fund and National Pension Scheme	803.33	658.39
Provision for Leave encashment ( based on actuarial valuation)	594.61	(3.07)

## Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan in India (funded) The Company's defined benefit gratuity plan is a final salary plan for employees. which requires contributions to be made to a separately administered fund. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the Investment strategy .

## Risks associated with defined benefit plan

**Gratuity is a defined benefit plan and company is exposed to the Following Risks:**

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec Rate will Increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members As such an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962. this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan do not have any longevity risk

**Concentration Risk:** Plan is having a concentration risk all the assets are invested in the insurance company and a default will wipe out all the assets. Although probability of this is very less as Insurance companies have to follow regulatory guidelines.

Gratuity is taken care by separate trust fund and contribution is guided by Rule 103 of Income Tax Rules 1962.

**The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation as at	
	31 Mar 2020	31 Mar 2019
Discount rate(s)	6.89%	7.79%
Expected rate(s) of salary increase	5% p.a	5% p.a



## NOTES TO THE FINANCIAL STATEMENTS

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows.

(₹ In Lakh)

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
<b>Service cost:</b>		
Current service cost	151.44	110.02
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	(4.77)	1.31
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>146.67</b>	<b>111.33</b>
Remeasurement on the net defined benefit liability:	-	-
Return on plan assets (excluding amounts included in net interest expense)	23.96	5.00
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	131.14	161.41
Actuarial (gains) / losses arising from experience adjustments	125.65	55.03
Others [describe]	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>280.75</b>	<b>221.44</b>

The amount included in the balance sheet arising from the company's obligation in respect of its defined benefit plans is as follows:

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Present value of funded defined benefit obligation	(1,650.99)	(1,209.67)
Fair value of plan assets	1,483.81	1,270.82
<b>Funded status</b>	<b>(167.18)</b>	<b>61.15</b>
Restrictions on asset recognised	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>(167.18)</b>	<b>61.15</b>

Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Opening defined benefit obligation	1,209.67	857.96
Current service cost	151.44	110.02
Interest cost	94.23	67.18
Remeasurement (gains)/losses:	-	-
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	131.14	161.41
Actuarial gains and losses arising from experience adjustments	125.65	55.03
Others [describe]	-	-
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(61.14)	(41.93)
Others [describe]	-	-
<b>Closing defined benefit obligation</b>	<b>1,650.99</b>	<b>1,209.67</b>



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Opening fair value of plan assets	1,270.82	841.31
Interest income	99.00	65.87
Remeasurement gain / (loss)	-	-
Return on plan assets (excluding amounts included in net interest expense)	(23.96)	(5.00)
Others [describe]	-	-
Contributions from the employer	199.09	410.57
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets acquired in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(61.14)	(41.93)
Other [describe]	-	-
<b>Closing fair value of plan assets</b>	<b>1,483.81</b>	<b>1,270.82</b>

## Category of plan assets

Particulars	Fair value of plan assets as at	
	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Insurance fund	1,483.81	1,270.82

## Maturity analysis of the Benefit payments: From the fund

Projected benefits payable in future years from the date of reporting	Year ended 31 Mar 2020	Year ended 31 Mar 2019
1st following year	105.47	98.17
2nd following year	67.78	66.74
3rd following year	83.61	54.43
4th following year	135.65	71.26
5th following year	84.13	109.19
Sum of years 6 to 10	719.27	470.58
Sum of years 11 and above	2,408.28	2,038.04

Weighted year duration of plan is 11 years( previous year 11 years)

## Sensitivity analysis

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Projected Benefit obligation on current Assumptions	1,650.99	1,209.67
Delta Effect of +0.5% Change in Rate of Discounting	(144.70)	(102.10)
Delta Effect of -0.5% Change in Rate of Discounting	167.62	118.10
Delta Effect of +0.5% Change in Rate of Salary increase	138.11	104.99
Delta Effect of -0.5% Change in Rate of Salary increase	(126.62)	(94.97)
Delta Effect of +0.5% Change in Rate of Employee turnover	28.37	27.61
Delta Effect of -0.5% Change in Rate of Employee turnover	(32.16)	(31.21)



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## 30. DETAILS OF SUBSIDIARIES

Details of the Company's subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the company	
			31 Mar 2020	31 Mar 2019
SBI Funds Management (International) Pvt Ltd	Investment Management Services	Mauritius	100%	100%

## 31. DETAILS OF ASSOCIATES

A. Details of Company's Associates as at the end of the reporting period are as follows :

Name of Associates	Country of Incorporation	Proportion of ownership interest	
		31 Mar 2020	31 Mar 2019
SBI Pension Funds Private Limited	India	20%	20%

## B. Summarised financial information of associates

Summarised financial information of material associates :

Summarised financial information in respect of each of the company's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Ind AS adjusted by the Company. (₹ in Lakhs)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Financial Assets	3,839.41	3,654.97
Non Financial Assets	449.36	244.28
Financial liabilities	158.42	26.97
Non financial Liabilities	63.45	33.58

  

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Revenue	1,694.14	1,274.61
Profit /(loss) from continuing operations	228.22	189.07
Post-tax profit (loss) from discontinued operations	-	-
Profit /(loss) for the year	228.22	189.07
Other comprehensive income for the year	-	-
Total comprehensive income for the year	228.22	189.07
Dividends received from the associate during the year	-	-





## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Reconciliation of the above summarised financial information to the carrying amount of the interest in SBI Pension Funds Private Limited

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Net worth of SBI Pension Funds Private Limited (₹ In Lakh)	4,067	3,866
Proportion of the Company's ownership interest in SBI Pension Funds Private Limited	20%	20%
Goodwill	-	-
Other adjustments	-	-
<b>Carrying amount of the Company's interest in SBI Pension Funds Private Limited (₹ In Lakh)</b>	<b>813.38</b>	<b>773.13</b>

## 32. SEGMENTAL REPORTING

The Company is in the business of providing asset management services to the Fund and portfolio management/ advisory service to clients. The primary segment is identified as asset management services. As such the company's financial statements are largely reflective of the assets management business and there is no separate reportable segment.

Pursuant to Indian Accounting Standard (Ind AS) - 108 Operating segments, no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment..

## 33. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to their maturity profile.

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>(1) Financial Assets</b>						
Cash & Cash equivalents	608.75	0.00	608.75	446.81	-	446.81
Bank Balance other than above	-	2,174.43	2,174.43	10,314.83	9.43	10,324.26
Receivables						
(i) Trade Receivables	4,000.35	-	4,000.35	2,675.04	-	2,675.04
(ii) Other Receivables	-	-	-	-	-	-
Investments	11,217.85	1,63,486.30	1,74,704.15	44,698.71	64,472.13	1,09,170.84
Other Financial assets	527.00	567.91	1,094.91	237.60	492.53	730.13
<b>Sub-total - Financial Assets</b>	<b>16,353.95</b>	<b>1,66,228.64</b>	<b>1,82,582.59</b>	<b>58,372.99</b>	<b>64,974.09</b>	<b>1,23,347.08</b>
<b>(2) Non Financial Assets</b>						
Current Tax assets ( Net)	-	4,308.70	4,308.70	-	3636.84	3,636.84
Deferred Tax assets (Net)	-	-	-	-	-	-
Property, Plant and Equipment	-	17,016.71	17,016.71	-	17260.77	17,260.77
Capital work-in-progress	-	-	-	-	34.75	34.75
Right to use Assets	-	5,799.41	5,799.41	-	-	-
Other Intangible assets	-	761.76	761.76	-	899.03	899.03
Other Non- financial assets	4,275.17	847.00	5,122.17	7929.48	10041.3	17,970.78
<b>Sub-total - Non- Financial Assets</b>	<b>4,275.17</b>	<b>28,733.58</b>	<b>33,008.75</b>	<b>7,929.48</b>	<b>31,872.69</b>	<b>39,802.17</b>
<b>Total Assets</b>	<b>20,629.12</b>	<b>1,94,962.22</b>	<b>2,15,591.34</b>	<b>66,302.47</b>	<b>96,846.78</b>	<b>1,63,149.25</b>



## NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Liabilities</b>						
<b>(1) Financial Liabilities</b>						
(i) total outstanding dues of micro enterprises and small enterprises	0.98	-	0.98	56.64	-	56.64
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,317.79	-	1,317.79	2,536.34	-	2,536.34
Other Financial liabilities	1,752.77	4,674.79	6,427.56	12,347.94	-	12,347.94
<b>Sub-total - Financial Liabilities</b>	<b>3,071.54</b>	<b>4,674.79</b>	<b>7,746.33</b>	<b>14,940.92</b>	<b>-</b>	<b>14,940.92</b>
<b>(2) Non Financial Liabilities</b>						
Provision	7,033.57	1,959.53	8,993.10	8513.4	1,654.39	10,167.79
Other non-financial liabilities	-	-	0.00	6.18	157.34	163.52
Deferred tax liabilities (Net)	-	334.07	334.07	-	501.00	501.00
<b>Sub-total - Financial Liabilities</b>	<b>7,033.57</b>	<b>2,293.60</b>	<b>9,327.17</b>	<b>8,519.58</b>	<b>2,312.73</b>	<b>10,832.31</b>
<b>Total Liabilities</b>	<b>10,105.11</b>	<b>6,968.39</b>	<b>17,073.50</b>	<b>23,460.50</b>	<b>2,312.73</b>	<b>25,773.23</b>

## 34. Ind AS 115 Disclosures

(₹ in Lakhs)

Note No.	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
1	Details of revenue from Schemes pursuant to investment management agreement and contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	<u>Revenue from operations</u>		
	• Management Fees	1,18,972.72	1,44,967.86
	• Portfolio Management & Other Advisory Fees	5,847.03	4,253.39
	<b>Total</b>	<b>1,24,819.75</b>	<b>1,49,221.25</b>
2	Disaggregate Revenue		
	The table below presents disaggregated revenues of the Company from schemes of mutual fund and from contracts with customers by geography/ offerings/ contract-type/market. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.		
	<u>Revenue based on geography</u>		
	India	1,24,819.75	1,49,221.25
	<u>Revenue based on contract types</u>		
	Fixed Price	1,24,378.73	1,49,204.65
	Performance Management Fees	441.02	16.60
	<b>Total</b>	<b>1,24,819.75</b>	<b>1,49,221.25</b>
	<u>Revenue based on market</u>		
	Domestic - India	1,20,111.04	1,45,656.09
	Export	4,708.71	3,565.16
	<b>Total</b>	<b>1,24,819.75</b>	<b>1,49,221.25</b>

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Note No.	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
3	<b>Contract balances</b>		
	The following table provides information about receivables from the schemes and contracts with customers:		
	Trade Receivable	4,000.35	2,675.04
	Contract Assets	-	-
	Contract liabilities	-	-

## 35. FINANCIAL INSTRUMENTS

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments other than those with carrying amounts that are reasonable approximations of fair value.

## A. Accounting classification and fair value

(₹ in Lakhs)

As at 31 March 2020	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Cash & Cash equivalents	-	608.75	608.75	-	-	-	-
Other Bank Balances	-	2,174.43	2,174.43	-	-	-	-
Trade Receivables	-	4,000.35	4,000.35	-	-	-	-
Investments (excluding investment in Subsidiary and Associates)*	1,74,099.36	-	1,74,099.36	1,72,099.36	-	2,000.00	1,74,099.36
Other Financial Assets	-	1,094.91	1,094.91	-	-	-	-
<b>Total</b>	<b>1,74,099.36</b>	<b>7,878.44</b>	<b>1,81,977.80</b>	<b>1,72,099.36</b>	<b>-</b>	<b>2,000.00</b>	<b>1,74,099.36</b>
<b>Financial Liabilities</b>							
Trade payables		1,317.79	1,317.79	-	-	-	-
Other Financial Liabilities		6427.56	6,427.56	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7,745.35</b>	<b>7,745.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*investment in Subsidiary and Associate are carried at cost

As at 31 March 2019	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Cash & Cash equivalents	-	446.81	446.81	-	-	-	-
Other Bank Balances	-	10,324.26	10,324.26	-	-	-	-
Trade Receivables	-	2,675.04	2,675.04	-	-	-	-
Investments (excluding investment in Subsidiary and Associates)*	1,08,566.05	-	1,08,566.05	1,00,407.42	-	8,158.63	1,08,566.05
Other Financial Assets	-	730.13	730.13	-	-	-	-
<b>Total</b>	<b>1,08,566.05</b>	<b>14,176.24</b>	<b>1,22,742.29</b>	<b>1,00,407.42</b>	<b>-</b>	<b>8,158.63</b>	<b>1,08,566.05</b>
<b>Financial Liabilities</b>							
Trade payables		2,592.98	2,592.98	-	-	-	-
Other Financial Liabilities		12,347.94	12,347.94	-	-	-	-
<b>Total</b>	<b>-</b>	<b>14,940.92</b>	<b>14,940.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*investment in Subsidiary and Associate are carried at cost



## NOTES TO THE FINANCIAL STATEMENTS

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurement as described below:

**Level 1 :** On the basis of latest NAV/Market price available.

**Level 2 :** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3 :** The investment has been made in December 2019 as part of warehousing policy. The Company has been regular in servicing its dues thus far and the short term investment thesis continues to remain intact. In view of the same, we believe that there is no impairment in the investment and it can be valued at its cost as at reporting date. (PY-On the basis of the value provided by the AMFI authorised agencies in accordance to the valuation guidelines.)

### Capital management :

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through equity.

### Financial Risk Management Framework :

The different types of risks the company is exposed to are liquidity risk credit risk and foreign currency risk.

#### 1. Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The company maintains sufficient bank balance and marketable securities such as liquid/ultra-short duration and other debt funds.

#### 2. Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company has well defined investment policy restricting investments in various risk categories such high/moderate high/moderate etc.

#### 3. Foreign currency risk management:

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in Lakhs)

Currency	Liabilities		Assets	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
AED	-	-	7.73	13.23
USD	18.81	44.44	866.81	622.97
BHD	22.95	10.28	-	-
AUD	-	-	3.52	2.67
JPY	-	-	76.98	82.73
SGD	-	-	127.29	151.66

### Foreign currency sensitivity analysis:

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupee against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens 10% against the relevant currency. For a 10% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Currency	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
AED Currency impact	0.58	0.91	0.58	0.91
USD Currency impact	65.39	39.83	65.39	39.83
BHD Currency impact	1.72	0.67	1.72	0.67
AUD Currency impact	0.26	0.02	0.26	0.02
JPY Currency impact	5.76	2.29	5.76	2.29
SGD Currency impact	9.53	5.47	9.53	5.47

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year and considering the size of business and size of exposure in Foreign currency is immaterial.

**36. LEASE (AS A LESSEE)**

Effective 01st April 2019, the Company has adopted Ind AS 116 – Leases and applied it to all lease contracts existing on 01st April 2019 using modified retrospective method. Consequently, the rent equalisation balance of Rs 107.86 Lakhs has been credited to retained earnings on the date of initial application i.e. 01st April 2019 as permitted under the specific transitional provisions in the standard. The Company is not required to restate the previous figures

**(i) Amounts recognised in the balance sheet****Investments**

The balance sheet shows the following amounts relating to leases:

(₹ in Lakhs)

Particulars	31st Mar 2020	1st April 2019
Right-of-use assets :		
Office Premise	5,690.72	7,017.59
Furniture	76.95	90.10
Vehicles	31.74	36.17
<b>Total</b>	<b>5,799.41</b>	<b>7,143.86</b>
Lease liabilities		
Current	1,416.43	-
Non-current	4,674.79	-
<b>Total</b>	<b>6,091.22</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## (ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets	31st March 2020
Office Premise	1,326.87
Furniture	13.15
Vehicles	4.43
Total	1,344.45
Interest expense (included in finance cost)	363.49
Expense relating to short-term leases (included administrative expenses)	131.36
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	-
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	-

## Transition

1. Applied a single discount rate to a portfolio of leases.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases.

Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116. According the opening balance of lease obligation amounting to Rs 107.86 lakh has been adjusted in equity.

## 37. RELATED PARTY DISCLOSURE:

(i) List of related parties with whom transactions have taken place during the year :

Holding Company	State Bank of India (SBI) holds 63% of the share capital
Enterprise having significant influence	Amundi India Holding, a wholly owned subsidiary of Amundi holds 37% of the share capital
Subsidiary	SBI Funds Management (International) Private Limited (100% subsidiary)
Associates	SBI Pension Funds Private Limited
Key Management Personnel	Mr. Ashwani Bhatia (Managing Director & Chief Executive Officer) Mr. Nicolas Simon (Deputy Chief Executive Officer) up to 6th March, 2020 Mr. Denys de Campigneulles (Deputy Chief Executive Officer) from 7th March, 2020
Independent & Associate Directors	Mr. Jashvant Raval (Independent Director) Mr. C. N. Ram (Independent Director) Mr. Om Prakash Gahrotra (Independent Director) Mr. Fathi Jerfel (Associate Director) Mr. Dinesh Kumar Khara (Associate Director) Dr. Prafulla Agnihotri (Independent Director) Mr. Jean Yves Glain (Associate Director)

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Other Related parties:-	
i) Fellow Subsidiaries	SBI Life Insurance Company Limited SBI General Insurance Limited SBI Mutual Fund Trustee Company Private Limited SBI-SG Global Securities Services Private Limited SBICAP Securities Limited SBI Capital Markets Limited SBI Foundation
ii) Enterprise under common control	Amundi Singapore Limited (a wholly owned subsidiary of Amundi) Amundi Hong Kong Limited (a wholly owned subsidiary of Amundi) NH-Amundi Asset Management Co. Ltd. Amundi Asset Management Amundi UK Ltd. (a wholly owned subsidiary of Amundi)

## ii) Details of transactions with related parties during the year :

(₹ In Lakh)

Particulars	Holding Company	Enterprise having significant influence	Fellow Subsidiaries	Enterprise under Common control	KMP/ Relative	Subsidiary
PMS Advisory & Other fees	140.38	-	-	3,883.51	-	-
	(NIL)	-	-	(2550.32)	-	-
Interest income	45.74	-	-	-	-	-
	(43.37)	-	-	-	-	-
Fund Accounting Charges	-	-	1,063.73	-	-	-
	-	-	(922.29)	-	-	-
Custodial Charges	-	-	10.17	-	-	-
	-	-	(661.50)	-	-	-
Rent	71.19	-	NIL	-	-	-
	(83.82)	-	(14.09)	-	-	-
Brokerage	NIL	-	NIL	NIL	-	-
	(36271.41)	-	(149.22)	(19.59)	-	-
Demat Charges	-	-	0.01	-	-	-
	-	-	(0.01)	-	-	-
CSR Activities	-	-	102.35	-	-	-
	-	-	(200.00)	-	-	-
Data Processing charges & Scheme related expenses	-	-	-	NIL	-	-
	-	-	-	(2074.63)	-	-
Bank charges	40.80	-	-	-	-	-
	(472.04)	-	-	-	-	-
Royalty	855.08	-	-	-	-	-
	(662.07)	-	-	-	-	-
Processing Fee	650.00	-	-	-	-	-
	(50.00)	-	-	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Holding Company	Enterprise having significant influence	Fellow Subsidiaries	Enterprise under Common control	KMP/ Relative	Subsidiary
Electricity/generator charges	5.68	-	-	-	-	-
	(3.84)	-	-	-	-	-
Repairs & Maintenance	0.04	-	-	-	-	-
	(0.05)	-	-	-	-	-
Business Promotion	79.73	-	-	0.20	-	-
	(75.57)	-	-	(0.20)	-	-
Training	22.28	-	-	-	-	-
	(13.29)	-	-	-	-	-
Scheme related expenses	66.85	-	-	-	-	-
	0.00	-	-	-	-	-
Insurance premium	-	-	26.56	-	-	-
	-	-	(69.89)	-	-	-
Dividend Received	-	-	-	-	-	280.46
	-	-	-	-	-	(NIL)
Interim Dividend payable	NIL	NIL	-	-	-	-
	(6300.00)	(3700.00)	-	-	-	-
Reimbursement of salaries of deputed employees from SBI	310.53	-	-	-	-	-
	(278.57)	-	-	-	-	-
Recovery of salaries of deputed employees to SBI	130.69	-	-	-	-	-
	(106.82)	-	-	-	-	-
Recovery of Admin Expenses	-	-	30.00	-	-	-
	-	-	(30.00)	-	-	-
Software Purchased	-	-	-	NIL	-	-
	-	-	-	(48.68)	-	-
Director Sitings Fees	-	-	-	-	22.30	-
	-	-	-	-	(20.55)	-
<b>Balances outstanding as at 31 Mar 2020</b>	-	-	-	-	-	-
Receivable/(Payable)	131.87	-	(84.98)	930.42	-	-
	7.82	-	85.32	(629.99)	-	-
Balance in Current Accounts	602.13	-	-	-	-	-
	(10303.60)	-	-	-	-	-
Term Deposit	2,164.11	-	-	-	-	-
	(314.83)	-	-	-	-	-

## Remuneration to Key Managerial Personnel

The remuneration of director and other member of key management personnel during the year was as follows:

(₹ in Lakhs)

Particulars	2019-20	2018-19
i. Short Term Benefits	155.38	115.83
ii. Post Employment Benefits	-	-
iii. Other long term benefits	-	-
iv. Share based payments	-	-
v. Termination Benefits	-	-

Note:

(i) Figures in the brackets [ ] represent previous year figures





## NOTES TO THE FINANCIAL STATEMENTS

(ii) Banking transactions in normal course of business with related parties have not been considered.

(iii) All transactions with related parties are in normal course of business

iii) Significant Transactions with Related Parties during the year :

Sr. No.	Name of the Related Party	Relation	Nature Of Expense	Amount (₹ in Lakh)
1	SBI Mutual Fund Trustee Company Pvt Ltd	Fellow Subsidiaries	Recovery of Admin Expenses	30.00
2	SBI-SG Global Securities Services Pvt. Ltd	Fellow Subsidiaries	Fund Accounting Charges	1,063.73
3	SBI-SG Global Securities Services Pvt. Ltd	Fellow Subsidiaries	Custodial Charges	10.17
4	SBI Life Insurance Co. Ltd.	Fellow Subsidiaries	Insurance Premium	8.98
5	SBI General Insurance Co. Ltd.	Fellow Subsidiaries	Insurance Premium	17.58
6	SBI Foundation	Fellow Subsidiaries	CSR Activities	102.35
7	Jashvant Raval	Director	Director Sitting Fee	5.70
8	Dr. Prafulla Agnihotri	Director	Director Sitting Fee	4.35
9	O.P. Gahrotra	Director	Director Sitting Fee	7.90
10	C.N.Ram	Director	Director Sitting Fee	4.35
11	State Bank of India	Holding Company	Bank charges expenses	40.80
12	State Bank of India	Holding Company	Royalty expenses	855.08
13	State Bank of India	Holding Company	Processing Fee/commitment charges	650.00
14	State Bank of India	Holding Company	Scheme Exp	66.85
15	State Bank of India	Holding Company	Interest on FD	45.74
16	Amundi Singapore Limited	Enterprise under common Control	Portfolio Advisory Fees	58.62
17	Amundi Hong Kong Limited	Enterprise under common Control	Portfolio Advisory Fees	3,646.60
18	NH-Amundi Asset Management Co. Ltd	Enterprise under common Control	Portfolio Advisory Fees	8.86
19	Amundi Asset Management, Parids	Enterprise under common Control	Portfolio Advisory Fees	157.17
20	Amundi UK Ltd	Enterprise under common Control	Portfolio Advisory Fees	12.26
21	State Bank of India	Holding Company	Portfolio Management Fees	140.38

### 38. Dues to Micro, Small and Medium Enterprises

Trade payables do not include any amount payable to Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

(₹ in Lakh)

Particulars	31 Mar 2020	31 Mar 2019
Principal amount remaining unpaid to any supplier as at the year end *	48.03	56.64
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31 Mar 2020	31 Mar 2019
*Breakup of above is as under :-		
Trade Payables	0.98	56.64
Creditors for capital expenses	36.29	-
Retention	1.07	-
Earnest Deposit	9.69	-
<b>Total</b>	<b>48.03</b>	<b>56.64</b>

## 39. Expenditure in Foreign Currency :

(₹ in Lakhs)

Particulars	31 Mar 2020	31 Mar 2019
Travelling Expenses	61.31	70.38
Business Promotion & Advertisement	40.22	94.84
Salary	254.08	219.89
Scheme Related Expenses	0.00	62.32
Rent and Subscription	185.21	202.29
Professional Fees and others	88.62	52.71
<b>Total</b>	<b>629.44</b>	<b>702.43</b>

## 40. Impact of COVID - 19

The Company has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of receivables and investments.

In developing the assumptions relating to the possible uncertainties in global economic conditions, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

41. The financial statements were approved for issue by the Board of Directors on 30 April 2020.

42. Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No: 100052

For and on behalf of the Board of Directors of

**SBI Funds Management Private Limited**

Sd/-

**Dinesh Kumar Khara**

Director

DIN 6737041

Sd/-

**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)

Director

DIN 08716335

Sd/-

**Ashwani Bhatia**

Managing Director & CEO

DIN 07423221

Sd/-

**Vinaya Datar**

Company Secretary

M. No 15527

Place: Mumbai

Date: 30 April 2020

Place: Mumbai

Date : 30 April 2020



**SBI FUNDS MANAGEMENT  
PRIVATE LIMITED  
(CONSOLIDATED FINANCIAL STATMENTS)**



## INDEPENDENT AUDITOR'S REPORT

To the members of  
SBI Funds Management Private Limited

### Report on the audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of SBI Funds Management Private Limited ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company which comprise the Consolidated Balance Sheet as at 31st March 2020, 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 ended on that date and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, 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 the 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 state of affairs of the Group as at 31st March 2020, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Director's Report but does not include the consolidated financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### Management's Responsibility for the Consolidated Financial Statements

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, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group, and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation 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 these Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability 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 or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors included in the group are also responsible for overseeing the Group's financial reporting process.

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

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary companies and its associate companies which are incorporated in India has adequate internal financial controls with reference to the consolidated financial statements, 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 Group's ability 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 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 events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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 aggregate, 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 factors 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 the Management, 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.



**Other Matter**

We did not audit the financial statements of foreign subsidiary whose financial statements reflect total assets of Rs. 318.05 Lakh as at 31st March 2020, total revenues of Rs. 426.32 Lakh and net cash outflows amounting to Rs.0.36 Lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 45.56 Lakh for the year ended 31st March 2020, as considered in the consolidated financial statements, in respect of associate company, whose financial statements have not been audited by us. These financial statements 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 subsidiary and associate company, is based solely on the audit report of the other auditors. We have not received responses to the Group Audit Instructions from the auditors of subsidiaries and associates. Our opinion is not modified in respect of this matter.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statement.
  - (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, Consolidated Statement of change in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of Holding Company as on 31st March 2020 taken on record by the Board of Directors of Holding Company and the reports of the statutory auditors of its Associate Company, none of the directors is disqualified as on 31st March 2020 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 with reference to the consolidated financial statements of the Group, with respect to the Companies 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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements of the group, and its associate company. Refer Note 24 to the consolidated financial statements.
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.



2. As required by Section 143 (5) of the Act, , with respect to the Holding Company and its associate company, which are companies incorporated in India and Provision of Section 143(5) of the Act with respect to reporting under the directions issued by the Comptroller and Auditor-General of India is applicable , we report that:

Sr. No.	Directions issued by the Comptroller and Auditor-General of India	Auditor's Comment
a)	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.	The SBI Funds Management Private Limited ("the Holding Company") and its associate company has a system in place to process all the accounting transactions through IT system. According to the information and explanations given to us, and on the basis of our examination there are no accounting transactions processed outside IT system impacting the integrity of the accounts.
b)	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.	According to the information and explanations given to us, and on the basis of our examination of the records of the SBI Funds Management Private Limited ("the Holding Company") and its associate company, we report that there are no cases of waiver/write off of Debts/loans/interest.
c)	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 of deviation.	According to the information and explanations given to us, and on the basis of our examination of the records of the SBI Funds Management Private Limited ("the Holding Company") and its associate company, there are no funds received/receivable from Central/State agencies.

Our above report under section 143(5) of the Act with reference to the Consolidated Financial Statements insofar as it relates to the Associate Company is based on the corresponding report of the Independent auditor of Associate Company.

**For C N K & Associates LLP**

**Chartered Accountants**

Firm Registration No: 101961W / W - 100036

Sd/-

**Hiren Shah**

Partner

Membership No.: 100052

UDIN: 20100052AAAABO2474

Place: Mumbai

Date: 30th April 2020



## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SBI Funds Management Private Limited on the Consolidated Financial Statements of even date]

Report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls with reference to the consolidated financial statements of SBI Funds Management Private Limited ("the Holding Company") and its associate company, which are companies incorporated in India, as of 31st March 2020 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its Associate 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 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 Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's and its Associate Company's, incorporated in India, internal financial controls with reference to the consolidated financial statements, 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") issued by the ICAI and the Standards on Auditing prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. 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 with reference to the consolidated financial statements, 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 with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated financial statements, 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its associate company's internal financial controls with reference to the consolidated financial statements of the Holding Company.

### Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements

A company's internal financial controls with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the consolidated financial statements includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and





- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to the consolidated financial statements 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, to the best of our information and according to the explanations given to us, the Holding Company and its associate companies which are incorporated in India has, in all material respects, an adequate internal financial controls with reference to the consolidated financial statements, and such internal financial controls with reference to the consolidated financial statements were operating effectively as at 31st March 2020, based on the internal financial control criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by ICAI.

### **Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements insofar as it relates to the associate company which is a Company incorporated in India, is based on the corresponding report of the independent auditor of such Company.

**For C N K & Associates LLP**

**Chartered Accountants**

Firm Registration No.: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No.: 100052

UDIN: 20100052AAAABO2474

Place: Mumbai

Date: 30th April 2020



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI FUNDS MANAGEMENT PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 April 2020.

The assets under management through various schemes managed by SBI Funds Management Private Limited are not reflected in its Balance Sheet, since these assets do not form part of the SBI Funds Management Private Limited. Therefore, I do not look into operation of these schemes including decision making regarding acquisition, management and disposal of the assets managed by the SBI Funds Management Private Limited and express no opinion on the soundness of the investments.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2020 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-  
(P. V. Hari Krishna)  
Principal Director of Audit (Shipping), Mumbai

Place : Mumbai  
Date : 25/06/2020



## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(₹ In Lakhs)

Particulars	Note No.	As at 31 Mar 2020 "	As at 31 Mar 2019
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash & Cash equivalents	2	783.37	607.33
(b) Bank Balance other than (a) above	3	2,174.43	10,324.26
(c) Receivables			
(i) Trade Receivables	4	4,032.39	2,759.16
(ii) Other Receivables		-	-
(d) Investments	5	1,74,927.88	1,09,349.01
(e) Other Financial assets	6	1,094.91	730.13
<b>Sub-total - Financial Assets</b>		<b>1,83,012.98</b>	<b>1,23,769.89</b>
<b>(2) Non Financial Assets</b>			
(a) Current Tax assets ( Net)	7	4,306.61	3,633.84
(b) Deferred Tax assets (Net)	8	-	-
(c) Property, Plant and Equipment	9	17,016.71	17,260.77
(d) Capital work-in-progress		-	34.75
(e) Right to use Assets	9	5,799.41	-
(f) Other Intangible assets	10	761.76	899.03
(g) Other Non- financial assets	11	5,233.55	18,022.32
<b>Sub-total - Non- Financial Assets</b>		<b>33,118.04</b>	<b>39,850.71</b>
<b>Total Assets</b>		<b>2,16,131.02</b>	<b>1,63,620.60</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
<b>(a) Payables</b>			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	12	0.98	56.64
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	1,435.86	2,626.50
(b) Other financial liabilities	13	6,427.56	12,347.94
<b>Sub-total - Financial Liabilities</b>		<b>7,864.40</b>	<b>15,031.08</b>
<b>(2) Non Financial Liabilities</b>			
(a) Provision	14	8,996.63	10,167.79
(b) Other non-financial liabilities	15	-	163.52
(c) Deferred tax liabilities (Net)	8	334.07	501.00
<b>Sub-total - Financial Liabilities</b>		<b>9,330.70</b>	<b>10,832.31</b>
<b>(3) Equity</b>			
(a) Equity Share capital	16	5,000.00	5,000.00
(b) Other Equity	17	1,93,935.92	1,32,757.21
<b>Sub-total -Equity</b>		<b>1,98,935.92</b>	<b>1,37,757.21</b>
<b>Total Liabilities and Equity</b>		<b>2,16,131.02</b>	<b>1,63,620.60</b>
Summary of Significant Accounting Policies	1		
Other Notes to the Financial Statements	2-43		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date

For C N K &amp; Associates LLP

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

Hiren Shah

Partner

Membership No: 100052

For and on behalf of the Board of Directors of

SBI Funds Management Private Limited

Sd/-

Dinesh Kumar Khara

Director

DIN 6737041

Sd/-

DENYS CHARLES JEAN MARIE FOUGEROUX DE C  
(Denys De Campigneulles)

Director

DIN 08716335

Sd/-

Ashwani Bhatia

Managing Director &amp; CEO

DIN 07423221

Sd/-

Vinaya Datar

Company Secretary

M. No 15527

Place: Mumbai

Date: 30 April 2020

Place: Mumbai

Date : 30 April 2020

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020**

(₹ In Lakhs)

Particulars	Note No.	For th Year Ended 31 Mar 2020	For th Year Ended 31 Mar 2019
<b>Revenue from Operations</b>			
(i) Management Fees		1,19,378.95	1,45,315.26
(ii) Portfolio Management & Other Advisory Fees		5,847.03	4,253.39
<b>I Total revenue from operations</b>		<b>1,25,225.98</b>	<b>1,49,568.65</b>
II Other Income	18	6,625.88	6,628.01
<b>III. Total Income (I+II)</b>		<b>1,31,851.86</b>	<b>1,56,196.66</b>
<b>Expenses</b>			
(i) Finance cost		363.49	-
(ii) Schemes expenses		9,881.58	52,313.58
(iii) Employee benefits expense	19	23,241.39	21,066.89
(iv) Depreciation and amortization expense	9	3,024.63	1,666.30
(v) Other expenses	20	15,967.63	16,366.06
<b>IV. Total expenses</b>		<b>52,478.72</b>	<b>91,412.83</b>
V. Profit / (Loss) before exceptional items and tax (III-IV)		79,373.14	64,783.83
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V-VI)		79,373.14	64,783.83
VIII. Share of Profit/(loss) of Associates		45.56	37.81
<b>IX. Tax Expense:</b>			
- Current Tax	21	19,207.44	21,203.75
- Deferred Tax	22	(151.93)	761.39
- Adjustment of tax relating to earlier periods		(213.63)	(193.22)
<b>X. Profit / (loss) for the period (VII+VIII-IX)</b>		<b>60,576.82</b>	<b>43,049.72</b>
<b>XI. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss :			
i) Remeasurements of the defined benefit plans		(280.75)	(221.44)
ii) Deferred tax on above		70.67	77.38
<b>XII. Total Comprehensive Income for the period</b>		<b>60,366.74</b>	<b>42,905.66</b>
XII. Earnings per equity share	23		
Basic (₹)		12.12	8.61
Diluted (₹)		12.08	8.60
Summary of Significant Accounting Policies	1		
Other Notes to the Financial Statements	2-43		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No: 100052

For and on behalf of the Board of Directors of

**SBI Funds Management Private Limited**

Sd/-

**Dinesh Kumar Khara**

Director

DIN 6737041

Sd/-

**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**

(Denys De Campigneulles)

Director

DIN 08716335

Sd/-

**Ashwani Bhatia**

Managing Director &amp; CEO

DIN 07423221

Sd/-

**Vinaya Datar**

Company Secretary

M. No 15527

Place: Mumbai

Date: 30 April 2020

Place: Mumbai

Date : 30 April 2020

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020****(₹ In Lakhs)**

Particulars	For the Year End 31 Mar 2020	For the Year End 31 Mar 2019
<b>Cash Flow from Operating Activities</b>		
Net profit Before Tax	79,373.14	64,783.83
<b>Adjustments for:</b>		
Depreciation and amortisation	1,680.18	1,666.30
Add: Impact on adoption of Ind AS 116	291.81	-
Employee Stock Option Expenses	688.61	565.03
Provision for contingency written back	(273.13)	0.00
(Profit) /Loss on sale of fixed assets (Net)	0.42	(1.69)
Fair value of Investment (Net)	(2,589.19)	(3,867.33)
Gain on sale/redemption of investments	(1,326.99)	(142.43)
Exchange Fluctuations	15.50	3.97
Interest income on investments	(709.31)	-
other Interest income	(51.43)	(43.39)
Dividend income	(1,719.05)	(2,394.79)
<b>Operating profit before working capital changes</b>	<b>75,380.56</b>	<b>60,569.50</b>
Decrease / (Increase) in trade receivables	(1,273.23)	7,271.16
Decrease / (Increase) in other Financial assets	(364.78)	(24.53)
Decrease / (Increase) in other Bank Balance	10,000.00	-
Decrease / (Increase) in other non Financial assets	12,788.77	11,058.23
(Decrease) / Increase in trade payables	(1,246.30)	(7,294.80)
(Decrease) / Increase in other Financial Liabilities	43.93	(52.37)
(Decrease) / Increase in other non Financial liabilities	-	56.85
(Decrease) / Increase in provisions	(1,178.78)	(1,610.10)
<b>Net cash generated from operations</b>	<b>94,150.17</b>	<b>69,973.94</b>
Income taxes paid	19,666.58	22,733.97
<b>Net cash generated from Operating Activities (A)</b>	<b>74,483.59</b>	<b>47,239.97</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Intangible assets(including advances for capital)	(215.31)	(410.15)
Purchase of Property, plant and equipment (including advances for capital)	(1,051.01)	(1,724.96)
Sale of Property, plant and equipment & Intangibles	1.80	10.31
Purchase of Investments	(2,33,840.03)	(1,87,778.70)
Proceeds from Sale of Investments	1,72,222.91	1,48,556.97
Fixed deposits	(1,850.17)	284.39
Interest received	51.43	53.95



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019****(₹ In Lakhs)**

Particulars	For the Year End 31 Mar 2020	For the Year End 31 Mar 2019
Dividend received on investments	1,719.05	2,394.79
Interest income on investments	709.31	-
<b>Net Cash used in Investing Activities (B)</b>	<b>(62,252.02)</b>	<b>(38,613.40)</b>
<b>Cash Flow from Financing Activities</b>		
Dividend paid	(10,000.00)	(7,000.00)
Tax on Dividend	(2,055.53)	(1,425.06)
<b>Net cash used in Financing Activities (C)</b>	<b>(12,055.53)</b>	<b>(8,425.06)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>176.04</b>	<b>201.51</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>607.33</b>	<b>405.82</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>783.37</b>	<b>607.33</b>
<b>Cash and Cash Equivalent comprising of :</b>		
Cash/Cheques in hand	1.12	0.27
Cheques in hand	-	139.31
Balance with Banks in current accounts	782.25	467.75
<b>Total</b>	<b>783.37</b>	<b>607.33</b>
Note : The above Statement of Cash Flows has been prepared under the ' indirect Method' as set out in Ind AS 7, 'Statement of Cash flows'		
Summary of Significant Accounting Policies	1	
Other Notes to the Financial Statements	2-43	

As per our report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No: 100052

For and on behalf of the Board of Directors of

**SBI Funds Management Private Limited**

Sd/-

**Dinesh Kumar Khara**

Director

DIN 6737041

Sd/-

**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**

(Denys De Campigneulles)

Director

DIN 08716335

Sd/-

**Ashwani Bhatia**

Managing Director &amp; CEO

DIN 07423221

Sd/-

**Vinaya Datar**

Company Secretary

M. No 15527

Place: Mumbai

Date: 30 April 2020

Place: Mumbai

Date : 30 April 2020



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020****a. Equity Share Capital:**

(₹ in Lakhs)

Particulars	Amount
Equity Shares of ` 1.00 each ( March 19 ` 1.00 each)	
<b>Balance as at the 31 March 2018</b>	<b>5,000.00</b>
Changes in equity share capital during the year 2018-19	-
<b>Balance as at the 31 March 2019</b>	<b>5,000.00</b>
Changes in equity share capital during the year 2019-20	-
<b>Balance as at 31 March 2020</b>	<b>5,000.00</b>

**b. Other Equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus			OCI*	Foreign Currency translation reserve	Total Other Equity
	General Reserve	Retained Earnings	ESOP**			
<b>Balance as at 31 March 2018</b>	<b>9,760.09</b>	<b>91,389.23</b>	<b>104.30</b>	<b>39.77</b>	<b>44.69</b>	<b>1,01,338.08</b>
Less : Dividend paid	-	(10,000.00)	-	-	-	(10,000.00)
Less: Dividend distribution Tax	-	(2,055.53)	-	-	-	(2,055.53)
Transfer to/from retained earnings	500.00	(500.00)	-	-	-	-
Other Additions/Deductions during the year	-	-	565.03	-	3.97	569.00
Profit / (Loss) for the year after income tax	-	43,049.72	-	-	-	43,049.72
Other Comprehensive Income for the year before income tax (net of tax)	-	-	-	(144.06)	-	(144.06)
Total Comprehensive Income for the year	-	43,049.72	-	(144.06)	-	42,905.66
<b>Balance as at 31 March 2019</b>	<b>10,260.09</b>	<b>1,21,883.42</b>	<b>669.33</b>	<b>(104.29)</b>	<b>48.66</b>	<b>1,32,757.21</b>
Add: Impact on adoption of Ind AS 116 #	-	107.86	-	-	-	107.86
<b>Balance as on 1st April 2019</b>	<b>10,260.09</b>	<b>1,21,991.28</b>	<b>669.33</b>	<b>(104.29)</b>	<b>48.66</b>	<b>1,32,865.07</b>
Transfer to/from retained earnings	500.00	(500.00)	-	-	-	-
Other Additions/Deductions during the year **	-	-	688.61	-	15.50	704.11
Profit / (Loss) for the year after income tax	-	60,576.82	-	-	-	60,576.82
Other Comprehensive Income for the year before income tax (net of tax)	-	-	-	(210.08)	-	(210.08)
Total Comprehensive Income for the year	500.00	60,076.82	688.61	(210.08)	15.50	61,070.85
<b>Balance as at 31 March 2020</b>	<b>10,760.09</b>	<b>1,82,068.10</b>	<b>1,357.94</b>	<b>(314.37)</b>	<b>64.16</b>	<b>1,93,935.92</b>

\* Other Comprehensive Income

\*\* Employee Stock Option Plan

# refer note no 36

Summary of Significant Accounting Policies 1

Other Notes to the Financial Statements 2-43

As per our report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No: 100052

For and on behalf of the Board of Directors of

**SBI Funds Management Private Limited**

Sd/-

**Dinesh Kumar Khara**

Director

DIN 6737041

Sd/-

**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**

(Denys De Campigneulles)

Director

DIN 08716335

Place: Mumbai

Date : 30 April 2020

Sd/-

**Ashwani Bhatia**

Managing Director &amp; CEO

DIN 07423221

Sd/-

**Vinaya Datar**

Company Secretary

M. No 15527

Place: Mumbai

Date: 30 April 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICY CONSOLIDATED FINANCIALS

#### Company Overview

SBI Funds Management Private Limited ('the Company') was incorporated on 7<sup>th</sup> February 1992 under The Companies Act, 1956 (Act) as a private limited company. The Company is presently a joint venture between SBI and AMUNDI.

The Company was granted approval by Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1993, subsequently replaced by SEBI (Mutual Funds) Regulations, 1996, to act as the Investment Manager of SBI Mutual Fund ('the Fund'). The Company manages the Investment Portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated December 29, 2004. The Company has a fully owned foreign subsidiary namely SBI Funds Management (International) Private Limited, which is based at Mauritius and manages an Off-shore Fund.

The Company is also registered with SEBI under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services (PMS) to domestic and international clients.

The Company also offers alternate asset investment products through Alternative Investment Funds (AIF). The Company is acting as Investment Manager of SBI Alternative Equity Fund & SBI Alternative Debt Fund which is registered with SEBI as a category III & category II AIF respectively under SEBI (Alternative Investment Funds) Regulations, 2012.

The Company is also providing the management and advisory services to Category I foreign portfolio investors and Category II foreign portfolio investors through fund manager(s) managing the schemes of the SBI Mutual Fund as permitted under Regulation 24(b) of the SEBI (Mutual Funds) Regulations, 1996.

The Consolidated Financial Statements comprise financial statements of "SBI Funds Management Private Limited" ('the Holding Company') and its subsidiary (Collectively referred to as "the Group")

#### 1.1 Statement of compliance

The Financial statements of SBI Funds Management Private Limited ('the Company') have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (The Act) [the (Indian Accounting Standards) Rules, 2015] and other provisions of the Act as amended from time to time.

#### 1.2 Basis of preparation and presentation

The Financial statements have been prepared on the historical cost basis except for following: -

- Financial instruments that are measured at fair value (refer accounting policy regarding financial instruments)
- Assets held for sale – measured at fair value less cost to sell
- Defined benefit plans- plan assets measured at fair value

The Company has adopted all the Ind AS standards and adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards.

Accounting policies have been consistently applied except where a 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.

#### Principles of consolidation

The Consolidated Financial Statements relate to SBI Funds Management Private Limited ('the Company') and its subsidiary and associates. The consolidated financial statements have been prepared on the following basis:

- (a) The financial statements of the 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.
- (b) Profits or losses resulting from intra-group transactions are eliminated in full.





## NOTES TO THE FINANCIAL STATEMENTS

- (c) 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.
- (d) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (e) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (f) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- (g) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- (h) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

**Disclosure relating entities considered in the consolidated financial statements****Subsidiaries considered for consolidation**

No	Name of Subsidiary	Country of Incorporation	Proportion of ownership interest	
			31 Mar 2020	31 Mar 2019
1	SBI Funds Management (International Private Limited	Mauritius	100%	100%

**Associates considered for consolidation**

No	Name of Associates	Country of Incorporation	Proportion of ownership interest	
			31 Mar 2020	31 Mar 2019
1	SBI Pension Funds Private Limited	India	20%	20%

**Foreign operations**

Foreign Subsidiaries of the Company have been classified as Non-Integral Operations.

- a. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by RBI at the balance sheet date.
- b. Income and expenditure of non-integral foreign operations are translated at the average rates prevailing during the year.
- c. Exchange differences arising on net investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the net investment.
- d. The Assets and Liabilities of foreign company in foreign currency (other than local currency of the foreign offices/ subsidiaries/ joint ventures) are translated into local currency using spot rates applicable to that country.
- e. The financial statements of foreign subsidiary have been prepared in accordance with the generally accepted accounting principles of its country of incorporation. The differences in accounting policies are not material.

**Associates**

Investment in Associates are accounted for using the equity method as per Ind AS 28 Investments in Associates and Join Ventures. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement of profit and loss reflects the share of the results of operations of the associate.



## NOTES TO THE FINANCIAL STATEMENTS

### 1.3 Measurement of fair value

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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 1.4 Use of judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect application of accounting policies and the reported amount of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses for the periods presented.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Financial instruments
- Property, plant and equipment
- Intangible assets
- Obligation relating to employee benefits
- Provisions and contingencies
- Provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.
- Scheme expenses

### 1.5 Revenue recognition

#### 1.5.1 Revenue from Operations

The company recognises revenue when amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company, regardless of when payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The following is the description of the activities of the business from which the Company generates its revenue:

#### (a) Management Fees:

Management fee is recognized at specific rates agreed with the relevant schemes in terms of scheme document, applied on the average daily net assets of each scheme (excluding inter-scheme investments, wherever applicable, investments made by the Company in the respective scheme and deposits with Banks), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996. Management fees on AIF schemes are recognized at specific rates agreed with relevant schemes in terms of offer document, applied on daily average asset of each schemes.



## NOTES TO THE FINANCIAL STATEMENTS

### (b) Portfolio Advisory services and Portfolio Management services:

Portfolio advisory services and Portfolio Management services income is recognized as per the contractual arrangement.

### 1.5.2 Other Income:

#### (a) Dividend income:

Dividend income from investments is recognised when the right to receive payment has been established, which is generally when shareholders approve the dividend. On investments in certain mutual funds, the company is entitled to a daily / weekly dividend. This dividend is accounted for at such frequency as the right to receive payment is established.

#### (b) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company 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 (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in finance income in the statement of profit and loss. In case of staff loans interest income is recognised on accrual basis.

### 1.6 Scheme Expenses

- (a) Recurring expenses of schemes borne by the Company are recognised under respective expense heads in the Statement of Profit and Loss unless considered recoverable from the schemes in accordance with provisions of SEBI (Mutual Fund) Regulations 1996 and circular issued from time to time.

Expenses of schemes of SBI Mutual Fund, in excess of the stipulated rates, are required to be borne by the Company in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996, and as such, are charged to the Statement of Profit and Loss.

- (b) Brokerage: Brokerage and/or Incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortized over a period of 36 months and in case of other schemes, over the claw back period from beginning of the month brokerage is paid. In case of Close ended schemes, brokerage is amortized over the tenure of schemes.
- (c) New Fund Offer Expenses: Expenses relating to new fund offer of SBI Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996.

### 1.7 Leases

The Company as a lessee The Company's lease asset classes primarily consist of leases for office on lease and other assets . The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use



## NOTES TO THE FINANCIAL STATEMENTS

assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 1.8 Foreign currencies

#### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of primary economic environment in which the company operates ('the Functional currency'). The functional currency of the company is determined to be Indian rupee (INR). The financial statements are presented in Indian rupee and rounded off to the nearest lakhs except shares and per share data.

#### (b) Foreign Currency Transactions and translations

Foreign currency transactions are translated into functional currency using respective currency exchange rates prevailing on the date of transaction first qualify for recognition.

##### i. Monetary items:

Foreign exchange gains or losses realized up on settlement of transactions or translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss account using reporting date exchange rates.

##### ii. Non-monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### 1.9 Employee benefits

#### (a) Defined Contribution Plan:

##### - Provident Fund

The Company has defined contribution plans for post-employment benefits in the form of Provident fund. Under the Provident Fund plan, the company contributes to Government administered Provident Fund on behalf of employees. The Company has no further obligation beyond making the contribution.

The Company's contribution to Government Provident Fund is charged to the Statement of Profit and Loss.



## NOTES TO THE FINANCIAL STATEMENTS

- **Superannuation**

Superannuation fund is a defined contribution scheme. In case employee opts for superannuation fund, the Company contributes a sum equivalent to 15% of basic salary plus dearness pay of the eligible managerial cadre employees' salary to the Superannuation Fund administered by trustees and managed by the Life Insurance Corporation of India. The Company recognizes such contribution as an expense as and when incurred.

- **National Pension Scheme**

National Pension Scheme is a defined contribution scheme. In case employee opts for National Pension Scheme, the Company contributes a sum not exceeding 10% of basic salary plus dearness pay of the eligible employees' salary to the National Pension Scheme. The Company recognizes such contribution as an expense as and when incurred.

(b) **Defined Benefit Plan: Gratuity**

Gratuity liability is a defined benefit obligation and is funded through a Gratuity Fund administered by trustees and managed by the Life Insurance Corporation of India. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year. Actuarial gains and losses are immediately recognized in the Statement of Profit and loss.

Gratuity liabilities are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability, as the case may be. The discount rate is based on the government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in other comprehensive income in the statement of comprehensive income in the period in which they arise.

(c) **Other Long-term employee benefit obligation: Compensated absences**

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation carried out as at the end of each financial year.

(d) **Employee Share Based Payments:**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on amortised basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

**1.10 Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(a) **Current tax**

Current income tax for current and prior period is recognised at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.



## NOTES TO THE FINANCIAL STATEMENTS

Current income taxes are recognised in the statement of profit and loss except for items those are recognised outside profit or loss (either in other comprehensive income or in equity), related tax for such items are recognised either in Other Comprehensive income or in Equity.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

### (b) Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 deferred tax asset to be recovered.

Deferred tax liabilities are generally recognised for all taxable temporary differences except for investment in subsidiaries and associates, when the timings of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### 1.11 Property, plant and equipment

#### (a) Recognition and measurement

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenses directly attributable to the acquisition of an asset.

Advances paid towards the acquisition of property and equipment and the cost of property and equipment not ready for use before the reporting date are disclosed separately in the property and equipment schedule.

Improvements to leasehold premises are amortised over the primary lease period subject to a maximum period of five years.

#### (b) Depreciation

Depreciation on property, plant and equipment is recognised using Straight Line Method (SLM) to expense the cost less residual values over estimated useful lives as prescribed under schedule II of Company Act, 2013. Estimated useful lives of property, plant and equipment as stipulated under Schedule II of the Company Act, 2013 and adopted by management for various block of assets in as under:

Assets	Useful life (in years)
Office Premises	60
Computers- Servers and networks	6
Computers- End user devices, such as, desktops, laptops, etc.	3
Furniture and fixtures	10
Office Equipment (including Electrical Installation & Building Management systems)	5
Glow Sign Board	2
Vehicles	8

Depreciation on assets purchased or sold during the year is recognised in the statement of profit and loss on a pro-rata basis from the date of addition or as the case may be, up to the date on which the asset is sold.



## NOTES TO THE FINANCIAL STATEMENTS

Estimated useful lives and residual values are reviewed at the end of each financial year and changes, if any, are accounted prospectively.

### 1.12 Intangible assets

#### (a) Recognition and measurement

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Initial cost of software implementation is capitalised and any subsequent maintenance cost or enhancement cost are expensed out to statement of profit and loss unless it meets recognition criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation expense is recognised on a straight-line basis over their estimated useful lives in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### (b) Useful lives of intangible assets

Estimated useful lives of the intangible assets adopted by management are as follows:

Description of assets	Useful lives (In years)	Method of amortization
Computer software	3 - 6 years	SLM
Website development cost	3 years	SLM
Copyright licenses	5 years	SLM

### 1.13 De-recognition of PPE and Intangible Assets

Carrying amount (net of accumulated depreciation and amortisation) of property, plant and equipment and intangible asset is derecognised upon its disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gains or losses arising on such disposal is determined based on difference between net proceeds and carrying amount and such gains or losses are recognised in statement of profit and loss.

### 1.14 Provisions, Contingent liability and contingent asset

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events, 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.

The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risk specified to the liability. The increase in provision due to passage of time is recognised as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured



## NOTES TO THE FINANCIAL STATEMENTS

with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of economic resources is considered remote.

Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

### 1.15 Financial instruments

#### **Financial instruments**

##### **Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

##### **Subsequent measurement**

##### ***Financial assets carried at 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.

##### ***Financial assets at fair value through other comprehensive income***

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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 Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

##### ***Financial assets at fair value through profit or loss***

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### **Derecognition of Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)





## NOTES TO THE FINANCIAL STATEMENTS

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or have expired.

### **Equity instruments:**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### **1.16 Earnings per share**

The basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period/year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

### **1.17 Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

### **1.18 Standards Issued but not Effective**

There is no such notification issued by the Ministry of Corporate Affairs ("MCA") which would have been applicable from April 1, 2020



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 2. CASH AND CASH EQUIVALENTS

	As at 31 Mar 2020	As at 31 Mar 2019
Cash on hand	1.12	0.27
Cheques in hand	-	139.31
Balance with banks *		
-in Current accounts	782.25	467.75
<b>Total</b>	<b>783.37</b>	<b>607.33</b>

(\*Refer note no 37 for related party disclosures)

## 3. OTHER BANK BALANCES \*

	As at 31 Mar 2020	As at 31 Mar 2019
In Current accounts - Dividend Payable	-	10,000.00
In Fixed deposit **	2,174.43	324.26
<b>Total</b>	<b>2,174.43</b>	<b>10,324.26</b>

(\*Refer note no 37 for related party disclosures)

(\*\* includes AED 50,000 (₹ 10.17 lakh ) {Previous year AED 50,000 (₹ 9.43 Lakh)} towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of branch at Dubai). Includes ₹ 2125 lakh( Previous year ₹ 25 lakh) towards lien created for PMS activities for providing the Performance Guarantee.

## 4. TRADE RECEIVABLES

	As at 31 Mar 2020	As at 31 Mar 2019
(a) Receivables considered good - Secured;	-	-
(b) Receivables considered good - Unsecured;		
i. Management Fees receivable	1,538.37	1,465.40
ii. Portfolio Management & Advisory Fees receivables	2,494.02	1,293.76
(c) Receivables which have significant increase in credit risk;	-	-
(d) Receivables – credit impaired	-	-
<b>Total</b>	<b>4,032.39</b>	<b>2,759.16</b>

(\*Refer note no. 37 for related party disclosures)

(No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member)



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 5. INVESTMENTS

Particulars	As at 31 Mar 2020					
	At Fair Value				Others	Total
	Amortised cost	Through OCI*	Fair value through profit and loss account	Subtotal		
	1	2	3	4=(2+3)	5	6=(1+4 +5)
Mutual fund units	-	-	1,72,094.36	1,72,094.36	-	1,72,094.36
Debt Securities	-	-	2,000.00	2,000.00	-	2,000.00
Subsidiaries	-	-	-	-	-	-
Associates	-	-	-	-	828.42	828.42
Equity shares of SBI Foundation of ₹10 each fully paid up	-	-	-	-	0.10	0.10
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each fully paid up	-	-	5.00	5.00	-	5.00
<b>Total – Gross (A)</b>	-	-	1,74,099.36	1,74,099.36	828.52	1,74,927.88
(i) Overseas Investments	-	-	-	-	-	-
(ii) Investments in India	-	-	1,74,099.36	1,74,099.36	828.52	1,74,927.88
<b>Total (B)</b>	-	-	1,74,099.36	1,74,099.36	828.52	1,74,927.88
Less: Impairment loss allowance (C)	-	-	-	-	-	-
<b>Total – Net (D) = (A)-(C)</b>	-	-	1,74,099.36	1,74,099.36	828.52	1,74,927.88

  

Particulars	As at 31 Mar 2019					
	At Fair Value				Others	Total
	Amortised cost	Through OCI*	Fair value through profit and loss account	Subtotal		
	1	2	3	4=(2+3)	5	6=(1+4 +5)
Mutual fund units	-	-	1,00,402.42	1,00,402.42	-	1,00,402.42
Debt Securities	-	-	8,158.63	8,158.63	-	8,158.63
Subsidiaries	-	-	-	-	-	-
Associates	-	-	-	-	782.86	782.86
Equity shares of SBI Foundation of ₹10 each fully paid up	-	-	-	-	0.10	0.10
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each fully paid up	-	-	5.00	5.00	-	5.00
<b>Total – Gross (A)</b>	-	-	1,08,566.05	1,08,566.05	782.96	1,09,349.01
(i) Overseas Investments	-	-	0.00	-	-	-
(ii) Investments in India	-	-	1,08,566.05	1,08,566.05	782.96	1,09,349.01
<b>Total (B)</b>	-	-	1,08,566.05	1,08,566.05	782.96	1,09,349.01
Less: Impairment loss allowance (C)	-	-	-	-	-	-
<b>Total Investments – Net (D) = (A)-(C)</b>	-	-	1,08,566.05	1,08,566.05	782.96	1,09,349.01

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 6. OTHER FINANCIAL ASSETS\*

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Staff Loans		
(a) Loans receivables considered good - Secured;	74.06	85.60
(b) Loans receivables considered good – Unsecured	10.26	15.13
(c) Loans receivables which have significant increase in credit risk	-	-
(d) Loans receivables which credit impaired	-	-
Security deposits (Unsecured considered good)	775.46	629.40
Others	235.13	-
<b>Total</b>	<b>1,094.91</b>	<b>730.13</b>

(\*Refer note no 37 for related party disclosures)

## 7. CURRENT TAX ASSETS AND LIABILITIES

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Income Tax Refund Receivable	261.61	1,187.64
Advance Tax (Net of Provision)	4,045.00	2,446.20
<b>Total</b>	<b>4,306.61</b>	<b>3,633.84</b>

## 8. DEFERRED TAX

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
<b>Deferred Tax Assets/ (Liabilities)</b>		
- Provision for compensated absences	537.77	538.81
- Provision for gratuity	42.08	(21.37)
- Amortization /Depreciation on tangible /intangible assets	(45.15)	(496.54)
- Others including 40(a) and 43B items	451.42	541.44
- Fair value of Investment (Net)	(1,395.84)	(1,119.88)
- DTA created on Security Deposit	2.20	0.87
- Rent Equalisation	-	55.67
- Right to use assets	73.45	-
<b>Deferred Tax Assets/(Liabilities) (net)**</b>	<b>(334.07)</b>	<b>(501.00)</b>

(\*\* Refer Note no 22 )



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 9. PROPERTY PLANT AND EQUIPMENT

## 9.1 PROPERTY PLANT AND EQUIPMENT - AS AT 31 MAR 2020

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block
	As at 01.04.2019	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2020	Upto 01.04.2019	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2020	As at 31.03.2020
Building (refer note i )	15,018.24	-	-	15,018.24	534.10	267.05	-	801.15	14,217.09
Electrical Fittings (including Building Management Systems)	77.19	5.37	(3.78)	78.78	76.90	5.55	(3.78)	78.67	0.11
Furniture and Fixtures	650.86	57.03	9.08	716.97	228.30	98.26	10.89	337.45	379.52
Vehicles	53.64	-	-	53.64	18.54	8.13	-	26.67	26.97
Office Equipments	473.88	111.31	26.12	611.31	120.46	109.85	26.23	256.54	354.77
Computers	1,781.92	685.12	237.56	2,704.60	579.95	605.56	237.86	1,423.37	1,281.23
Leasehold Improvements	900.05	226.91	16.46	1,143.44	136.76	233.20	16.46	386.42	757.02
<b>Total Tangible Assets</b>	<b>18,955.78</b>	<b>1,085.74</b>	<b>285.44</b>	<b>20,326.98</b>	<b>1,695.01</b>	<b>1,327.60</b>	<b>287.66</b>	<b>3,310.27</b>	<b>17,016.71</b>

## 9.2 PROPERTY PLANT AND EQUIPMENT - AS AT 31 MAR 2019

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block
	As at 01.04.2018	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2019	Upto 01.04.2018	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2019	As at 31.03.2019
Building (refer note i )	15,018.24	-	-	15,018.24	267.05	267.05	-	534.10	14,484.14
Electrical Fittings (including Building Management Systems)	74.28	2.91	-	77.19	59.69	17.21	-	76.90	0.29
Furniture and Fixtures	573.81	99.08	22.03	650.86	127.40	119.25	18.35	228.30	422.56
Vehicles	53.86	-	0.22	53.64	9.44	9.10	-	18.54	35.10
Office Equipments	220.72	277.73	24.57	473.88	68.78	75.77	24.09	120.46	353.42
Computers	1,281.86	703.44	203.38	1,781.92	313.98	467.63	201.66	579.95	1,201.97
Leasehold Improvements	287.02	613.03	-	900.05	39.94	96.82	-	136.76	763.29
<b>Total Tangible Assets</b>	<b>17,509.79</b>	<b>1,696.19</b>	<b>250.20</b>	<b>18,955.78</b>	<b>886.28</b>	<b>1,052.83</b>	<b>244.10</b>	<b>1,695.01</b>	<b>17,260.77</b>

Note: i. On long term assignment basis



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 9.3 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Depreciation on Property plant and equipment	1,327.60	1,052.83
Amortisation of Intangible assets	352.58	613.47
Right to use Assets #	1,344.45	-
<b>Total</b>	<b>3,024.63</b>	<b>1,666.30</b>

\*includes ₹15.96 lakh ( previous year ₹ 31.96 lakh ) assets costing up to ₹ 5000

# refer note 36

## 10 INTANGIBLE ASSETS

## 10.1 INTANGIBLE ASSETS - AS AT 31 MARCH 2020

Particulars	Gross Block (At Cost)				Accumulated Amortisation				Net Block
	As at 01.04.2019	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2020	Upto 01.04.2019	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2020	As at 31.03.2020
Computer Software	1,675.20	215.31	-	1,890.51	806.58	330.14	-	1,136.72	753.79
Copyright License	15.81	-	-	15.81	11.20	4.29	-	15.49	0.32
Website Development Cost	50.93	-	-	50.93	25.13	18.15	-	43.28	7.65
<b>Total Intangible Assets</b>	<b>1,741.94</b>	<b>215.31</b>	<b>-</b>	<b>1,957.25</b>	<b>842.91</b>	<b>352.58</b>	<b>-</b>	<b>1,195.49</b>	<b>761.76</b>

## 10.2 INTANGIBLE ASSETS- AS AT 31 MARCH 2019

Particulars	Gross Block (At Cost)				Accumulated Amortisation				Net Block
	As at 01.04.2019	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2020	Upto 01.04.2019	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2020	As at 31.03.2020
Computer Software	1,675.20	215.31	290.33	2,180.84	806.58	330.14	290.33	1,427.05	753.79
Copyright License	15.81	-	-	15.81	11.20	4.29	-	15.49	0.32
Website Development Cost	50.93	-	20.33	71.26	25.13	18.15	20.33	63.61	7.65
<b>Total Intangible Assets</b>	<b>1,741.94</b>	<b>215.31</b>	<b>310.66</b>	<b>2,267.91</b>	<b>842.91</b>	<b>352.58</b>	<b>310.66</b>	<b>1,506.15</b>	<b>761.76</b>

## Right to use Assets #

Particulars	Capitalised Value- Gross	Depreciation/ Amortisation	Capitalised Value- Net
Office premises	7,017.59	1,326.87	5,690.72
Furniture	90.10	13.15	76.95
Vehicles	36.17	4.43	31.74
<b>Total</b>	<b>7,143.86</b>	<b>1,344.45</b>	<b>5,799.41</b>

# refer note no 36



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 11. OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Pre payment under operating lease	126.18	136.03
Balance with Statutory authorities	278.74	1,864.62
Prepaid expenses	4,688.47	15,554.92
Others	140.16	466.75
<b>Total</b>	<b>5,233.55</b>	<b>18,022.32</b>

## 12. TRADE PAYABLES\*

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
(i) total outstanding dues of micro enterprises and small enterprises ** (**Refer note no. 38 for MSME disclosure)	0.98	56.64
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises (*Refer note no.37 for related party disclosures)	1,435.86	2,626.50
<b>Total</b>	<b>1,436.84</b>	<b>2,683.14</b>

## 13. OTHER FINANCIAL LIABILITIES

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Creditors for capital expenditure **	199.72	186.41
Other liabilities		
i. Earnest money deposit **	3.05	4.80
ii. Retention money **	37.53	19.09
iii. Statutory dues	96.04	82.11
iv. Proposed interim dividend*	-	10,000.00
v. Tax on proposed interim dividend	-	2,055.53
vi. Lease liability	6,091.22	-
<b>Total</b>	<b>6,427.56</b>	<b>12,347.94</b>

(\*Refer note no.37 for related party disclosures)

(\*\*Refer note no. 38 for MSME disclosure)

## 14. PROVISIONS

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
(a) Provision for employee benefits	7,914.06	7,654.39
(b) Provision for contingencies	420.00	870.00
(c) Other provisions		
i. Provision for expenses	662.57	1,643.40
<b>Total</b>	<b>8,996.63</b>	<b>10,167.79</b>



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 15. OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
i. Lease straight lining Provision	-	163.52
<b>Total</b>	<b>-</b>	<b>163.52</b>

## 16. EQUITY SHARE CAPITAL \*

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Authorised		
52,50,00,000 Equity Shares of ₹ 1 each (Previous Year: 52,50,00,000 Equity Shares of ₹ 1 each)	5,250.00	5,250.00
Issued, Subscribed and Paid Up		
50,00,00,000 Equity Shares of ₹ 1 each fully paid (Previous Year: 50,00,00,000 Equity Shares of ₹ 1 each fully paid )	5,000.00	5,000.00

## 16.1 RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Particulars	As at 31 Mar 2020		As at 31 Mar 2019	
	No of Shares	(₹ In Lakhs)	No of Shares	(₹ In Lakhs)
<b>Equity</b>				
Outstanding at the beginning of the year	50,00,00,000	5,000.00	50,00,00,000	5,000.00
Add : Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>50,00,00,000</b>	<b>5,000.00</b>	<b>50,00,00,000</b>	<b>5,000.00</b>

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. However, the shareholders are restricted from selling their shares for a period of five years from the date of the joint venture agreement. The transfer of shares by either shareholder to its approved group company is permitted subject to thirty days prior written notice and written approval of the other shareholder. Each shareholder has the right of first refusal in the event of any shareholder wishing to sell the whole or part of its shareholding. The dividend proposed by the Board of Directors is subject to the approval of both the shareholders in the ensuing Annual General Meeting, except in the case of an interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## 16.2 DETAILS OF SHARES HELD BY HOLDING COMPANY

Particulars	As at 31 Mar 2020		As at 31 Mar 2019	
	No of Shares	(₹ In Lakhs)	No of Shares	(₹ In Lakhs)
State Bank of India	31,50,00,000	3,150.00	31,50,00,000	3,150.00

## 16.3 DETAILS OF SHARE HOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31 Mar 2020		As at 31 Mar 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India	31,50,00,000	63%	31,50,00,000	63%
Amundi India Holding, a wholly owned subsidiary of Amundi	18,50,00,000	37%	18,50,00,000	37%

45,97,576 equity shares of ₹ 1 each are reserved for issuance towards outstanding Employee share option.





## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

The Company was a joint venture between State Bank of India and Société Générale Asset Management. However, consequent upon Société Générale S.A. and Credit Agricole S.A. entering into an agreement to undertake a global merger of their fundamental asset management businesses, 18,50,000 equity shares constituting 37% of the paid-up equity share capital held by Société Générale Asset Management have been transferred to Amundi India Holding, a wholly owned subsidiary of Amundi on 30th May, 2011 after obtaining relevant regulatory approvals. The company has only one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held.

(₹ in Lakhs)

## 17. OTHER EQUITY

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
<b>(A) General Reserve</b>		
Balance at the beginning of the year	10,260.09	9,760.09
Add: Transfer from Retained Earnings	500.00	500.00
<b>Subtotal (A)</b>	<b>10,760.09</b>	<b>10,260.09</b>
<b>(B) Retained Earnings</b>		
Balance at the beginning of the year	1,21,883.42	91,389.23
Add: Profit for the year	60,576.82	43,049.72
Add: Impact on adoption of Ind AS 116 #	107.86	-
Less: Transfer to general reserve	(500.00)	(500.00)
Less: Interim dividend	-	(10,000.00)
Less: Tax on interim dividend	-	(2,055.53)
<b>Subtotal (B)</b>	<b>1,82,068.10</b>	<b>1,21,883.42</b>
<b>(C) Foreign currency translation reserve</b>		
Balance at the beginning of the year	48.66	44.69
Additions during the year	15.50	3.97
<b>Subtotal (C)</b>	<b>64.16</b>	<b>48.66</b>
<b>(D) Share option outstanding account (Employee stock options)</b>		
Balance at the beginning of the year	669.33	104.30
Additions during the year	688.61	565.03
<b>Subtotal (D)</b>	<b>1,357.94</b>	<b>669.33</b>
<b>(E) Other Comprehensive Income</b>		
Balance at the beginning of the year (Net)	(104.29)	39.77
Add: Movement in OCI (Net) during the year	(210.08)	(144.06)
<b>Subtotal (E)</b>	<b>(314.37)</b>	<b>(104.29)</b>
<b>Total (A+B+C+D+E)</b>	<b>1,93,935.92</b>	<b>1,32,757.21</b>

# refer note no 36



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

**General Reserve :**

General Reserve is created from time to time by transferring profits from retained earnings.

**Employee Stock Option Plan :**

During the year 2017-18, the Company has instituted duly approved "Employee Stock Option Plan 2018 (ESOP-2018) for eligible employees and directors of the Company. The scheme was approved by the Board of Directors at their meeting held on 31st January 2018. In relation to this, ESOP has been created in accordance to IND AS 102.

**Foreign Currency Translation Reserve :**

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

**18. OTHER INCOME**

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Net gain on fair value change	2,589.19	3,867.33
Gain on sale/redemption of investments (Financial Assets classified at fair value through profit or loss)	1,326.99	142.43
Dividend income		
- Mutual fund investments (Financial Assets classified at fair value through profit or loss)	1,719.05	2,394.79
Interest		
- banks deposits*	48.89	43.39
- staff loans	2.54	2.87
- Security Deposits	28.99	26.35
- Investments Bonds (Financial Assets classified at fair value through profit or loss)	666.55	-
- Investments AIF (Financial Assets classified at fair value through profit or loss)	42.76	-
Net gain on sale of assets	-	1.69
Net gain on foreign currency transactions and translations	34.67	35.11
Interest on Income tax refund	31.18	-
Miscellaneous Income	135.07	114.05
<b>Total</b>	<b>6,625.88</b>	<b>6,628.01</b>

(\*Refer note no 37 for related party disclosures)

**19. EMPLOYEE BENEFIT EXPENSE**

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Salaries and allowances*	20,733.04	18,879.10
Contribution to provident and other funds	1,039.93	857.25
Employee Stock Option Expenses	688.61	565.03
Staff welfare expenses	779.81	765.51
<b>Total</b>	<b>23,241.39</b>	<b>21,066.89</b>

(\*Refer note no 37 for related party disclosures)



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 20. OTHER EXPENSES\*

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Rent, taxes and energy cost #	520.38	1,692.01
Repairs and maintenance	2,178.72	1,916.33
Insurance	27.49	27.09
Travelling and conveyance	1,146.82	1,035.97
Recruitment and training	166.50	240.09
Printing and stationery	152.18	188.44
Postage and courier	101.49	106.14
Communication Cost	704.87	639.41
Business promotion	2,981.44	3,058.69
Advertising and publicity	118.94	124.04
Outsource manpower services	3,415.74	3,326.62
Legal and professional fees	1,598.03	1,653.00
Auditor's remuneration:		
-Audit fees	29.19	28.44
-Certification fee & other assurance fees( including reimbursements)	15.77	15.45
Directors' sitting fees	23.19	21.43
Royalty to SBI for logo	855.08	662.07
Corporate social responsibility	972.73	724.56
Membership and subscription	677.34	658.31
Loss on sale of assets (net)	0.42	-
Miscellaneous expenses	281.31	247.97
<b>Total</b>	<b>15,967.63</b>	<b>16,366.06</b>

(\* Refer note no 37 for related party disclosures)

(# refer note no 36)

## 21. CURRENT TAX

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
<b>Current tax</b>		
In respect of the current year	19,207.44	21,203.75
Excess provision of earlier years	(213.63)	(193.22)
Deferred Tax	(151.93)	761.39
Deferred Tax - on Other Comprehensive Income (OCI)	70.67	77.38
<b>Total income tax expense recognised in the current year relating to continuing Operations</b>	<b>18,912.55</b>	<b>21,849.30</b>



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2019 and 31 March 2020

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Profit before tax	79,373.14	64,783.83
Applicable tax rate*	25.17%	34.94%
Computed Tax Expenses	19,978.22	22,638.06
<b>Tax Effect of:-</b>		
Exempt income	(441.80)	(836.83)
Expenses Disallowable	392.29	610.69
Effect of Items taxable at lower rate	(732.90)	(1,170.84)
Net Income of Subsidiary**	11.64	(37.33)
<b>Current Tax Provision (B1)</b>	<b>19,207.44</b>	<b>21,203.75</b>
Tax Adjustments of earlier years (B2)	(213.63)	(193.22)
Deferred Tax Adjustments on Tangible and Intangible Assets	(451.39)	341.35
Deferred Tax Adjustments on account of Financial Assets and Other Items	299.46	420.04
Deferred Tax Provision(B3)	(151.93)	761.39
Deferred Tax Provision - OCI	70.67	77.38
<b>Tax expense recognised during the year (Total 1 to 4)</b>	<b>18,912.55</b>	<b>21,849.30</b>
<b>Effective Tax Rate</b>	<b>23.83%</b>	<b>33.73%</b>

\* Company has opted for concessional tax rate as notified by taxation laws (Amendment) ordinance, 2019 under section 115BAA.

\*\* Based on audited financial statements of SBI Funds Management (International) Private Limited as per the applicable tax rules of Mauritius country.

## 22. DEFERRED TAX BALANCES

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Deferred tax assets	1,106.92	1,136.79
Deferred tax liabilities	(1,440.99)	(1,637.79)
<b>Net</b>	<b>(334.07)</b>	<b>(501.00)</b>

## CURRENT YEAR ( 2019-20)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Reclassified from equity to profit or loss	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>						
Amortization /Depreciation on tangible / intangible assets	(496.54)	451.39	-	-	-	(45.15)
Rent Equalisation	55.67	-	-	(55.67)	-	-
Fair valuation of investments	(1,119.88)	(275.96)	-	-	-	(1,395.84)
Provision for compensated absences	538.81	(1.04)	-	-	-	537.77
Provision for gratuity	(21.37)	(7.22)	70.67	-	-	42.08
Other 40(a) and 43B items	541.44	(90.02)	-	-	-	451.42
Right to uses Assets	-	73.45	-	-	-	73.45
DTA created on Security Deposit	0.87	1.33	-	-	-	2.20
<b>(A)</b>	<b>(501.00)</b>	<b>151.93</b>	<b>70.67</b>	<b>(55.67)</b>	<b>-</b>	<b>(334.07)</b>
Tax losses	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>(501.00)</b>	<b>151.93</b>	<b>70.67</b>	<b>(55.67)</b>	<b>-</b>	<b>(334.07)</b>

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## PREVIOUS YEAR ( 2018-19)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Reclassified from equity to profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Amortization /Depreciation on tangible / intangible assets	(155.19)	(341.35)	-	-	-	(496.54)
Rent Equalisation	35.80	19.87	-	-	-	55.67
Fair valuation of investments	(592.00)	(527.88)	-	-	-	(1,119.88)
Provision for compensated absences	539.89	(1.08)	-	-	-	538.81
Provision for gratuity	5.82	(104.57)	77.38	-	-	(21.37)
Other 40(a) and 43B items	347.80	193.64	-	-	-	541.44
DTA created on Security Deposit	0.89	(0.02)	-	-	-	0.87
(A)	183.01	(761.39)	77.38	-	-	(501.00)
Tax losses	-	-	-	-	-	-
Others	-	-	-	-	-	-
(B)	-	-	-	-	-	-
Total (A+B)	183.01	(761.39)	77.38	-	-	(501.00)

## 23 EARNINGS PER SHARE

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
(a) Nominal Value of an Equity Share (₹)	1.00	1.00
(b) Net profit available to Equity Shareholders (₹ in Lakh)	60,576.82	43,049.72
(c) Number of shares outstanding	50,00,00,000	50,00,00,000
(d) Effect of potential equity shares for stock outstanding	14,30,559	7,47,827
(e) Weighted average number of equity shares used for computing diluted earning per share	50,14,30,559	50,07,47,827
(f) Basic EPS (₹) = (b)/(c)	12.1154	8.6099
(g) Diluted EPS (₹) = (b)/(e)	12.0808	8.5971

## 24. CONTINGENT LIABILITIES &amp; CAPITAL COMMITMENTS

Particulars	As at 31 March 2020	As at 31 March 2019
A. Contingent Liabilities		
Claims against the company not acknowledged as debts	277.52	270.46
Subtotal (A)	277.52	270.46
B. Capital & Other Commitments		
i. Contracts remaining to be executed on capital account	91.74	263.28
ii. Infusion of additional capital to SBI Funds Management (International) Private Limited	-	130.09
iii. Capital Commitment for AIF Funds	2,625.00	240.00
Subtotal (B)	2,716.74	633.37
Total (A+B)	2,994.26	903.83



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 25. ACCOUNTING FOR EMPLOYEES SHARE BASED PAYMENTS

During the year 2017-18, the Company had instituted duly approved "Employee Stock Option Plan 2018 (ESOP-2018) for eligible employee and directors of the Company. The scheme was approved by the Board of Directors at their meeting held on 31st January 2018. In terms of said plan, the Company has granted options to the eligible employees which vest over the period of 3 years on each successive anniversary of the grant date. The option can be exercised over the period of 7 years from the date of grant. Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Company at the time of grant.

**Employee Stock Option Plan 2018 (ESOP-2018)-I**

During the year 2017-18 Company had granted 23,30,668 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹155.

Movements in the number of options outstanding under the ESOP 2018 -I and weighted average exercise prices (WAEP) are as follow:

Particulars	2019-20	2018-19
	Nos	Nos
Opening outstanding	23,14,221	23,30,668
Granted During the year	-	-
Exercised	-	-
Forfeited	-	-
Lapsed	27,611	16,447
Closing outstanding ESOPS	22,86,610	23,14,221
Vested Options as at the year end	15,25,792	7,81,515
Weighted average exercise price INR	155.00	155.00

The fair value of options used to compute pro forma net income and earnings per equity share has been estimated on the date of grant using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 7.03%-7.18% p.a.; (b) expected life: 4-6 years; (c) expected volatility: 17.9% to 19.33% and (d) dividend yield: 1.40% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 155/- per option.

**Employee Stock Option Plan 2018 (ESOP-2018)-II**

During the current year Company has granted 23,22,132 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 250.30.

Movements in the number of options outstanding under the ESOP 2018 -II and weighted average exercise prices (WAEP) are as follow

Particulars	Nos
	2019-20
Opening outstanding	-
Granted During the year	23,22,132
Exercised	-
Forfeited	-
Lapsed	11,166
Closing outstanding ESOPS	23,10,966
Vested Options as at the year end	-
Weighted average exercise price INR	250.30

The fair value of options used to compute pro forma net income and earnings per equity share has been estimated on the date of grant using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 6.14% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 16.82% and (d) dividend yield of around : 1% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹250.30/- per option.

During 2019-20 ₹ 688.61 Lakh (previous year ₹ 565.03 Lakh) has been recognised in statement of profit and loss



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 26.PROVISIONS

Movement in Provision for contingency is as under :

(₹ In Lakh)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Carrying amount as at the beginning of the year	870.00	2,250.00
Additions during the year	0.00	87.00
Utilised	(176.87)	(1,467.00)
Reversed during the year	(273.13)	-
<b>Carrying amount as at the end of the year</b>	<b>420.00</b>	<b>870.00</b>

During the current financial year an amount of ₹ 176.87 Lakh was paid towards settlement of VAT dues and an amount of ₹ 273.13 Lakh has been reversed

(Previous year : Pursuant to the Settlement order in respect of SBI Mutual Fund in the matter of Padmini Technologies Limited, the Company has paid an amount of ₹ 1,405.13 Lakh towards settlement charges and ₹ 62.05 Lakh towards the Investor Protection and Education Fund of SEBI).

## 27.DIVIDEND REMITTANCES TO NON-RESIDENT SHAREHOLDERS:

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Number of non-resident shareholders	1	1
Number of equity shares held by them	18,50,00,000	18,50,00,000
Amount of dividend paid (₹ in Lakh)	3,700.00	2,590.00
Year to which dividend relates	2018-19	2017-18

## INTERIM DIVIDEND

Current year Nil (Previous year 2018-19, The Board of Directors of the company had declared an Interim dividend of Rs. 10,000 Lakh @ ₹2.00/- per share in its meeting held on 26 March, 2019.)

## 28.CORPORATE SOCIAL RESPONSIBILITY (CSR)

An amount of ₹ 972.73 Lakh (Previous year ₹ 724.56 Lakh ) was spent on CSR activities during the year as against an amount of ₹ 970.45 Lakh (Previous year ₹ 723.05 Lakh) available for spending as provided under the Companies Act, 2013.

(₹ In Lakh)

Particulars	In Cash	Yet to be paid in Cash	Total
(i)Construction/ acquisition of any asset	Nil	Nil	Nil
On purposes other than (i) above – midday meals, promoting education and healthcare facilities.	9.73	Nil	9.73
<b>Total</b>	<b>9.73</b>	<b>Nil</b>	<b>9.73</b>



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 29. EMPLOYEE BENEFIT PLANS

## DEFINED CONTRIBUTIONS PLAN- PROVIDENT FUND, SUPERANNUATION FUND AND NATIONAL PENSION SCHEME

The Company has recognised the following amounts in the Statement of Profit and Loss, which are included under Contributions to Provident Fund, Superannuation Fund and National Pension Scheme:

(₹ in Lakhs)

Particulars	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Employer's Contribution to Provident Fund, Superannuation Fund and National Pension Scheme	803.33	658.39
Provision for Leave encashment ( based on actuarial valuation)	594.61	3.07

## Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan in India (funded) The Company's defined benefit gratuity plan is a final salary plan for employees. which requires contributions to be made to a separately administered fund. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the Investment strategy .

## Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec Rate will Increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members As such an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit Currently, for the plan in India it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962. this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan do not have any longevity risk

**Concentration Risk:** Plan is having a concentration risk all the assets are invested in the insurance company and a default will wipe out all the assets. Although probability of this is very less as Insurance companies have to follow regulatory guidelines.

Gratuity is taken care by separate trust fund and contribution is guided by rule 103 of Income tax rules 1962.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	31 Mar 2020	31 Mar 2019
Discount rate(s)	6.89%	7.79%
Expected rate(s) of salary increase	5% p.a	5% p.a





## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows.

(₹ In Lakh)

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
<b>Service cost:</b>		
Current service cost	151.44	110.02
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	(4.77)	1.31
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>146.67</b>	<b>111.33</b>
Remeasurement on the net defined benefit liability:	-	-
Return on plan assets (excluding amounts included in net interest expense)	23.96	5.00
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	131.14	161.41
Actuarial (gains) / losses arising from experience adjustments	125.65	55.03
Others [describe]	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>280.75</b>	<b>221.44</b>

The amount included in the balance sheet arising from the company's obligation in respect of its defined benefit plans is as follows:

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Present value of funded defined benefit obligation	(1,650.99)	(1,209.67)
Fair value of plan assets	1,483.81	1,270.82
<b>Funded status</b>	<b>(167.18)</b>	<b>61.15</b>
Restrictions on asset recognised	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>(167.18)</b>	<b>61.15</b>

Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Opening defined benefit obligation	1,209.67	857.96
Current service cost	151.44	110.02
Interest cost	94.23	67.18
Remeasurement (gains)/losses:	-	-
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	131.14	161.41
Actuarial gains and losses arising from experience adjustments	125.65	55.03
Others [describe]	-	-
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(61.14)	(41.93)
Others [describe]	-	-
<b>Closing defined benefit obligation</b>	<b>1,650.99</b>	<b>1,209.67</b>



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Opening fair value of plan assets	1,270.82	841.31
Interest income	99.00	65.87
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	(23.96)	(5.00)
Others [describe]	-	-
Contributions from the employer	199.09	410.57
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets acquired in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(61.14)	(41.93)
Other [describe]	-	-
<b>Closing fair value of plan assets</b>	<b>1,483.81</b>	<b>1,270.82</b>

## Category of plan assets

Particulars	Fair value of plan assets as at	
	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Insurance fund	1,483.81	1,270.82

## Maturity analysis of the Benefit payments: From the fund

Projected benefits payable in future years from the date of reporting	Year ended 31 Mar 2020	Year ended 31 Mar 2019
1st following year	105.47	98.17
2nd following year	67.78	66.74
3rd following year	83.61	54.43
4th following year	135.65	71.26
5th following year	84.13	109.19
Sum of years 6 to 10	719.27	470.58
Sum of years 11 and above	2,408.28	2,038.04

Weighted year duration of plan is 11 years( previous year 11 years)

## Sensitivity analysis

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Projected Benefit obligation on current Assumptions	1,650.99	1,209.67
Delta Effect of +0.5% Change in Rate of Discounting	(144.70)	(102.10)
Delta Effect of -0.5% Change in Rate of Discounting	167.62	118.10
Delta Effect of +0.5% Change in Rate of Salary increase	138.11	104.99
Delta Effect of -0.5% Change in Rate of Salary increase	(126.62)	(94.97)
Delta Effect of +0.5% Change in Rate of Employee turnover	28.37	27.61
Delta Effect of -0.5% Change in Rate of Employee turnover	(32.16)	(31.21)



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### 30. DETAILS OF SUBSIDIARIES

Details of Holding Company's subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the company	
			31 Mar 2020	31 Mar 2019
SBI Funds Management (International) Pvt Ltd	Investment Management Services	Mauritius	100%	100%

### 31. DETAILS OF ASSOCIATES

A. Details of Company's Associates as at the end of the reporting period are as follows :

Name of Associates	Country of Incorporation	Proportion of ownership interest	
		31 Mar 2020	31 Mar 2019
SBI Pension Funds Private Limited	India	20%	20%

#### B. Summarised financial information of associates

Summarised financial information of material associates :

Summarised financial information in respect of each of the company's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Ind AS adjusted by the Company. (₹ in Lakhs)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Financial Assets	3,839.41	3,654.97
Non Financial Assets	449.36	244.28
Financial liabilities	158.42	26.97
Non financial Liabilities	63.45	33.58

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Revenue	1,694.14	1,274.61
Profit /(loss) from continuing operations	228.22	189.07
Post-tax profit (loss) from discontinued operations	-	-
Profit /(loss) for the year	228.22	189.07
Other comprehensive income for the year	-	-
Total comprehensive income for the year	228.22	189.07
Dividends received from the associate during the year	-	-



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Reconciliation of the above summarised financial information to the carrying amount of the interest in SBI Pension Funds Private Limited

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Net worth of SBI Pension Funds Private Limited (₹ In Lakh)	4,066.90	3,839
Proportion of the Company's ownership interest in SBI Pension Funds Private Limited	20%	20%
Goodwill	15.04	15.04
Other adjustments	-	-
<b>Carrying amount of the Company's interest in SBI Pension Funds Private Limited (₹ In Lakh)</b>	<b>828.42</b>	<b>782.78</b>

## 32. SEGMENTAL REPORTING

The Group is in the business of providing asset management services to the Fund and portfolio management/ advisory service to clients. The primary segment is identified as asset management services. As such the group's financial statements are largely reflective of the assets management business and there is no separate reportable segment.

Pursuant to Indian Accounting Standard (Ind AS) - 108 Operating segments, no segment disclosure has been made in these financial statements, as the Group has only one geographical segment and no other separate reportable business segment.

## 33. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to their maturity profile.

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>(1) Financial Assets</b>						
Cash & Cash equivalents	783.37	0.00	783.37	607.33	-	607.33
Bank Balance other than above		2,174.43	2,174.43	10,314.83	9.43	10,324.26
Receivables						
(i) Trade Receivables	4,032.39		4,032.39	2,759.16	-	2,759.16
(ii) Other Receivables	0.00	0.00	0.00	-	-	-
Investments	11,217.85	1,63,710.03	1,74,927.88	44,698.71	64,650.30	1,09,349.01
Other Financial assets	527.00	567.91	1,094.91	237.60	492.53	730.13
<b>Sub-total - Financial Assets</b>	<b>16,560.61</b>	<b>1,66,452.37</b>	<b>1,83,012.98</b>	<b>58,617.63</b>	<b>65,152.26</b>	<b>1,23,769.89</b>
<b>(2) Non Financial Assets</b>						
Current Tax assets ( Net)		4,306.61	4,306.61		3633.84	3,633.84
Deferred Tax assets (Net)			0.00			-
Property, Plant and Equipment		17,016.71	17,016.71		17260.77	17,260.77
Capital work-in-progress		0.00	0.00		34.75	34.75
Right to use Assets		5,799.41	5,799.41			-
Other Intangible assets		761.76	761.76	-	899.03	899.03
Other Non- financial assets	4,304.12	929.43	5,233.55	7981.02	10041.3	18,022.32
<b>Sub-total - Non- Financial Assets</b>	<b>4,304.12</b>	<b>28,813.92</b>	<b>33,118.04</b>	<b>7,981.02</b>	<b>31,869.69</b>	<b>39,850.71</b>
<b>Total Assets</b>	<b>20,864.73</b>	<b>1,95,266.29</b>	<b>2,16,131.02</b>	<b>66,598.65</b>	<b>97,021.95</b>	<b>1,63,620.60</b>



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Liabilities</b>						
<b>(1) Financial Liabilities</b>						
(i) total outstanding dues of micro enterprises and small enterprises	0.98		0.98	56.64	-	56.64
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,435.86		1,435.86	2,626.50	-	2,626.50
Other Financial liabilities	1,752.77	4,674.79	6,427.56	12,347.94	-	12,347.94
<b>Sub-total - Financial Liabilities</b>	<b>3,189.61</b>	<b>4,674.79</b>	<b>7,864.40</b>	<b>15,031.08</b>	<b>-</b>	<b>15,031.08</b>
<b>(2) Non Financial Liabilities</b>						
Provision	7,037.10	1,959.53	8,996.63	8513.4	1,654.39	10,167.79
Other non-financial liabilities	0.00		0.00	6.18	157.34	163.52
Deferred tax liabilities (Net)		334.07	334.07		501.00	501.00
<b>Sub-total - Financial Liabilities</b>	<b>7,037.10</b>	<b>2,293.60</b>	<b>9,330.70</b>	<b>8,519.58</b>	<b>2,312.73</b>	<b>10,832.31</b>
<b>Total Liabilities</b>	<b>10,226.71</b>	<b>6,968.39</b>	<b>17,195.10</b>	<b>23,550.66</b>	<b>2,312.73</b>	<b>25,863.39</b>

## 34. Ind AS 115 Disclosures 34. Ind AS 115 Disclosures

(₹ in Lakhs)

Note No.	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
1	Details of revenue from Schemes pursuant to investment management agreement and contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	<u>Revenue from operations</u>		
	• Management Fees	1,19,378.95	1,45,315.26
	• Portfolio Management & Other Advisory Fees	5,847.03	4,253.39
	<b>Total</b>	<b>1,25,225.98</b>	<b>1,49,568.65</b>
2	Disaggregate Revenue		
	The table below presents disaggregated revenues of the Company from schemes of mutual fund and from contracts with customers by geography/ offerings/ contract-type/market . The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.		
	<u>Revenue based on geography</u>		
	India	1,25,225.98	1,49,568.65
	<u>Revenue based on contract types</u>		
	Fixed Price	1,24,784.96	1,49,552.05
	Performance Management Fees	441.02	16.60
	<b>Total</b>	<b>1,25,225.98</b>	<b>1,49,568.65</b>
	<u>Revenue based on market</u>		
	Domestic - India	1,20,517.27	1,45,656.09
	Export	4,708.71	3,912.56
	<b>Total</b>	<b>1,25,225.98</b>	<b>1,49,568.65</b>

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Note No.	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
3	<b>Contract balances</b>		
	The following table provides information about receivables from the schemes and contracts with customers:		
	Trade Receivable	4,032.39	2,759.16
	Contract Assets		
	Contract liabilities		

## 35. FINANCIAL INSTRUMENTS

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments other than those with carrying amounts that are reasonable approximations of fair value.

## A. Accounting classification and fair value

(₹ in Lakhs)

As at 31 March 2020	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Cash & Cash equivalents	-	783.37	783.37	-	-	-	-
Other Bank Balances	-	2,174.43	2,174.43	-	-	-	-
Trade Receivables	-	4,032.39	4,032.39	-	-	-	-
Investments (excluding investment in Associates)*	1,74,099.36	-	1,74,099.36	1,72,099.36	-	2,000.00	1,74,099.36
Other Financial Assets	-	1,094.91	1,094.91	-	-	-	-
<b>Total</b>	<b>1,74,099.36</b>	<b>8,085.10</b>	<b>1,82,184.46</b>	<b>1,72,099.36</b>	<b>-</b>	<b>2,000.00</b>	<b>1,74,099.36</b>
<b>Financial Liabilities</b>							
Trade payables	-	1,435.86	1,435.86	-	-	-	-
Other Financial Liabilities	-	6427.56	6,427.56	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7,863.42</b>	<b>7,863.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*investment in Associate is catagories as other , refer note 5

As at 31 March 2019	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Cash & Cash equivalents	-	607.33	607.33	-	-	-	-
Other Bank Balances	-	10,324.26	10,324.26	-	-	-	-
Trade Receivables	-	2,759.16	2,759.16	-	-	-	-
Investments (excluding investment in Associates)*	1,08,566.05	-	1,08,566.05	1,00,407.42	-	8,158.63	1,08,566.05
Other Financial Assets	-	730.13	730.13	-	-	-	-
<b>Total</b>	<b>1,08,566.05</b>	<b>14,420.88</b>	<b>1,22,986.93</b>	<b>1,00,407.42</b>	<b>-</b>	<b>8,158.63</b>	<b>1,08,566.05</b>
<b>Financial Liabilities</b>							
Trade payables	-	2,683.14	2,683.14	-	-	-	-
Other Financial Liabilities	-	12,347.94	12,347.94	-	-	-	-
<b>Total</b>	<b>-</b>	<b>15,031.08</b>	<b>15,031.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

\*investment in Associate is categories as other , refer note 5

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurement as described below:

**Level 1 :** On the basis of latest NAV/Market price available.

**Level 2 :** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3 :** The investment has been made in December 2019 as part of warehousing policy. The Company has been regular in servicing its dues thus far and the short term investment thesis continues to remain intact. In view of the same, we believe that there is no impairment in the investment and it can be valued at its cost as at reporting date. (PY-On the basis of the value provided by the AMFI authorised agencies in accordance to the valuation guidelines.)

### Capital management :

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through equity.

### Financial Risk Management Framework :

The different types of risks the company is exposed to are liquidity risk credit risk and foreign currency risk.

#### 1. Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The company maintains sufficient bank balance and marketable securities such as liquid/ultra-short duration and other debt funds."

#### 2. Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company has well defined investment policy restricting investments in various risk categories such high/moderate high/moderate etc.

#### 3. Foreign currency risk management:

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in Lakhs)

Currency	Liabilities		Assets	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
AED	-	-	7.73	13.23
USD	18.81	44.44	866.81	622.97
BHD	22.95	10.28	-	-
AUD	-	-	3.52	2.67
JPY	-	-	76.98	82.73
SGD	-	-	127.29	151.66



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## Foreign currency sensitivity analysis:

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupee against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens 10% against the relevant currency. For a 10% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ in Lakhs)

Currency	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
AED Currency impact	0.58	0.91	0.58	0.91
USD Currency impact	65.39	39.83	65.39	39.83
BHD Currency impact	1.72	0.67	1.72	0.67
AUD Currency impact	0.26	0.02	0.26	0.02
JPY Currency impact	5.76	2.29	5.76	2.29
SGD Currency impact	9.53	5.47	9.53	5.47

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year and considering the size of business and size of exposure in Foreign currency is immaterial.

## 36. LEASE (AS A LESSEE)

Effective 01st April 2019, the Company has adopted Ind AS 116 – Leases and applied it to all lease contracts existing on 01st April 2019 using modified retrospective method. Consequently, the rent equalisation balance of Rs 107.86 Lakhs has been credited to retained earnings on the date of initial application i.e. 01st April 2019 as permitted under the specific transitional provisions in the standard. The Company is not required to restate the previous figures

## (i) Amounts recognised in the balance sheet

## Investments

The balance sheet shows the following amounts relating to leases:

(₹ in Lakhs)

Particulars	31st Mar 2020	1st April 2019
<b>Right-of-use assets :</b>		
Office Premise	5,690.72	7,017.59
Furniture	76.95	90.10
Vehicles	31.74	36.17
<b>Total</b>	<b>5,799.41</b>	<b>7,143.86</b>
<b>Lease liabilities</b>		
Current	1,416.43	-
Non-current	4,674.79	-
<b>Total</b>	<b>6,091.22</b>	<b>-</b>





## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## (ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets	31st March 2020
Office Premise	1,326.87
Furniture	13.15
Vehicles	4.43
Total	1,344.45
Interest expense (included in finance cost)	363.49
Expense relating to short-term leases (included administrative expenses)	131.36
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	-
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	-

## Transition

1. Applied a single discount rate to a portfolio of leases.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases.

Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116. According the opening balance of lease obligation amounting to Rs 107.86 lakh has been adjusted in equity.

## 37. RELATED PARTY DISCLOSURE:

(i) List of related parties with whom transactions have taken place during the year :

Holding Company	State Bank of India (SBI) holds 63% of the share capital
Enterprise having significant influence	Amundi India Holding, a wholly owned subsidiary of Amundi holds 37% of the share capital
Subsidiary	SBI Funds Management (International) Private Limited (100% subsidiary)
Associates	SBI Pension Funds Private Limited
Key Management Personnel	Mr. Ashwani Bhatia (Managing Director & Chief Executive Officer) Mr. Nicolas Simon (Deputy Chief Executive Officer) up to 6th March, 2020 Mr. Denys de Campigneulles (Deputy Chief Executive Officer) from 7th March, 2020
Independent & Associate Directors	Mr. Jashvant Raval (Independent Director) Mr. C. N. Ram (Independent Director) Mr. Om Prakash Gahrotra (Independent Director) Mr. Fathi Jerfel (Associate Director) Mr. Dinesh Kumar Khara (Associate Director) Dr. Prafulla Agnihotri (Independent Director) Mr. Jean Yves Glain (Associate Director)

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Other Related parties:-	
i) Fellow Subsidiaries	SBI Life Insurance Company Limited SBI General Insurance Limited SBI Mutual Fund Trustee Company Private Limited SBI-SG Global Securities Services Private Limited SBICAP Securities Limited SBI Capital Markets Limited SBI Foundation
ii) Others	IQ EQ Fund Services (Mauritius) Ltd
iii) Enterprise under common control	Amundi Singapore Limited (a wholly owned subsidiary of Amundi) Amundi Hong Kong Limited (a wholly owned subsidiary of Amundi) NH-Amundi Asset Management Co. Ltd. Amundi Asset Management Amundi UK Ltd. (a wholly owned subsidiary of Amundi)

## ii) Details of transactions with related parties during the year :

(₹ In Lakh)

Particulars	Holding Company	Enterprise having significant influence	Fellow Subsidiaries	Enterprise under Common control	KMP/ Relative	Subsidiary
PMS Advisory & Other fees	140.38	-	-	3,883.51	-	-
	(NIL)	-	-	(2550.32)	-	-
Interest income	45.74	-	-	-	-	-
	(43.37)	-	-	-	-	-
Fund Accounting Charges	-	-	1,063.73	-	-	-
	-	-	(922.29)	-	-	-
Custodial Charges	-	-	10.17	-	-	-
	-	-	(661.50)	-	-	-
Rent	71.19	-	NIL	-	-	-
	(83.82)	-	(14.09)	-	-	-
Brokerage	NIL	-	NIL	NIL	-	-
	(36271.41)	-	(149.22)	(19.59)	-	-
Demat Charges	-	-	0.01	-	-	-
	-	-	(0.01)	-	-	-
CSR Activities	-	-	102.35	-	-	-
	-	-	(200.00)	-	-	-
Data Processing charges & Scheme related expenses	-	-	-	NIL	-	-
	-	-	-	(2074.63)	-	-
Bank charges	40.80	-	-	-	-	-
	(472.04)	-	-	-	-	-
Royalty	855.08	-	-	-	-	-
	(662.07)	-	-	-	-	-
Processing Fee	650.00	-	-	-	-	-

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Holding Company	Enterprise having significant influence	Fellow Subsidiaries	Enterprise under Common control	KMP/ Relative	Subsidiary
	(50.00)	-	-	-	-	-
Electricity/generator charges	5.68	-	-	-	-	-
	(3.84)	-	-	-	-	-
Repairs & Maintenance	0.04	-	-	-	-	-
	(0.05)	-	-	-	-	-
Business Promotion	79.73	-	-	0.20	-	-
	(75.57)	-	-	(0.20)	-	-
Training	22.28	-	-	-	-	-
	(13.29)	-	-	-	-	-
Scheme related expenses	66.85	-	-	-	-	-
	0.00	-	-	-	-	-
Insurance premium	-	-	26.56	-	-	-
	-	-	(69.89)	-	-	-
Interim Dividend payable	NIL	NIL	-	-	-	-
	(6300.00)	(3700.00)	-	-	-	-
Reimbursement of salaries of deputed employees from SBI	310.53	-	-	-	-	-
	(278.57)	-	-	-	-	-
Recovery of salaries of deputed employees to SBI	130.69	-	-	-	-	-
	(106.82)	-	-	-	-	-
Recovery of Admin Expenses	-	-	30.00	-	-	-
	-	-	(30.00)	-	-	-
Software Purchased	-	-	-	NIL	-	-
	-	-	-	(48.68)	-	-
Administrator -	-	-	-	-	-	4.43
	-	-	-	-	-	(0.54)
Director Sitting Fees	-	-	-	-	22.30	-
	-	-	-	-	(20.55)	-
<b>Balances outstanding as at 31 Mar 2020</b>	-	-	-	-	-	-
Receivable/(Payable)	131.87	-	(84.98)	930.42	-	(2.72)
	7.82	-	85.32	(629.99)	-	(4.48)
Balance in Current Accounts	602.13	-	-	-	-	-
	(10303.60)	-	-	-	-	-
Term Deposit	2,164.11	-	-	-	-	-
	(314.83)	-	-	-	-	-

## Remuneration to Key Managerial Personnel

The remuneration of director and other member of key management personnel during the year was as follows:

(₹ in Lakhs)

Particulars	2019-20	2018-19
i. Short Term Benefits	155.38	115.83
ii. Post Employment Benefits	-	-
iii. Other long term benefits	-	-
iv. Share based payments	-	-
v. Termination Benefits	-	-

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Note:

(i) Figures in the brackets [ ] represent previous year figures

(ii) Banking transactions in normal course of business with related parties have not been considered.

(iii) All transactions with related parties are in normal course of business

iii) Significant Transactions with Related Parties during the year :

Sr. No.	Name of the Related Party	Relation	Nature Of Expense	Amount (₹ in Lakh)
1	SBI Mutual Fund Trustee Company Pvt Ltd	Fellow Subsidiaries	Recovery of Admin Expenses	30.00
2	SBI-SG Global Securities Services Pvt. Ltd	Fellow Subsidiaries	Fund Accounting Charges	1,063.73
3	SBI-SG Global Securities Services Pvt. Ltd	Fellow Subsidiaries	Custodial Charges	10.17
4	SBI Life Insurance Co. Ltd.	Fellow Subsidiaries	Insurance Premium	8.98
5	SBI General Insurance Co. Ltd.	Fellow Subsidiaries	Insurance Premium	17.58
6	SBI Foundation	Fellow Subsidiaries	CSR Activities	102.35
7	Jashvant Raval	Director	Director Sitting Fee	5.70
8	Dr. Prafulla Agnihotri	Director	Director Sitting Fee	4.35
9	O.P. Gahrotra	Director	Director Sitting Fee	7.90
10	C.N.Ram	Director	Director Sitting Fee	4.35
11	State Bank of India	Holding Company	Bank charges expenses	40.80
12	State Bank of India	Holding Company	Royalty expenses	855.08
13	State Bank of India	Holding Company	Processing Fee/commitment charges	650.00
14	State Bank of India	Holding Company	Scheme Exp	66.85
15	State Bank of India	Holding Company	Interest on FD	45.74
16	Amundi Singapore Limited	Enterprise under common Control	Portfolio Advisory Fees	58.62
17	Amundi Hong Kong Limited	Enterprise under common Control	Portfolio Advisory Fees	3,646.60
18	NH-Amundi Asset Management Co. Ltd	Enterprise under common Control	Portfolio Advisory Fees	8.86
19	Amundi Asset Management, Parid	Enterprise under common Control	Portfolio Advisory Fees	157.17
20	Amundi UK Ltd	Enterprise under common Control	Portfolio Advisory Fees	12.26
21	State Bank of India	Holding Company	Portfolio Management Fees	140.38

### 38. Dues to Micro, Small and Medium Enterprises

Trade payables do not include any amount payable to Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

(₹ in Lakh)

Particulars	31 Mar 2020	31 Mar 2019
Principal amount remaining unpaid to any supplier as at the year end	48.03	56.64
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31 Mar 2020	31 Mar 2019
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
*Breakup of above is as under :-		
Trade Payables	0.98	56.64
Creditors for capital expenses	36.29	-
Retention	1.07	-
Earnest Deposit	9.69	-
<b>Total</b>	<b>48.03</b>	<b>56.64</b>

## 39. Expenditure in Foreign Currency :

(₹ in Lakhs)

Particulars	31 Mar 2020	31 Mar 2019
Travelling Expenses	61.31	70.38
Business Promotion & Advertisement	40.22	94.84
Salary	254.08	219.89
Scheme Related Expenses	0.00	62.32
Rent and Subscription	185.21	202.29
Professional Fees and others	88.62	52.71
<b>Total</b>	<b>629.44</b>	<b>702.43</b>

## 40. Additional Information, as required under schedule III of the Companies Act 2013, of enterprises consolidated as subsidiary/ associates

As at 31 Mar 2020

(₹ In Lakh)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
<b>I. Parent :</b>								
SBI Funds Management Private Limited	99.48%	1,97,913.14	99.53%	60,290.75	100.00%	-210.08	99.53%	60,080.67
<b>II. Subsidiary</b>								
<b>A. Foreign</b>								
SBI Funds Management (International) Private Limited	0.10%	194.36	0.40%	240.51			0.40%	240.51
<b>III. Associates</b>								
<b>A. Indian</b>								
SBI Pension Funds Private Limited	0.42%	828.42	0.07%	45.56			0.07%	45.56



As at 31 Mar 2019

(₹ In Lakh)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
<b>I. Parent :</b>								
SBI Funds Management Private Limited	99.28%	1,36,771.58	99.65%	42898.1	100%	-144.06	99.65%	42754.04
<b>II. Subsidiary</b>								
<b>A. Foreign</b>								
SBI Funds Management (International) Private Limited	0.15%	203.02	0.26%	113.81			0.26%	113.81
<b>III. Associates</b>								
<b>A. Indian</b>								
SBI Pension Funds Private Limited	0.57%	782.86	0.09%	37.81			0.09%	37.81

**41. Impact of COVID - 19**

The Group has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of receivables and investments.

In developing the assumptions relating to the possible uncertainties in global economic conditions, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts.

The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Group's results will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19. .

**42.** The financial statements were approved for issue by the Board of Directors on 30 April 2020.

**42.** Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No: 100052

For and on behalf of the Board of Directors of

**SBI Funds Management Private Limited**

Sd/-

**Dinesh Kumar Khara**

Director

DIN 6737041

Sd/-

**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**

(Denys De Campigneulles)

Director

DIN 08716335

Place: Mumbai

Date : 30 April 2020

Sd/-

**Ashwani Bhatia**

Managing Director & CEO

DIN 07423221

Sd/-

**Vinaya Datar**

Company Secretary

M. No 15527

Place: Mumbai

Date: 30 April 2020



# SBI Funds Management Private Limited

## Top Management Team



**Mr. Ashwani Bhatia**  
Managing Director & CEO



**Mr. Denys Charles Jean Marie  
Fougeroux De C**  
(Denys De Campigneulles),  
Dy. Chief Executive Officer



**Mr. Navneet Munot**  
Chief Investment Officer



**Mr. Srinivas Jain**  
Chief of Strategy,  
Digital & Technology



**Mr. D. P. Singh**  
Chief Business Officer



**Mr. Ganesan S**  
Chief Operating Officer



**Ms. Aparna Nirgude**  
Chief Risk Officer



**Ms. Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary



**Registered Office Address:**

**SBI Funds Management Private Limited**

(A Joint Venture between SBI & AMUNDI),

(CIN: U65990MH1992PTC065289),

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