

31<sup>st</sup> Annual Report 2022-2023

At every  
step in life,  
Mutual Fund  
Solutions  
help you  
step forward.



# SBI FUNDS MANAGEMENT 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  
**Tel.:** 02261793000 | **Fax:** 02267425687 | **Email:** partnerforlife@sbimf.com | **Website:** www.sbimf.com

# Board of Directors of SBI Funds Management Limited

(As on June 19, 2023)



**Mr. Dinesh Kumar Khara**  
Chairman  
(Associate Director)



**Mr. Fathi Jerfel**  
Associate Director



**Mr. Swaminathan  
Janakiraman**  
Associate Director



**Mr. Shamsher Singh**  
Managing Director and CEO  
(Associate Director)



**Mr. Julien Fontaine**  
Associate Director



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



**Mr. Moiz Miyajiwala**  
Independent Director



**Dr. T. T. Ram Mohan**  
Independent Director



**Mr. Denys Charles Jean Marie**  
Fougeroux De C  
(Denys De Campigneulles),  
Alternate Director to Fathi Jerfel



**Ms. Sudha Krishnan**  
Independent Director



**Mr. Shekhar Bhatnagar**  
Independent Director

## Auditors

### **BORKAR & MUZUMDAR**

Chartered Accountants  
21/168, Anand Nagar Om CHS,  
Anand Nagar Lane, Vakola , Santacruz (E),  
Mumbai - 400 055

## Bankers

State Bank of India

## Registered Office

9th Floor, Crescenzo, C- 38 & 39, G Block,  
Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051  
Tel: +91 22 61793000 • Fax : + 91 22 67425687  
Website : [www.sbimf.com](http://www.sbimf.com)

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## DIRECTORS' REPORT

TO,

### THE MEMBERS

The Directors of SBI Funds Management Ltd ('SBIFM' / the 'Company') are pleased to present the 31st Annual Report along with the audited accounts for the year ended March 31, 2023.

### 1. FINANCIAL HIGHLIGHTS

The financial performance of the Company on both standalone and consolidated basis for the financial year ending March 31, 2023 is summarized as under:

(₹ in lakh)

| Particulars                              | Standalone     |               | Consolidated   |               |
|--|----------------|---------------|----------------|---------------|
|  | Reporting Year | Previous Year | Reporting Year | Previous Year |
|  | 2022-23        | 2021-22       | 2022-23        | 2021-22       |
| Total Income                             | 2,41,186       | 1,99,562      | 2,41,257       | 2,00,014      |
| Profit before tax                        | 1,77,289       | 1,42,731      | 1,77,087       | 142,910       |
| Add: Net share of profit from associates | -              | -             | 1,070          | 1040          |
| Less: Provision for tax                  | 44,169         | 35,666        | 44,185         | 35,713        |
| Profit for the period                    | 1,33,120       | 1,07,065      | 1,33,972       | 108,237       |

### 2. DIVIDEND

The Board of Directors of the Company declared on 27th March 2023, an interim dividend of ₹ 3.50 per equity share of Face Value of ₹1 each for the year ended 31st March 2023 (as compared to ₹ 3 per equity share in the previous year). The Company did not declare any final dividend.

### 3. TRANSFER TO GENERAL RESERVES

A sum of ₹ 500 lakh (previous year ₹ 500 lakh) has been transferred from the Statement of Profit and Loss to the General Reserve of the Company during the reporting year.

### 4. CAPITAL STRUCTURE

During the current year, 4,18,641 number of shares with face value of ₹ 1 each were allotted to the employees on account of exercising their vested options under Employees Stock Options Scheme of the Company. The total paid up value of equity shares (Face Value ₹ 1 each) outstanding as on 31st March 2023 was ₹ 5037.24 Lakh (₹ 5,033.05 Lakh as on 31st March 2022). The net worth of the Company has increased to ₹ 4,76,846 lakh on a standalone basis as at the end of March 31, 2023 from ₹ 3,57,096 lakh as at the end of previous year.

### 5. REVIEW OF SUBSIDIARY AND ASSOCIATE:

#### 5.1. SUBSIDIARY:

As on 31st March 2023, the Company has one wholly owned subsidiary, namely SBI Funds Management (International) Private Limited incorporated in Mauritius which provides investment management services to the offshore funds namely, SBI Resurgent India Opportunities Fund (SBI RIOF) and SBI India Opportunities Fund (SBI IOF). In accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of the subsidiary is appended as Part A of Annexure-I hereto. During the year, SBI Funds Management (International) Private Limited declared and paid a dividend amounting to ₹ 547.96 Lakh (USD 6.65 Lakh) as against ₹ 114.53 Lakh (USD 1.50 Lakh) in the previous year. The Annual Report of SBI Funds Management (International) Private Limited is available on our website [www.sbimf.com](http://www.sbimf.com)



**5.2. ASSOCIATE COMPANY:**

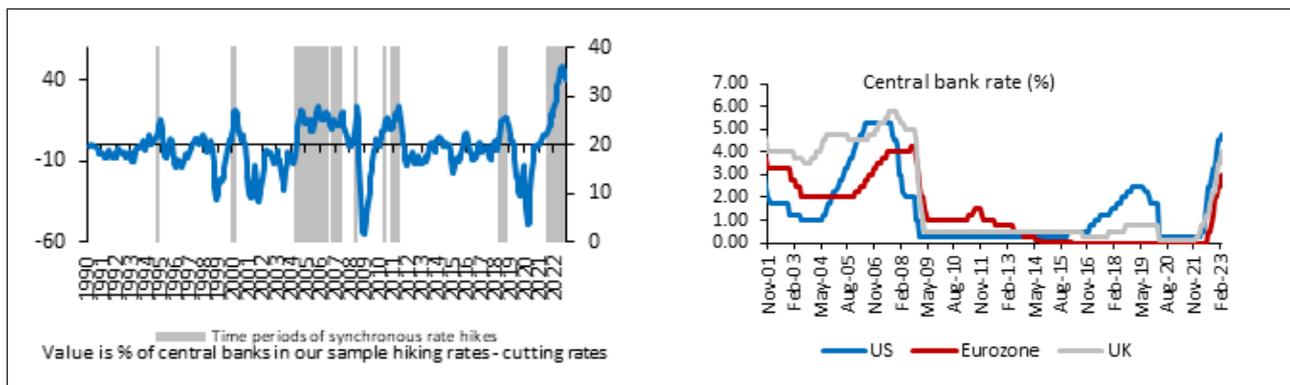
The Company holds 20% stake in SBI Pension Funds Private Limited which has been appointed as a Pension Fund Manager by the Pension Fund Regulatory and Development Authority of India (PFRDA) to manage pension funds for the government sector and the private sector employees in accordance with the applicable 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. A statement containing the salient features of the financial statements of the Associate is appended as Part-B of Annexure I.

**6. MANAGEMENT DISCUSSION & ANALYSIS - BUSINESS ENVIRONMENT**

**6.1. GLOBAL MACRO**

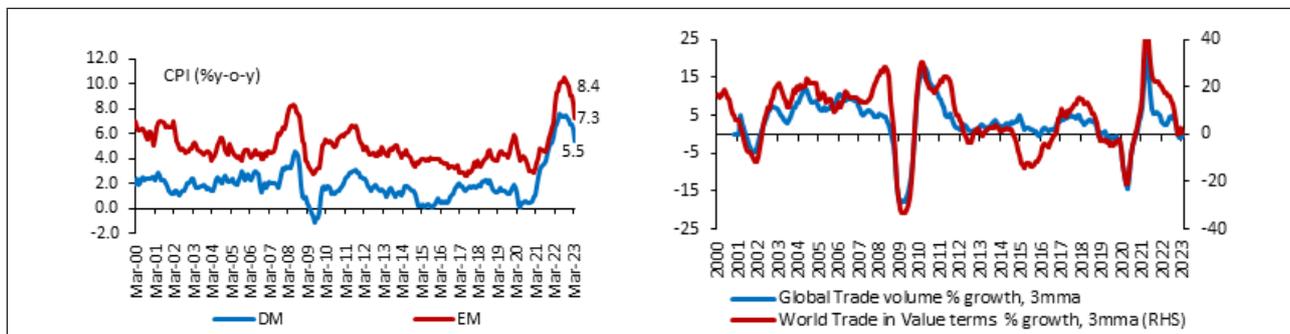
The financial year 2022-23 started in the shadows of extraordinary global developments. The Russia-Ukraine conflict that began in the last quarter of FY 2021-22 resulted in global supply chain disruptions. This added pressure to the already elevated inflation levels caused by the Covid-19 led supply side disruptions.

Over the past year, we have witnessed synchronised rate hikes by global central banks to bring inflation under control. The tightening of monetary policy also led to some undesired consequences in the form of financial stability concerns. The rapid tightening of monetary policy over the last 12 months that followed a long period of unusually loose monetary settings was bound to throw up hidden fault lines in the financial system. Financial stability concerns came at the forefront with the failure of a few banks and the forced merger of some other global names in the banking space in the second half of the financial year.



Source: Bloomberg, SBIMF Research

As we progress into 2023-24, the lag effect of the monetary tightening from the last four to five quarters will start showing its results. While inflation remained stubbornly sticky in the last few quarters, it has slowly started to moderate in recent months. Another outcome of the high inflation, elevated interest rates and liquidity tightening has been growth slowdown. Business and trade activity has started to moderate and is expected to lead to moderation in profits and wage growth going forward.



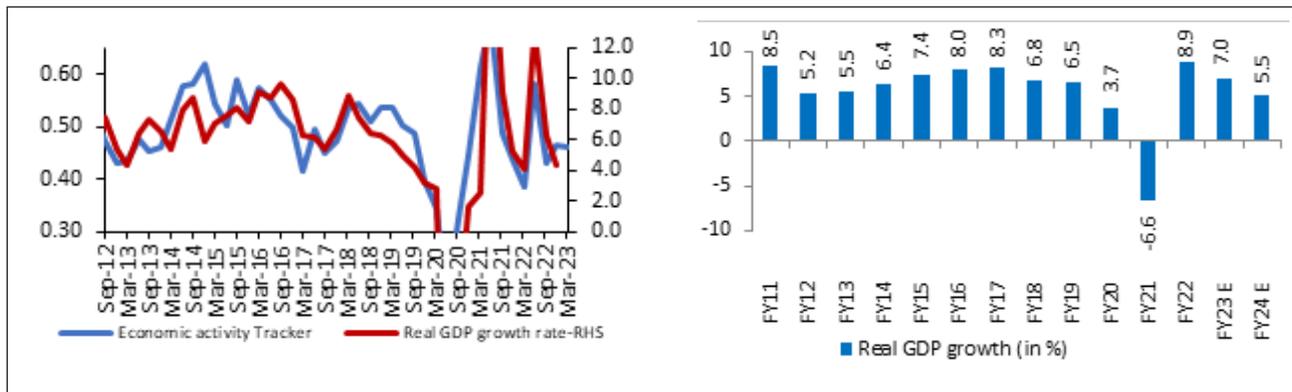
Source: Bloomberg, SBIMF Research



The 25-bps rate hike by the US Fed in May 2023 is widely expected to be the last rate hike in the current cycle. At the same time, financial markets have started pricing in rate cuts from September 2023 and are expecting a cumulative 100 bps cut by January 2024

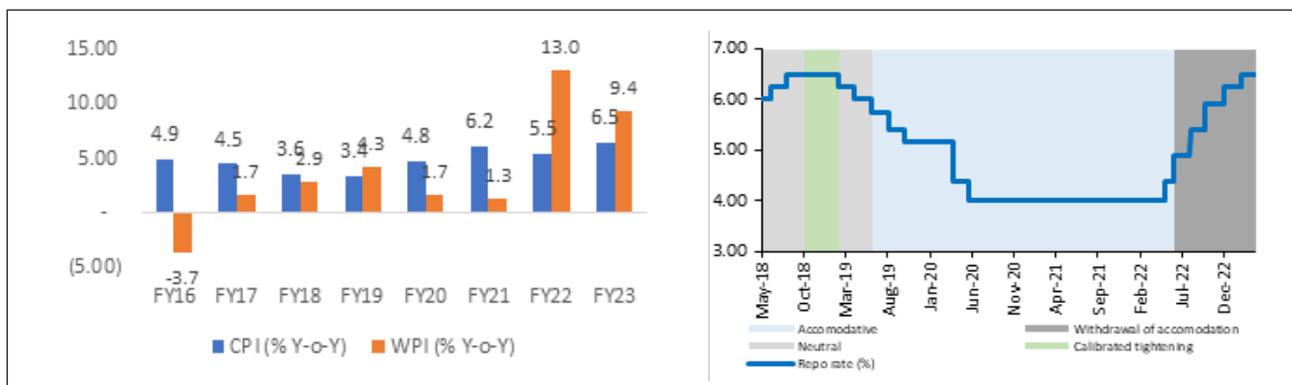
**6.2. INDIAN MACRO**

The Indian economy remained resilient through the turbulent phase witnessed by the global economy amidst rising inflation, policy tightening and fears of growth slowdown. India’s economic activity has remained healthy till the end of financial year even as a few indicators began to plateau in March 2023. The broad economic index coincides with 4.5-5% growth in Q4 FY23. Overall, weak global growth, lagged impact of tightening monetary and financial conditions could drive India’s growth down to 5.5% in FY24.



Source: CMIE Economic Outlook, CEIC, SBIMF Research

On inflation front, higher commodity prices post Covid drove wholesale and retail price pressures in India even as demand indicators (M2 growth, household consumption) were contained. Elevated CPI inflation for most part of the financial year and change in global policy cycle resulted in The Reserve Bank of India starting rate hiking cycle from May 2022. Even though RBI has hiked policy rates from 4% to 6.5% since May 2022, the effective tightening being around 300 bps as the operating target has moved from below the reverse repo rate to closer to the repo rate. The policy cycle now has reached a stage where assessment of lag effects is crucial.

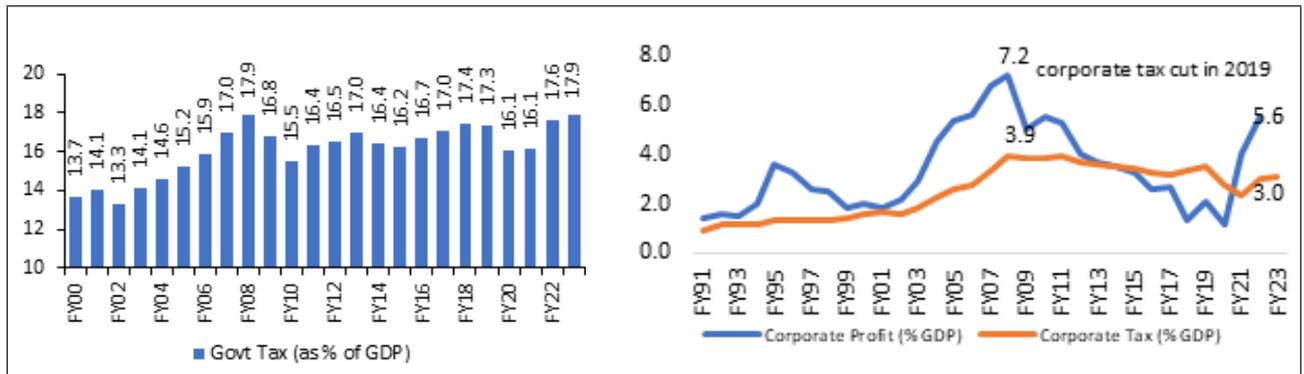


Source: Bloomberg, CMIE Economic Outlook, RBI, SBIMF Research

Given our inflation & growth projections considering the current global backdrop, we expect that the overall policy and liquidity stance could undergo a shift over the year. We expect CPI inflation to average ~5% in FY24 on account of significant base effect as well as lag effects of tightening done so far.

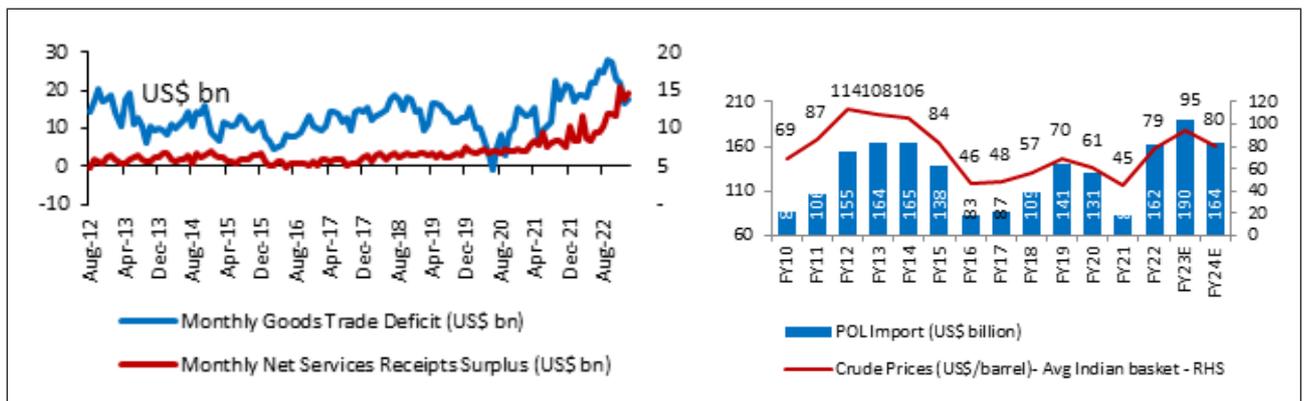
Despite the ongoing growth and inflation challenges, the government finances continue to be on a stronger footing, which is likely to keep the infrastructure-driven expenditure up in the upcoming quarters. The tax to GDP ratio is at a record level despite some cuts in direct and indirect taxes. While the centre’s capex growth has been healthy for a while now, even states capex has picked up since December 2022. We believe, improved earnings and better compliance can drive further improvement in tax to GDP.

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Source: RBI, CMIE Economic Outlook, SBIMF Research

On external account front, while goods trade deficit is moderating, net services receipts is gradually scaling up. If oil prices remain around US\$ 80/bbl in FY24, CAD could stay under 2% of GDP (every US\$ 10/bbl fall in crude prices lowers the annual CAD by US\$ 16bn). We expect monthly trade deficit run rate to narrow by US\$ 4bn in 2023, which alone lowers CAD by 1.4% of GDP. Sequential improvement in external account, falling inflation and relatively better domestic growth could lead to marginal appreciation in INR beyond the near term.



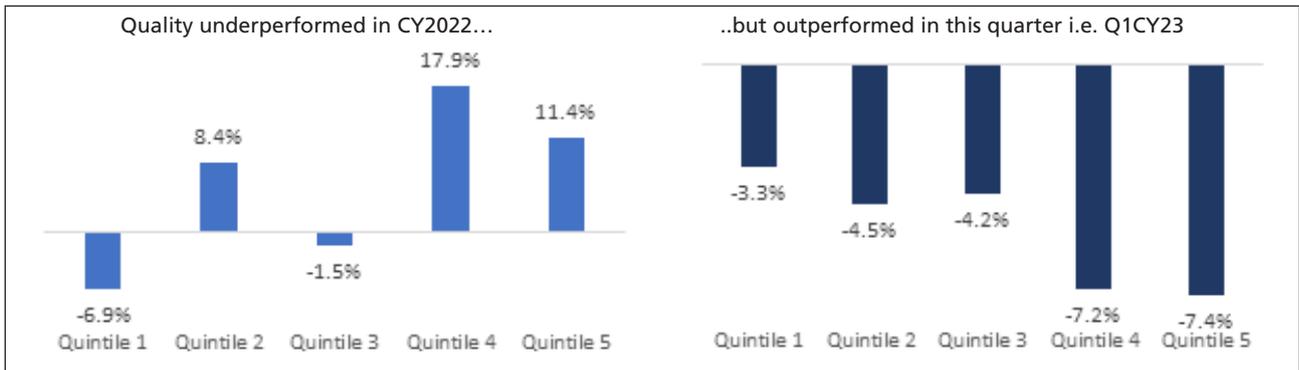
Source: RBI, CMIE Economic Outlook, SBIMF Research, \* Crude prices are as reported by government agencies

**6.3. OUTLOOK:**

**6.3.1.EQUITY**

Macro uncertainties with respect to likely growth slowdown amidst continued tight policy environment has led to defensive mood in the near term. It is reflected in quality, large caps and defensive sectors (such as Tech, Consumer Staples) outperforming in the recently concluded quarter.

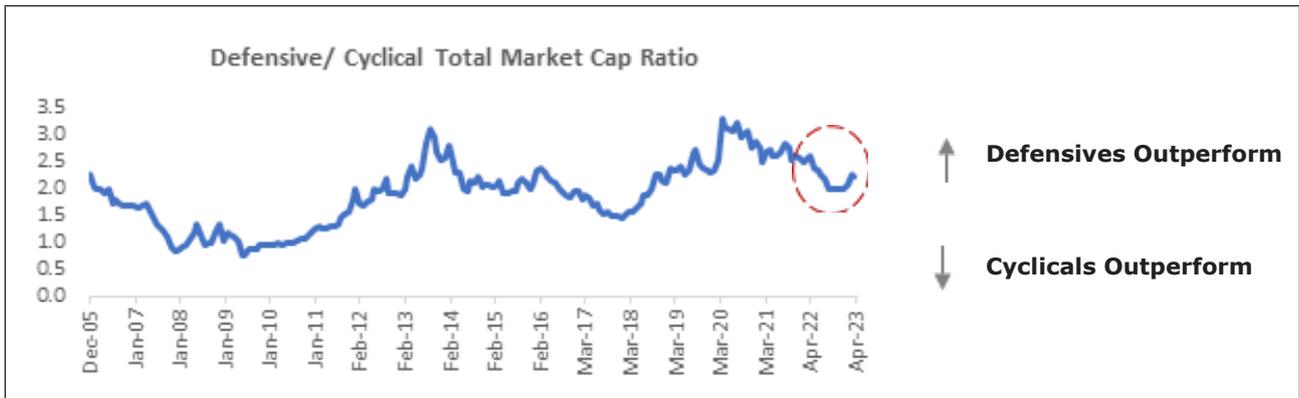
**After a rough outing in CY22, investors are seeking shelter in quality again**



Source: Bloomberg, SBIFM Research

Note: Quintile 1 is the highest quality while Quintile 5 is the lowest quality on our internal definitions of quality. Universe is BSE100.

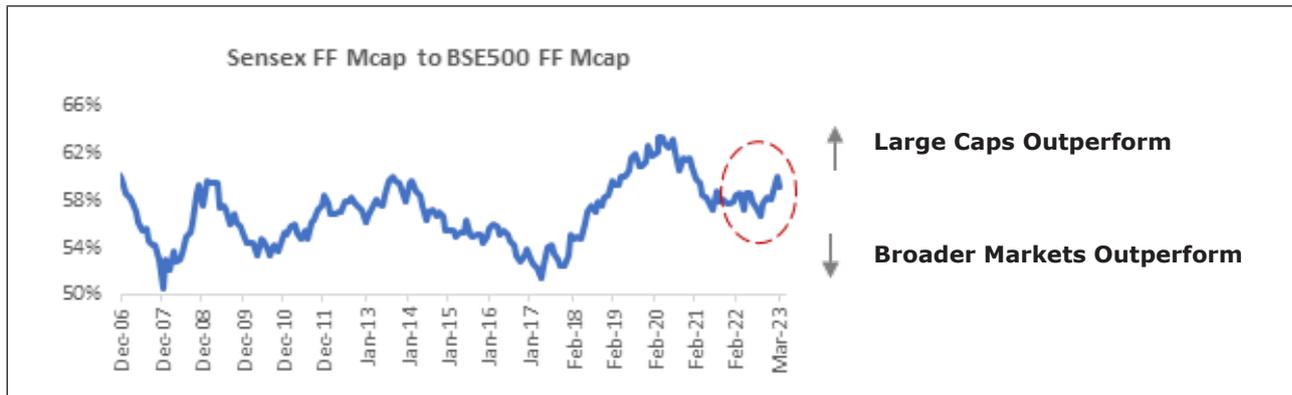
**Defensive sectors have begun outperforming cyclical sectors now reflecting economic sluggishness**



Source: Bloomberg, SBIFM Research

Note: Defensives include Technology, Consumer Staples and Pharma; Cyclicals include Consumer Discretionary and Industrials

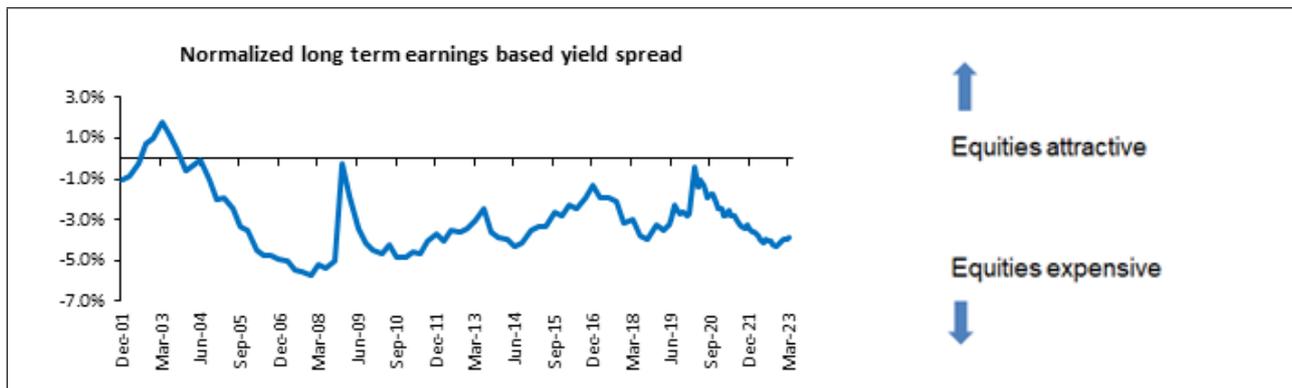
Large caps outperform broader markets; breadth narrows as investors turn risk-averse



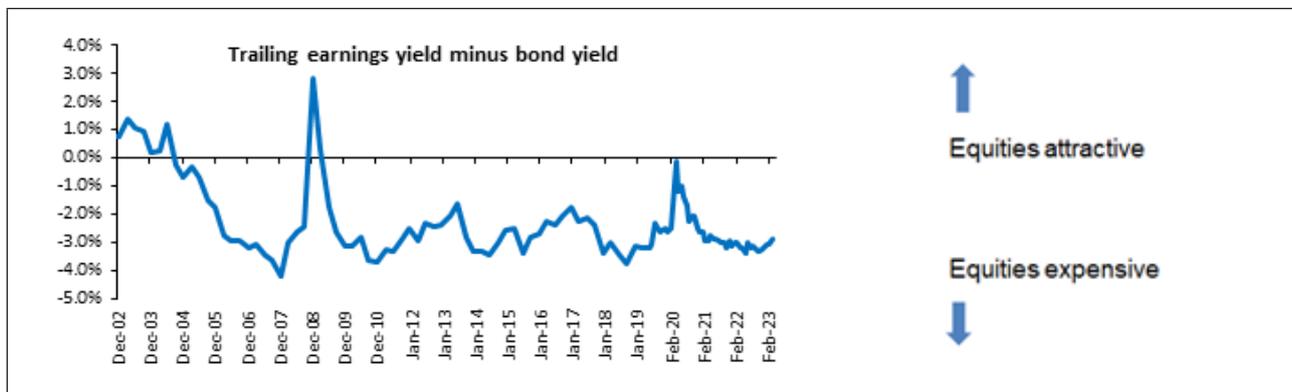
Source: Bloomberg, SBIFM Research

**Equity Valuations** as measured through our preferred gauges of yield spreads have moderated somewhat but still stay on the expensive side. Some softness in bond yields, along with some price and largely time correction (markets staying sideways as earnings continued to catch up) have been behind this moderation. Shiller yield spread (which looks at the spread of long-term inflation adjusted earnings yield minus bond yield, to adjust for any cyclical in corporate earnings) which was expensive at 83rd percentile versus history in November has now moderated to 67th percentile. Similarly, trailing yield spread (trailing earnings yield minus bond yield) has moderated to 60th percentile now versus 87th percentile in November 2022. However, with both readings above 50th percentile, valuations are still on the expensive side.

Valuations have started to moderate



Source: Bloomberg, SBIFM Research

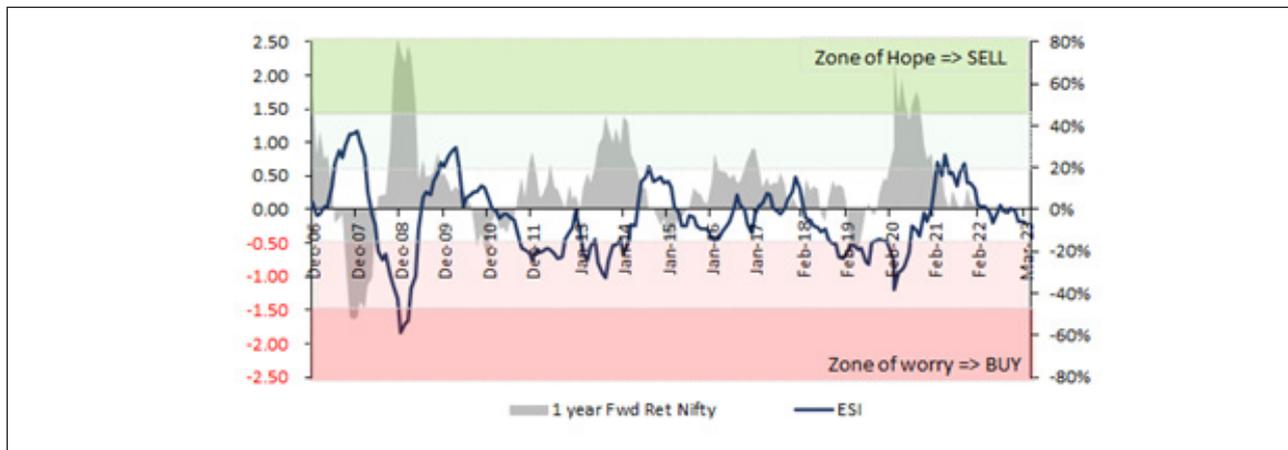


Source: Bloomberg, SBIFM Research



Similarly, **Equity Sentiment** as measured through our proprietary framework has entered the zone of pessimism thanks to the corrective action of the past year and a half. However, it is not pessimistic enough to signal a contrarian buying opportunity for equities yet.

**Sentiment Index in pessimistic zone but not at climactic extremes yet**



Source: Bloomberg, SBIFM Research; ESI stands for Equity Sentiment Index.

In summary, markets continue to navigate the near-term slow growth environment while correcting valuations excesses that had built up. The adjustment process however may still not be over yet. A cool off in bond yields may be required to open space on equity valuations. Diversification across assets and within equity portfolios should work well in this environment. We continue to think of 2023 as a year of adjustment even as longer-term trends continue to favour an investment led earnings cycle in India.

**6.3.2.FIXED INCOME**

Volatility in global yields remained the abiding theme over the last year. At the same time, potential financial stability concerns started to emerge in the global market landscape as the fiscal year closed. Elevated headline inflation and tighter job markets led the FOMC to continue tightening monetary policy with the Fed Funds rate moving up to between 4.75%- 5.00%. Market expectations on the future trajectory of policy rates have been continuously repriced over the last few months.

Policy rate expectations in global markets have shifted over the last 2 months of the financial year with fears of additional tightening being replaced with renewed bets on a change in course. The concerns surrounding deposit outflows from the regional banks and the resultant impact on broader financial stability led to markets repricing expectations of additional policy tightening. Market implied policy rates based on Fed Funds futures point to at least 2 rate cuts over CY 2023.

Bond markets in India have stayed relatively calm as the rapidly shifting conditions of tighter financial conditions, hawkish central banks and subsequently financial stability concerns whipsawed across global markets. Alongside the cumulative policy tightening of 250bps over the fiscal year, the shift in liquidity dynamics has ensured that effective tightening has been to the tune of at least 315 bps. The effective overnight rates have moved higher from around the reverse repo rate of 3.35% to 6.50%.

We maintained a lower duration stance over the first quarter of CY 2023 that has enabled portfolios to be well protected from the market volatility marked with a directional uptick in interest rates. We have incrementally turned more positive on increasing duration over recent quarter, given the large policy hikes and normalization of liquidity undertaken by the RBI apart from the signalling on aligning inflation towards the policy target of 4%. The upwards shift in the yield curve currently provides a prospective real rate across most tenors.



## SBI FUNDS MANAGEMENT LIMITED

### 6.4. THE YEAR THAT WAS

The Indian Mutual Fund (MF) Industry witnessed a decent annual growth of 19.5%\* in the Quarterly AAUM (Average Assets Under Management) during the year on the back of net inflows of assets.

| Particulars (MF Industry)                     | Reporting Year<br>2022-23 | Previous Year<br>2021-22 |
|---|---------------------------|--------------------------|
| Total Assets mobilized (₹ in Crore)           | 1,05,07,356               | 93,19,096                |
| Total Redemptions/ Repurchases (₹ in Crore)   | 1,04,31,131               | 90,72,504                |
| Net Inflows (₹ in Crore)                      | 76,225                    | 2,46,592                 |
| Quarterly (Q4) Average AUM * (₹ in Crore)     | 40,51,147                 | 38,37,994                |
| Monthly SIP Value (₹ in Crore)                | 17,511                    | 14,050                   |
| Live SIPs (number in Crores)                  | 5.91                      | 4.86                     |
| Fresh SIPs during the year (number in Crores) | 2.31                      | 2.40                     |

\*Source-AMFI

### 6.5. MUTUAL FUND INDUSTRY – REGULATORY DEVELOPMENTS

- Amendment to KYC (Know Your Client) Registration Agency (KRA) Regulations, 2011.
- Amended regulation on the risk value of commodities for risk-o-meter introduced in the process for evaluation of risk value of commodities in which mutual funds are permitted to invest. Investment in commodities by mutual fund schemes shall need to be assigned a risk score corresponding to the annualized volatility of the price of the said commodity.
- New regulations for the development of passive funds effective from July 01, 2022 was introduced which comprehensively covers norms for Debt ETFs and Index Funds, their index constitution, norms for market making framework for ETFs, investor education and awareness charges in ETFs and certain FoFs, direct transaction in ETFs through AMCs, tracking error and tracking difference, valuation, disclosure of NAV, rebalancing period, minimum subscription amount during New Fund Offer (NFO), introduction of ELSS in Passive Fund Category etc.
- Updated version of the Cyber Security and Cyber Resilience Framework for Mutual Funds/ Asset Management Companies (AMCs).
- Mandated Nomination requirements for Mutual Fund Unitholders, i.e., an investor has an option to appoint nominee or opt out of nomination.
- Timelines for transfer of dividend and redemption proceeds to unitholders were revised.
- AMCs to have proper remote access policy incorporating the specific requirements of securely accessing the enterprise resources remotely, using internet connection.
- Introduced credit risk based single issuer limit for investment by mutual fund schemes in debt and money market instruments.
- Advisory on cybersecurity best practices as recommended by Financial Computer Security Incident Response Team (CSIRT-Fin)
- Capital gains on Specified Mutual Funds (i.e., funds having up to 35% allocation in domestic equities) acquired on or after 1st April 2023 shall be treated as short term capital gains irrespective of holding period and will be taxable at normal tax rates applicable to the investor. The indexation benefits and special tax rate of 20% on long-term capital gains (LTCG) on non-equity funds would continue for funds having more than 35% allocation in domestic equities (such as multi asset allocation funds or certain conservative hybrid funds).

### 6.6. PORTFOLIO MANAGEMENT SERVICES – REGULATORY DEVELOPMENTS:

- SEBI amended PMS regulations and issued circular effective from September 20, 2022 which provides for prudential limits on investments in securities of associates/related parties of Portfolio Manager, requirement of taking prior consent of client for such investments, minimum credit rating of securities for investments by Portfolio Managers, suitable disclosures to the clients regarding such investments, credit ratings, etc. in the Disclosure document, periodical reporting.
- SEBI has specified that Portfolio Managers to put in place a written down policy in compliance with the PMS Regulations and circulars issued thereunder, which inter-alia detail the specific activities, role and responsibilities of various teams engaged in



## SBI FUNDS MANAGEMENT LIMITED

fund management, dealing, compliance, risk management, back office, etc., with regard to management of client funds and securities including the order placement, execution of order, trade allocation amongst clients and other related matters; to constitute a dealing team (DT) responsible for order placement and execution of all orders; automated system with minimal manual intervention for ensuring effective funds and securities management; to maintain audit trail of all activities related to management of funds and securities of clients including order placement, trade execution and allocation. Further, there shall be time stamping with respect to order placement, order execution and trade allocation.

- SEBI has prescribed requirements related to performance reporting and benchmarking by Portfolio Managers. In addition to Investment Approach (IA), an additional layer of broadly defined investment themes called “Strategies” to be adopted by Portfolio Managers. Portfolio Manager shall present the Time-weighted Rate of Return (‘TWRR’) of the IA along with the trailing return of the selected benchmark when communicating/ advertising/ publishing/ mentioning performance of an IA.
- SEBI has issued guidelines on Cyber Security and Cyber Resilience effective from October 01, 2023 for all Portfolio Managers with AUM of INR 3000 crore or more, under discretionary and non-discretionary portfolio management service taken together, as on the last date of the previous calendar month.

### 6.7. ALTERNATIVE INVESTMENT FUNDS (AIF) – REGULATORY DEVELOPMENTS

- SEBI has specified timeline for declaration of first close for AIF schemes, calculation of tenure of close-ended schemes of AIFs.
- SEBI has allowed participation of AIFs in Credit Default Swaps (CDS).
- SEBI has issued circular for undertaking of transaction in Corporate Bonds through Request for Quote (RFQ) platform by Alternative Investment Funds (AIFs) effective from April 01, 2023.

## 7. BUSINESS PERFORMANCE DURING THE YEAR

- 7.1. SBI Mutual Fund (‘SBI MF’ / the ‘Fund’) grew by 10.83% in terms of average AUM on a year-on-year basis in FY 2023, which is the highest among the top ten fund houses. SBI MF further consolidated its leadership and top rank in the industry in terms of the average AUM during the year. The market share gain on the average AUM terms was 0.84% on a year-on-year basis, the highest in the industry. The Fund got over 55% of industry market share of the new net-funds flow during the year.
- 7.2. SBI MF was the first mutual fund house to cross an Asset Under Management (AUM) of Rs. 7 Lakh Crs further cementing our leadership position. Our market share has also touched a new high of ~17.70 %. We have also added 22 Lakh new investors in this financial year.
- 7.3. The Company was managing the following Mutual Fund assets during the year:

| Particulars                                  | Reporting Year<br>2022-23 | Previous Year<br>2021-22 |
|--|---------------------------|--------------------------|
| Total Assets mobilized (₹ in crore)          | 25,83,924                 | 19,72,517                |
| Total Redemptions/ Repurchases (₹ in crore)  | 25,41,903                 | 18,90,599                |
| Net Inflows (₹ in crore)                     | 42,021                    | 81,918                   |
| Quarterly (Q4) Average AUM* (₹ in crore)     | 717,161                   | 6,47,067                 |
| Market Share %                               | 17.70                     | 16.86                    |
| Average AUM Rank                             | 1st                       | 1st                      |
| Monthly SIP Value (₹ in crore)               | 2,306                     | 1,908                    |
| Live SIPs (number in lakhs)                  | 90.53                     | 77.17                    |
| Fresh SIPs during the year (number in lakhs) | 37.02                     | 36.55                    |

\*Source-AMFI

- 7.4. SBIFM continued to be the largest ETF Asset Manager in India, with QAAUM of ₹ 2,37,407 Crore with a market share of 46.82% for the quarter ending March 31, 2023 from ₹ 198,166 Crore and a market share of 46% for the quarter ending March 31, 2022.
- 7.5. The Company has been continuously striving to evolve the investment management capabilities including developing digital modes of transaction and building new investment portfolios for clients. During the year, 82% of all SIP transactions were registered digitally.



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7.6. SBI Mutual Fund launched 26 New Fund Offers (NFOs) during the year which includes 7 open ended funds and 19 Fixed Maturity debt funds mobilizing in aggregate Rs.12,748 crores. The 7 open ended funds launched are SBI Dividend Yield Fund, SBI Long Duration Fund and 5 Index Funds namely, SBI Nifty Midcap 150 Index Fund, SBI Nifty Smallcap 250 Index Fund, SBI CRISIL IBX Gilt Index- June 2036 Fund, SBI CRISIL IBX Gilt Index- April 2029 Fund, SBI CRISIL IBX SDL Index- Sept 2027 Fund.

7.7. SBI Mutual Fund – Schemes Performance: As on March 31, 2023, under the one-year return category:

- 76% of our equity funds and 85% of our non-equity funds were in the top two quartiles.
- Many of our major equity funds like SBI Long Term Equity Fund, SBI Retirement Benefit Fund - Aggressive Plan, SBI Large and Midcap Fund, SBI Blue Chip Fund; SBI Magnum Midcap Fund, SBI Small Cap Fund, SBI Magnum Global Fund, SBI Contra Fund, SBI Healthcare Opportunities Fund, SBI Technology Opportunities Fund, SBI Consumption Opportunities Fund, SBI Retirement Benefit Fund - Aggressive Hybrid Plan, SBI Arbitrage Opportunities Fund, SBI Balanced Advantage Fund were in the top quartile.
- In the fixed income category, SBI Dynamic Bond Fund, SBI Magnum Gilt Fund, SBI Magnum Constant Maturity Fund, SBI Magnum Low Duration Fund, SBI Magnum Medium Duration Fund, SBI Short Term Debt Fund, SBI Retirement Benefit Fund - Conservative Hybrid Plan, SBI Retirement Benefit Fund - Conservative Plan and SBI Conservative Hybrid Fund were in the top quartile.

With the launch of SBI Long Duration Bond Fund & SBI Dividend Yield Fund, SBI MF now has products available across all the open-ended SEBI defined categories. Further, we are one of the few AMCs that successfully raised funds through FMP launches throughout the year.

7.8. Systematic Investment Plans (SIPs) have played a key role in the growth of mutual fund industry, ensuring stickiness and building long term relationships. The monthly SIP trigger of SBI MF showed a growth of ~23% year-on-year.

7.9. We have also introduced the concept of Net Promoter Score (NPS) in FY23 which acts as measure used to gauge customer loyalty, satisfaction and enthusiasm with a company.

7.10. Apart from the mutual fund activity, the business parameters of the Portfolio Management / Advisory services (including Retail PMS), Alternate Investment Funds and Off-shore Fund were as under:

(₹ in Crore)

| Particulars  | Reporting Year<br>2022-23 | Previous Year<br>2021-22 |
|--|---------------------------|--------------------------|
| Portfolio Management/Advisory Services (including Retail business) | 11,73,031                 | 9,99,003                 |
| Alternate Investment Fund  | 481                       | 271                      |
| SBI Resurgent India Opportunities Fund (Off- Shore Fund)           | 317                       | 325                      |

7.11. Overall, along with the growth in the business volume, the Company was managing total assets of about ₹ 18,81,441 Crores as on March 31, 2023 (₹ 16,49,981 Crores as on March 31, 2022). Profit after Tax (PAT) of SBIFM has increased from Rs.1,070 Crs in FY 2022 to Rs. 1,331 Crs in FY 2023, an absolute growth of 24%.

## 8. DISTRIBUTION NETWORK

The Company works with a diverse set of distribution partners and currently has over 99,000 empaneled distributors which include mutual fund distributors, national distributors, banks (nationalized and private sector banks), investment advisers and fintech firms. During the year, we had a presence in 278 locations spread all over India with 1 overseas Point of Presence in Dubai.

## 9. AWARDS AND RECOGNITION

SBI Mutual Fund won several accolades for investment performance with details as under:

- SBI Banking & Financial Services was awarded in the Equity Sector Financials category (5 years) in the **Lipper Fund Awards Ceremony of 2022**
- SBI Magnum Children's Benefit Fund was the winner in the Mixed Asset INR Conservative (5 & 10 years) in the **Lipper Fund Awards Ceremony of 2022**
- SBI Magnum Gilt Fund-Growth was the winner in the Bond INR Government category (10 years) in the **Lipper Fund Awards Ceremony of 2022**



## SBI FUNDS MANAGEMENT LIMITED

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- SBI Funds Management Ltd was the winner under Overall Group Award in the **Lipper Fund Awards Ceremony of 2022**
- SBI Funds Management Ltd was the winner under Mixed Asset Group in the **Lipper Fund Awards Ceremony of 2022**
- SBI Magnum Income Fund was awarded the **Best Medium to Long Duration Fund in the Morningstar Fund Awards Ceremony 2023**.

### 10. INVESTOR EDUCATION

10.1. In a year where domestic and global markets have seen upheaval with inflation and slowdown worries, investor awareness and education initiatives are critical to reach out to investors. Mutual Funds penetration in our country is growing with an increase in SIP folios primarily in equity-oriented funds, this financial year has been one of many narratives – passives, hybrid funds and asset allocation. As a fund house, we have chosen to increase our communication with investors relying on easy-to-understand narratives in their language to enable them to make prudent decisions about their money. We used different communication mediums to increase reach and leveraged thought-leadership platforms, when possible, to engage with investors and other stakeholders across the country.

10.2. Some of the major investor awareness activities undertaken by us during the year are mentioned as under:

#### a) **Content development**

- Articles** – Buzzwords like Inflation, Rate Hikes and Multi Asset have dominated the news in the current financial year with RBI's policy actions monitored more closely than ever before. Our association with India Today's Nivesh Yatra section continued where we have disseminated articles on different areas of investments like asset allocation, mutual fund for every stage and passive fixed income investing. Our CIO – Fixed Income and Senior Economist decoded policy actions and provided the fund house view, through a series of articles, on fixed income markets, inflation and the global & domestic economy in the year ahead. The content was adapted to formats like online mailers/WhatsApp and circulated to investors and distribution partners alike and hosted on our own SBI Mutual Fund blog – Inspire which is available on our website.
- Videos** – India has 780 million internet users, and an average Indian spends around 7.3 hours per day on smartphone – one of the highest in the world! With rising consumption of videos along with the rising trend in content consumption, we continued to leverage the growing trend in short format videos on investor education on SIP, SWP, SIP Top-up, ELSS, Target Maturity Funds, benefits of diversification, interest rates and inflation etc. We also used topical videos on Mother's Day, Savings Day, etc. sharing interesting aspects of investing and saving connected to them. All the videos created were promoted on social media platforms and uploaded on the SBI Mutual Fund YouTube channel. These efforts, we believe, have helped build a strong affinity for SBI Mutual Fund by establishing an emotional connection with audiences, specifically the millennials.

b) **Social Media** – We continued our focus on driving higher engagement on all our social media handles by using a content led approach, rich media, engaging graphic representation. In the current financial year, other than the regular updates, we reached out to our audience with quirky topical posts on Navratri, Valentine's Day and many more. Creative platforms like social media live, reels and quizzes are developed to engage with social media users regularly.

c) **Digital Marketing** – We have continued to leverage on reaching out to millennials with investor education campaigns on SIP. Alongside our campaign #BeFutureReady - Mutual fund schemes for every stage of your life, aimed at creating maximum visibility and impact on key digital platforms, reaching out to targeted audiences. Over and above this we continued promoting concepts like SIP Top-up SIP, Staying Invested, SWP and ELSS through prominent domain and finance sites. Dedicated landing pages which give users a good online experience and help create awareness were the key objective of our digital marketing initiatives. These activities are supplemented with organic and affiliate email campaigns which help in reach and awareness to a large group of online audiences.

d) **Public Relations/Media** – The increase in news flow, with the global and domestic market movements, has led to an increased awareness in people seeking views and opinions from experts on finance and investments. Our intent through media interactions and authored articles with media (newspapers, magazines, online, and television) has been to guide and inform of our view as a fund house. A series of articles from the CIO – Fixed Income and Senior Economist's Desk have decoded policy actions and shared outlook for the year ahead. The interactions with our other spokespersons have helped guide investors during a year where fixed income looked attractive, at the same time there is value in equity too.



**e) Media Campaigns**

- i) Our first campaign of the financial year was centered around the thought 'Be Future Ready' with mutual fund schemes. Each of us have our own financial goals, which are different from each other in terms of risk appetite, time horizon for the goal and capacity to invest. What is common for all though, is that whatever the goals may be, a mutual fund scheme is available to invest in it. We took our investor education and awareness initiatives across the country with press advertisements across business & dailies (English & 11 regional languages), television promotions through innovation ads on CNBC-TV18 network (English, Hindi and Gujarati) and Radio Jingles (English & 9 regional languages). Fund categories like Flexi Cap Funds, Balanced Advantage Funds, Hybrid Funds, Retirement-Oriented Funds, Children-Oriented Funds and Money Market Funds were used as prime examples with a description on how these funds can help an investor plan for their various life goals.
- ii) **Systematic Investment Plans** have been the backbone of the mutual fund industry with consistent inflows every month. Over the years, a lot of communication and education has been centered primarily around how an SIP works or helps in accumulating the corpus. However, as a next step we want to create awareness on how investors can make their SIP 'smarter' by choosing a long tenure and doing regular top-up in SIP amount every year. SIPs which are started for longer tenures and have regular increase in amount go a long way in keeping up with inflation and changing lifestyle needs. We developed two videos on this premise – 1) Start your long-term SIP Today and 2) Keep Increasing your SIP Amount regularly. We have used real life scenarios to drive the point home and the subsequent 'consumer benefit' of the actions i.e., SIP helping achieve an education goal being realized and helping one be in step with an increase in lifestyle. Additionally, an outdoor campaign across 102 cities in English & 10 regional languages was done with the message 'Dare to Dream with SIP' to promote SIP to plan for life's financial goals.
- iii) For any parent, children are the center of their universe with every need becoming a priority. Being Prepared for their aspirations is necessary for which one needs to start investing early, preferably through Children-Oriented Mutual Funds which are developed specifically for their future needs. We decided to do a campaign to educate parents to 'mentally allocate' their investments towards their child's goals through such funds. Innovations in print were used to increase visibility about our message for the fund in personal finance and business newspapers which included Jacket Advertisements and French Window Advertisements.
- iv) With equity markets seeing a lot of movement this financial year and fixed income instruments seeing rising yields, the focus was on fixed income to diversify and stick to asset allocation for portfolios. A print campaign in select business publications (English & Hindi) promoted Target Maturity Funds, which invest in an index usually comprising of sovereign debt securities with a specified maturity period in the future. Our message for the campaign was if one had a fixed tenure in mind for their investments in line with the fund's maturity these low-cost funds, with an indicative yield visible, are simple but ideal option.
- f) The AMC has conducted 133 Investor Education meets with more than 5,616 participants in FY 2022-23. In these events, trained professionals discussed the basics of investments, mutual funds and their categories, wealthy habits, financial goal planning, wealth management etc. In these events our professional trainers explain the concept in a lucid manner with the help of presentation and video screening. Our investor awareness programs are conducted at Educational Institutes, State Bank of India branches, Army Cantonments, Air Force Stations, and for the employees of different corporate houses through online/offline mode. Our investor awareness programs have been well received by the participants and are key to spreading financial literacy and awareness across the regions.

**11. DIGITAL INITIATIVES****11.1. New Feature Launches**

- Introduced UPI Autopay for registering SIPs through UPI mode
- Added IMPS facility to the existing Smart Code Facility
- Top up SIP Facility - % based Top Up SIP facility

**11.2. Customer Facing Assets**

- Launched the new experience on website and InvesTap – Built on a new architecture using latest technology and with refreshed designs
- Added multilingual capabilities - Launched the Hindi website – hi.sbimf.com, app in Hindi will be rolled out shortly.
- Revamped the Whatsapp experience – with an interactive User Interface, improved response time and multiple mediums of communication.



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- Configured the new marketing automation platform with user journeys – We engage with 3 lakh + customers every month across multiple channels – SMS, Whatsapp, Email, Mobile Apps, Website.
- Smart Statement - Launched a brand-new smart statement, with fresh insights, the smart statement was shared with all our investors.
- PMS New Investor Onboarding Platform
- Group SIP – Investment by employers – Employers can issue bonuses/incentives in form of mutual fund units for their employees.

### 11.3. Partner Facing Assets

- Launched the new Partner APP with a complete revamped architecture and design
- Introduced new features like- Bulk Transaction, Edit SIP, Planner, Transaction History and many more.
- Enabled OTP based login on Partner Portal for easy access.

### 11.4. Mitra App

- Introduced a knowledge center on Mitra App
- Enabled Mitra App for RRBs
- Added fresh Insights & Reports on Mitra App for better discovery of potential customers

### 11.5. YONO

- Increased engagement with YONO customers through various campaigns across e-mail, social media and in-app notifications & banners
- Opened up-selling opportunities and enabled the branches with relevant data
- Redesigned the Mutual Fund Experience on SBI Branch Portal

### 11.6. SBI Net Banking

- Built a new Mutual Fund Investment experience for customers initiated through SBI's net banking platform. The experience is currently under CUG testing.

## 12. FUTURE PLANS

- **Business Development** – Few headwinds from FY 23 continue to remain in FY 24 as several domestic as well as global uncertainties continue to prevail. We expect FY 2024 to be a dynamic year for the industry, both from the perspective of growth in assets as well as pressure on margins. Given the backdrop of high inflationary trajectory as well as the current global geo-political situation, we may witness turbulence across asset classes. We will, however, continue to focus on business development and market making activities as well as cost optimization. We will continue to invest in the business, especially for expanding the new business lines of alternates. We will also make significant investments into technology to protect our data and develop highest standards of data security.
- **New Products** - In terms of our product basket, we will continue to add funds through innovation, especially on thematic and passives, since on the actively managed mutual fund side, we do not have any meaningful product gaps. We will also evaluate offerings on the alternatives – both PMS & AIF. We would also be expanding our international range of offerings as well as launching more solution-oriented fund of funds in the coming year.
- **Deepening our reach** – One of our key pillars for growth is going to be through our focus on market making by deepening our penetration, especially in Tier II & beyond cities. We would continue deeper engagement with our existing distribution network for this goal, including our parent bank as well as focus on cultivating new cadre of distributors to support us in this endeavour.
- **Alternates** – Growing our alternative business would continue to be a key growth area for us. We have launched one AIF & one PMS strategy last year. This year, we would aim at scaling the existing funds, as well as launch newer strategies in this space.



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- **Tapping into overseas investor segment** – Over the years, the demand for India as an investment destination has seen tremendous growth. Initiatives such as creation of GIFT CITY is an added pivot for getting such investments in to India.
- **Digital** – There is a constant effort for upgrading our digital infrastructure. There are several new tools that we would be launching which will further add to investors experience of ease of transacting and partner engagements.

### **13. SBI FUNDS MANAGEMENT LIMITED WAS APPOINTED BY THE HONORABLE SUPREME COURT OF INDIA TO UNDERTAKE LIQUIDATION AND DISTRIBUTION OF ASSETS OF SIX SCHEMES OF FRANKLIN TEMPLETON MUTUAL FUND**

The Hon'ble Supreme Court Vide orders dated February 2, 2021 February 9, 2021 and February 12, 2021 in the SLP Nos. 14288-14291/2020 in Franklin Templeton (FT) Vs. Amruta Garg & OR's., appointed SBIFM to undertake the exercise of distribution and winding up, which includes liquidation of the holdings/assets/portfolio and distribution/payment to the unitholders of the six schemes of Franklin Templeton Mutual Fund ('FTMF'). SBIFM received cash amounting to ₹ 9,122 crores for initial disbursement and balance securities amounting to ₹ 17,682 crores for liquidation and subsequent disbursement.

SBIFM based on its standard operating procedure application filed with the Hon'ble Supreme Court has liquidated securities of appx. 98% of securities received under liquidation. The proceeds from liquidation have been received from selling the securities, maturity proceeds, expense reversals and collections from coupons. As on March 31st, 2023, the securities amounting to ₹ 17867 crores have been liquidated, out of which ₹ 659 crores have been liquidated in FY23. The total disbursements made by SBIFM to FTMF unitholders is ₹ 26932 crores which include ₹ 833 crores disbursed in FY23, ₹ 16,977 crores disbursed in FY22 in addition to the ₹ 9,122 crores of the initial disbursement in FY21.

SBIFM has filed interim updates with the Hon'ble Supreme Court regarding progressive status of disbursement and liquidation on 15th March 2021, 17th January 2022 and 5th April 2022. The Hon'ble Supreme Court had vide its order dated April 12, 2022, directed that no further distribution of the available fund/money shall be made by SBIFM without prior permission/approval of this Court, which was subsequently vacated by orders dated 3rd August 2022 and 12th August 2022, by the Hon'ble Supreme Court, wherein the Court allowed disbursement of certain amounts to the unitholders of various schemes.

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

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

### **15. 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 FY 2023 and the date of this report.

### **16. CORPORATE SOCIAL RESPONSIBILTY (CSR)**

The objective of the CSR policy adopted by the Company is to work towards social welfare and strengthen the Company's bond with the community at large. Its emphasis is on assisting groups belonging to the socially & economically disadvantaged sections of society by providing avenues for improvement of their economic condition and wellbeing. CSR activities are undertaken through the Registered Trusts / Society / Foundations / NGOs / Charitable Institutions registered as Societies or Public Charitable Trusts or a Company established 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, takes decisions regarding the activities to be undertaken, expenditure to be incurred, and monitors the performance of the CSR activities undertaken by the Company. During the year under review, two meetings of the CSR Committee were held on: May 31, 2022 and March 27, 2023.

The Annual Report on CSR activities is annexed as **Annexure II** and forms part of the Director's Report.



**17. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

**17.1. 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.

**17.2. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the financial year under review, the Company earned ₹ 2,211 Lakh (PY ₹2,616 Lakh) in foreign exchange as portfolio management fee. The foreign exchange outgo on account of salary, business promotion, and other administrative expenses was ₹849.53 Lakh (PY ₹ 659.46 lakh). An amount of ₹ 6,475 Lakh (PY ₹ 5,500 lakh) was remitted during the year to non-resident shareholder (AMUNDI) on account of interim dividend declared for the year FY 2023. An amount of ₹ 547.96 lakh (PY 114.53 Lakh) was an inward remittance during the year on account of dividend received from our 100% subsidiary Company based in Mauritius.

**18. 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, Reputation Risk, Cyber Risk, Financial Risk etc. 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. Key risk indicators have been defined for risk measurement and the same are duly monitored.

**19. INFORMATION SECURITY**

The Company has adopted digital strategies to achieve business growth as well as to offer clients a seamless customer experience. A dedicated information security team 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 the Technology Committee of the Board and the Board of Directors serves as the apex governance body. The Company has a continuous view on the emerging threat landscape and continues to invest in robust technology solutions.

Cyber security awareness and training of employees is conducted through various initiatives such as advisories issued by the Info-Sec 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 undergoes an annual refresher training. We have also enhanced the monitoring over critical vendors and shall continue to monitor the evolving threat landscape in order to adapt our security strategies with emerging threats.

**20. INTERNAL FINANCIAL CONTROLS**

The Company has put in place adequate internal control systems that are commensurate with the size of its operations. Internal control systems comprising policies and procedures are designed to ensure sound management of the Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information, and compliance. Clearly defined roles and responsibilities have been institutionalised, and systems and procedures are periodically reviewed to keep pace with the growing size and complexity of the Company's operations. During the year, these controls were tested and were found to be operating effectively.

**21. 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.

**22. 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 review.



**23. RELATED PARTY TRANSACTIONS**

All related party transactions entered into by the Company during the financial year were on arm's length basis and in the ordinary course of business of the Company. The details of all related party transactions have been placed before the Audit Committee of the Board and are provided in Note no. 41 to the standalone financial statements of the Company.

**24. PREVENTION OF SEXUAL HARASSMENT ('POSH') 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 a 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-mentioned 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 31st March 2023 in respect of all the locations of SBIFM:

- a) No. of Complaints received during the year: Nil
- b) No. of Complaints disposed of during the year: Nil
- c) No. of Cases pending for more than 90 days: Nil
- d) 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
- e) Awareness regarding POSH Act, 2013 was carried out for FY 2022-23 as under:
  - E-learning module on POSH are made available to all employees of the Company and it is mandatory for all employees to complete the E-learning module and clear the assessment based on the module.
  - We conducted a capacity building session for the benefit of IC Members to equip them in handling cases, responding to queries raised by any women employee and other issues pertaining to the POSH Act 2013.
  - For all new joiners, eLearning module is part of the joining formalities which they need to complete within a month of joining.
  - POSH Act is available on intranet portal for employees to refer to.
  - Email ID is created for each Zone to lodge complain and displayed at all locations on the Compliance Notice board.
  - All new joiners receive the POSH policy docket as part of their joining kit.

**25. DIRECTORS**

**25.1.** During the year under review and till the date of this Report, the following changes took place in the Board of Directors of the Company:

- a) Mr. Swaminathan Janakiraman (DIN: 08516241) was appointed as Associate Director with effect from July 21, 2022.
- b) Mr. Ashwini Kumar Tewari (DIN: 08797991) ceased to be an Associate Director from the close of business hours on July 14, 2022.
- c) Mr. O.P. Gahrotra (DIN:00936696) ceased to be an Independent Director at the close of business hours on October 21, 2022.
- d) Mr. Vinay M. Tonse (DIN: 06695367) ceased to be Managing Director & CEO at the close of business hours on December 05, 2022.
- e) Mr. Shamsher Singh (DIN: 09787674) was appointed as Managing Director & CEO with effect from December 06, 2022.
- f) Dr. T.T Ram Mohan (DIN: 00008651) was appointed as Independent Director with effect from December 05, 2022.
- g) Mr. Jean-Yves Glain (DIN:07761090) ceased to be an Associate Director at the close of business hours on December 09, 2022.

The Board placed on record its appreciation to the valuable contribution made by Mr. Vinay M.Tonse, Mr. Ashwini Kumar Tewari, Mr. O. P Gahrotra and Mr. Jean-Yves Glain during their tenure and welcomed Mr. Shamsher Singh, Mr. Swaminathan Janakiraman and Dr. T.T Ram Mohan on the Board of the Company.



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25.2. Mr. Shamsheer Singh was appointed as Managing Director & CEO of the Company and is classified as Key Managerial Personnel (KMP) with effect from December 06, 2022. The following officials are classified as KMP of the Company as per Section 203 of the Companies Act, 2013:

| NAME                   | DESIGNATION                                    |
|------------------------|--|
| Mr. Shamsheer Singh    | Managing Director & CEO                        |
| Ms. Vinaya Datar       | Chief Compliance Officer and Company Secretary |
| Mr. Inderjeet Ghuliani | Chief Financial Officer                        |

### 25.3. BOARD MEETINGS:

8 Board meetings were held during the year under review on following dates: April 26, June 03, July 21, September 29, October 27, December 05 of 2022 and January 25, March 27 of 2023.

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                              | 8  |
| Mr. Fathi Jerfel   | 05225974                             | Associate                              | 3 & 5 were represented by his Alternate Mr. Denys De Campigneulles |
| Mr. Ashwini Kumar Tewari**   | 08797991                             | Associate                              | 2  |
| Mr. Swaminathan Janakiraman***   | 08516241                             | Associate                              | 5  |
| Mr. Vinay M. Tonse, Managing Director & CEO **                         | 06695367                             | Associate                              | 6  |
| Mr. Shamsheer Singh, Managing Director & CEO ***                       | 09787674                             | Associate                              | 2  |
| Mr. O. P. Gahrotra**   | 00936696                             | Independent                            | 4  |
| Mr. Moiz Miyajiwala  | 00026258                             | Independent                            | 8  |
| Mr. Jean- Yves Glain**   | 07761090                             | Associate                              | 5  |
| Mr. C.N. Ram   | 00211906                             | Independent                            | 5  |
| Ms. Sudha Krishnan   | 02885630                             | Independent                            | 8  |
| Mr. Shekhar Bhatnagar  | 01865541                             | Independent                            | 8  |
| Mr. Denys Charles Jean Marie Fougeroux De C (Denys De Campigneulles) * | 08716335                             | Alternate Director to Mr. Fathi Jerfel | 5 Attended as an Alternate to Mr.Fathi Jerfel                      |
| Dr. T.T Ram Mohan ***  | 00008651                             | Independent                            | 2  |

(\*) Mr. Denys De Campigneulles vacates the office as an alternate director when Mr. Fathi Jerfel is in India and on the departure of Mr. Fathi Jerfel from India, Mr. Denys De Campigneulles is reappointed as an alternate Director as per the provisions of the Companies Act 2013

(\*\*) Resigned/ceased during the period under review as specified in Para 25.1 above

(\*\*\*) Appointed during the period under review as specified in Para 25.1 above



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### 25.4. COMMITTEE OF DIRECTORS:

During the year, four meetings of the Committee of Directors were held on following dates: April 25, July 20, October 21 of 2022 and January 25 of 2023. 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                            | 3  |
| Mr. Fathi Jerfel   | 05225974                             | Associate                              | 4 were represented by his Alternate Mr. Denys De Campigneulles |
| Mr. C. N. Ram  | 00211906                             | Independent                            | 4  |
| Mr. Denys Charles Jean Marie Fougroux De C (Denys De Campigneulles)* | 08716335                             | Alternate Director to Mr. Fathi Jerfel | 4 attended as an Alternate to Mr. Fathi Jerfel                 |
| Mr. Vinay M Tonse**  | 06695367                             | Associate                              | 3  |
| Mr. Shamsheer Singh***   | 09787674                             | Associate                              | 1  |
| Mr. Shekhar Bhatnagar  | 01865541                             | Independent                            | 2  |
| Dr. T.T. Ram Mohan   | 00008651                             | Independent                            | 1  |

(\*) Mr. Denys De Campigneulles vacates the office as an alternate director when Mr. Fathi Jerfel is in India and on the departure of Mr. Fathi Jerfel from India, Mr. Denys De Campigneulles is reappointed as an alternate Director as per the provisions of the Companies Act 2013

(\*\*) Resigned/ceased during the period under review as specified in Para 25.1 above

(\*\*\*) Appointed during the period under review as specified in Para 25.1 above

### 25.5. AUDIT COMMITTEE OF DIRECTORS:

The Audit Committee reviews the reports of internal and statutory auditors placed before them from time to time. The Audit Committee met six times during the year on: April 25, May 31, July 21, September 15 and October 21 of 2022, and on January 25, 2023. 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 Audit 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          | 5                           |
| Mr. Moiz Miyajiwala   | 00026258                             | Independent          | 6                           |
| Ms. Sudha Krishnan    | 02885630                             | Independent          | 6                           |
| Mr. Fathi Jerfel      | 05225974                             | Associate            | None                        |
| Dr. T.T. Ram Mohan*** | 00008651                             | Independent          | 1                           |

(\*\*) Resigned/ceased during the period under review as specified in Para 25.1 above

(\*\*\*) Inducted/appointed on the Audit Committee on 19.01.2023 as specified in Para 25.1 above



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### 25.6. JOINT MEETING OF AUDIT COMMITTEES OF AMC & TRUSTEE COMPANY

The Audit Committee met once during the year on 16.03.2023 as per SEBI Circular no. SEBI/HO/IMD/IMD-I DOF2/P/CIR/2022/17 dated February 09, 2022 which required that the Audit Committee of AMC would interact with the Audit Committee of the Trustee Company at least once annually.

The attendance of each member at the joint meeting of the Audit Committees of AMC & Trustee Company was as under:

| Name of the Director                         | Director Identification Number (DIN) | Category of Director | Number of meetings attended |
|--|--------------------------------------|----------------------|-----------------------------|
| <b>SBIFM (AMC) Audit Committee Directors</b> |                                      |                      |                             |
| Mr. Moiz Miyajiwala                          | 00026258                             | Independent          | 1                           |
| Ms. Sudha Krishnan                           | 02885630                             | Independent          | 1                           |
| Mr. Fathi Jerfel                             | 05225974                             | Associate            | None                        |
| Dr.T.T Ram Mohan***                          | 00008651                             | Independent          | 1                           |
| <b>Trustee Audit Committee Directors</b>     |                                      |                      |                             |
| Mr. Dhruv Prakash                            | 05124958                             | Independent          | 1                           |
| Mr. Achal Kumar Gupta                        | 02192183                             | Associate            | 1                           |
| Mr. Amarjit Chopra                           | 00043355                             | Independent          | 1                           |
| Mr. P. B Santhanakrishnan                    | 03213653                             | Associate            | 1                           |

(\*\*\*) Inducted/appointed on the Audit Committee on 19.01.2023 as specified in Para 25.1 above

### 25.7. RISK MANAGEMENT COMMITTEE

During the year under review, four meetings of the Risk Management Committee of the Board were held on 25 April, 21 July, 21 October of 2022 and 25 January 2023. The attendance of each Director at the meetings of the Risk Management 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                            | 4   |
| Mr. Moiz Miyajiwala  | 00026258                             | Independent                            | 4   |
| Mr. O. P. Gahrotra**   | 00936696                             | Independent                            | 3   |
| Mr. Vinay M Tonse**  | 06695367                             | Associate                              | 3   |
| Mr. Fathi Jerfel   | 05225974                             | Associate                              | 4 were represented by his Alternate Mr.Denys De Campigneulles |
| Mr. Denys Charles Jean Marie Fougereux De C (Denys De Campigneulles) * | 08716335                             | Alternate Director to Mr. Fathi Jerfel | 4 were attended as an Alternate to Mr.Fathi Jerfel            |
| Mr. Shamsher Singh***  | 09787674                             | Associate                              | 1   |
| Dr. T.T Ram Mohan***   | 00008651                             | Independent                            | None  |

(\*) Mr. Denys De Campigneulles vacates the office as an alternate director when Mr. Fathi Jerfel is in India and on the departure of Mr. Fathi Jerfel from India, Mr. Denys De Campigneulles is reappointed as an alternate Director as per the provisions of the Companies Act 2013

(\*\*) Resigned/ceased during the period under review as specified in Para 25.1 above

(\*\*\*) Appointed during the period under review as specified in Para 25.1 above



## SBI FUNDS MANAGEMENT LIMITED

### 25.8. TECHNOLOGY COMMITTEE OF DIRECTORS:

During the year, 5 meetings of the Technology Committee of Directors were held on April 25, July 20, September 15, December 21 of 2022, and January 25 of 2023. The attendance of each member at the meetings of the Technology 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                            | 5   |
| Mr. O. P. Gahrotra**   | 00936696                             | Independent                            | 3   |
| Mr. Vinay M Tonse**  | 06695367                             | Associate                              | 3   |
| Mr. Fathi Jerfel   | 05225974                             | Associate                              | 5 represented by his Alternate Mr. Denys De Campigneulles |
| Mr. Denys Charles Jean Marie Fougeroux De C (Denys De Campigneulles) * | 08716335                             | Alternate Director to Mr. Fathi Jerfel | 5 attended as an alternate to Mr. Fathi Jerfel            |
| Mr. Shamsheer Singh***   | 09787674                             | Associate                              | 2   |
| Mr. Shekhar Bhatnagar \$   | 01865541                             | Independent                            | 1   |
| Ms. Sudha Krishnan \$  | 02885630                             | Independent                            | 1   |

(\*) Mr. Denys De Campigneulles vacates the office as an alternate director when Mr. Fathi Jerfel is in India and on the departure of Mr. Fathi Jerfel from India, Mr. Denys De Campigneulles is reappointed as an alternate Director as per the provisions of the Companies Act 2013

(\*\*) Resigned/ceased during the period under review as specified in Para 25.1 above

(\*\*\*) Appointed during the period under review as specified in Para 25.1 above

(\$) Inducted on the Committee w.e.f. 19.01.2023

### 25.9. SHARE ALLOTMENT COMMITTEE OF DIRECTORS:

No meetings of Share Allotment Committee of Directors were held during the year under review. All the proposals were considered by the members of the Share Allotment Committee of Directors by resolution passed through circulation.

### 25.10. NOMINATION AND REMUNERATION COMMITTEE OF DIRECTORS:

During the year, 3 meetings of the Nomination and Remuneration Committee of Directors were held on April 25, December 05 of 2022 and January 24 of 2023. The attendance of each member at the meetings of the Nomination and Remuneration Committee is as under:

| Name of the Director   | Director Identification Number (DIN) | Category of Director                   | Number of meetings attended |
|--|--------------------------------------|--|-----------------------------|
| Mr. Ashwini Kumar Tewari**   | 08797991                             | Associate                              | None                        |
| Mr. Moiz Miyajiwala  | 00026258                             | Independent                            | 3                           |
| Mr. O. P. Gahrotra**   | 00936696                             | Independent                            | 1                           |
| Mr. Fathi Jerfel   | 05225974                             | Associate                              | 1                           |
| Mr. Swaminathan Janakiraman***   | 08516241                             | Associate                              | 2                           |
| Mr. Shekhar Bhatnagar \$   | 01865541                             | Independent                            | 2                           |
| Mr. Denys Charles Jean Marie Fougeroux De C (Denys De Campigneulles) * | 08716335                             | Alternate Director to Mr. Fathi Jerfel | 2                           |

(\*) Mr. Denys De Campigneulles vacates the office as an alternate director when Mr. Fathi Jerfel is in India and on the departure of Mr. Fathi Jerfel from India, Mr. Denys De Campigneulles is reappointed as an alternate Director as per the provisions of the Companies Act 2013

(\*\*) Resigned/ceased during the period under review as specified in Para 25.1 above

(\*\*\*) Appointed during the period under review as specified in Para 25.1 above

(\$) Inducted on the Committee w.e.f. 07.11.2022



**25.11. INITIAL PUBLIC OFFER (IPO) COMMITTEE OF DIRECTORS:**

No meetings of IPO Committee of Directors were held during the year under review.

**25.12. INDEPENDENT DIRECTORS**

All the Independent Directors have submitted the requisite declarations confirming that they continue to meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and SEBI (Mutual Fund) Regulations, 1996. The maximum tenure of Independent Directors is in accordance with the said Act and other applicable Regulations. The Company's Board is of the opinion that the Independent Directors possess requisite qualifications, experience, and expertise in industry knowledge; innovation; financial expertise; information technology; corporate governance; strategic expertise; marketing; legal and compliance; sustainability; risk management; human resource development and general management, and they hold highest standards of integrity.

**25.13. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SECTION 178(3)**

Nomination and Remuneration policy provides for appointment of an appropriate mix of Executive and non- executive directors including the independent directors to maintain diversity and independence of the Board.

The broad parameters covered under the NRC policy are attributes, qualification and remuneration of executive & non-executive directors (including independent directors), Key Managerial Personnel and senior management. It also covers the performance evaluation criteria of the Board, its Committees, individual directors and Chairman. The criteria for performance evaluation cover the areas relevant to the functioning of the Board and Board Committees such as its composition, oversight and effectiveness, performance, skills and structure etc. The NRC policy of the Company is available on website <https://www.sbimf.com/en-us/disclosure>. The NRC policy was formulated and approved by Board of Directors of SBI Funds Management Limited.

**25.14. MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

A formal mechanism was adopted by the Board of Directors for evaluating its performance, as well as that of its Committees and the Directors, including the Chairman of the Board. The Company had engaged the services of an independent external agency in line with the provisions of Companies Act, 2013 to carry out evaluation of performance of the Board, its committees, individual directors and the Chairman of the Company for the financial year 2022-23. Accordingly, a survey was conducted by an independent external agency which included filling up of the online questionnaire by each Director and followed by one-on-one interactions with the Directors to gain deeper understanding about various aspects related to the functioning of the Board. A report of the independent external agency was reviewed by the Nomination and Remuneration Committee of the Board, Board of Directors and the Independent Directors at their separate meetings. The Board noted the evaluation results and were satisfied with the evaluation, which reflected the overall engagement of the Board and its Committees.

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

The Directors hereby confirm that:

- a) In the preparation of the annual accounts of the Company for the year ended March 31, 2023, the Indian Accounting Standards (Ind AS) have been followed along with proper explanation relating to material departures.
- b) 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.
- c) 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.
- d) Internal financial controls in the Company are adequate and operating effectively.
- e) The annual accounts have been prepared on a going concern basis.
- f) The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.



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

- 27.1. The Company has instituted the Employee Stock Option Plan 2018 ("ESOP-2018" or "Scheme") for eligible employees of the Company, duly approved by the Board of Directors at its meeting held on 20th January 2018 and the shareholders at the EGM held on 31st January 2018. The Scheme was amended with approval of the Board of Directors at its meeting held on 25th January 2023 and the shareholders at the EGM held on 17th February 2023 (by way of a special resolution) to enable the Company to implement the ESOP-2018 and future ESOP plans through: (a) Direct route, (b) Trust route and (c) a combination of the Direct & Trust route.
- 27.2. The amended Scheme categorizes options as Type I, Type II and Type III options with multiple vesting periods. The options can be exercised over a period of seven (7) years from the grant date. Each option carries with it the right to acquire one equity share of the Company at the exercise price determined by the Company at the time of grant.
- 27.3. Pursuant to the amended Scheme and approval of the Board of Directors upon recommendation of the Nomination and Remuneration Committee ('NRC'), the Company has set up the SBI Funds Management Limited – Employee Welfare Trust ('ESOP Trust'). In terms of the amended Scheme and Trust Deed, the Company has advanced funds amounting to Rs.4156 lakhs to the ESOP Trust during the year to enable the ESOP Trust to acquire 5,09,606 shares of the Company from employees/legal heirs.
- 27.4. The disclosures required in respect of ESOPs as per Companies Act, 2013 are set out in Annexure III to this Report. The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.

**28. WEB ADDRESS OF ANNUAL RETURN**

In terms of the provisions of Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company, i.e., [www.sbimf.com](http://www.sbimf.com).

**29. MATERIAL ORDERS BY REGULATOR, COURT, TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATION**

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

**30. DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013**

There was no fraud identified by the Company. The auditors of the Company have also not reported any frauds under section 143(12) of the Companies Act, 2013.

**31. MAINTENANCE OF COST RECORDS**

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

**32. REPORTING ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PAPERS LAID ON THE TABLE (RAJYA SABHA) IN ITS 150TH REPORT****A) DETAILS OF THE VIGILANCE CASES FOR THE FY 2022-23**

| Opening Cases | Cases received during 2022-23 | Cases Disposed off | Closing Cases |
|---------------|-------------------------------|--------------------|---------------|
| Nil           | Nil                           | Nil                | Nil           |

**B) STATUS OF PENDING CAG PARAS AND MANAGEMENT REPLIES**

There is no pending CAG Para as on the date of this Report.

**33. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy which provides mechanism to ensure that concerns are properly raised, appropriately investigated and addressed. The Whistle Blower Policy encourages employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Company recognizes this mechanism as an important enabling factor in administering good governance practices. The Whistle Blower Policy of the Company is available on the website of the Company.



**34. MODEL CODE OF CONDUCT:**

The Directors confirm that all Board members and the Senior Management have affirmed compliance with the Company's Code of Conduct for FY 2022-23.

**35. 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.

**36. AUDITORS**

The Comptroller and Auditor General of India (CAG) had appointed M/s. Borkar and Muzumdar, Chartered Accountants as the Statutory Auditors of the Company for the year under review, who will retire at the conclusion of the 31st Annual General Meeting.

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

There were no qualifications, reservations or adverse comments or disclaimers made by the statutory auditor in their audit report.

**37. COMPLIANCE OF SECRETARIAL STANDARDS**

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. N L Bhatia & Associates, Practising Company Secretaries to conduct the Secretarial Audit of the Company for the FY 2022-23. The Secretarial Audit Report is annexed herewith as Annexure IV to this Report.

There were no qualifications, reservations or adverse comments or disclaimer made by the Secretarial Auditor in their audit report.

**38. 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, Distributors, Government Agencies, Auditors, Association of Mutual Funds of India, 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 LIMITED**

**Sd/-  
DINESH KUMAR KHARA  
CHAIRMAN  
DIN: 06737041**

**Place: Mumbai**

**Dated: 8th June, 2023**



**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**

| S.No | Particulars  | Details  | USD      | ₹ In Lakhs |
|------|--|--|----------|------------|
| 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<br>Exchange Rate: Rs.82.2169 Closing rate as per RBI Reference Rate as on 31.03.2023 for monetary assets and liabilities and Rs.80.5136 Average rate as per RBI Reference Rate for profit and loss account items |          |            |
| 4.   | Share Capital  |  | 50,000   | 41.11      |
| 5.   | Reserves and Surplus   |  | 27,595   | 22.69      |
| 6.   | Total Assets   |  | 269,856  | 221.87     |
| 7.   | Total Liabilities  |  | 192,261  | 158.07     |
| 8.   | Investments  |  | 1        | 0.001      |
| 9.   | Turnover   |  | 777,315  | 625.84     |
| 10.  | Profit before Taxation   |  | 437,320  | 352.10     |
| 11.  | Provision for Taxation   |  | (14,328) | (11.54)    |
| 12.  | Profit after Taxation  |  | 422,992  | 340.56     |
| 13.  | Proposed Dividend  |  | 665,000  | 547.96     |
| 14.  | Extent of Shareholding (in percentage)   |  | 100%     | 100%       |

**Part B: Associate and Joint Ventures**

| S. No. | Name of Associates or Joint Ventures  | SBI Pension Funds Private Limited    |
|--------|---|--------------------------------------|
| 1.     | Latest audited Balance Sheet Date   | 31st March 2023                      |
| 2.     | Shares of Associate or Joint Ventures held by the company on the year end:              |                                      |
|        | Number  | 60 lakh shares of ₹10 each           |
|        | Amount of Investment in Associates or Joint Venture (₹ in Lakhs)                        | 600.25                               |
|        | Extent of Holding (in percentage)   | 20%                                  |
| 3.     | Description of how there is significant influence                                       | As per Indian Accounting Standard 28 |
| 4.     | Reason why the associate/joint venture is not consolidated                              | Not Applicable                       |
| 5.     | Net-worth attributable to shareholding as per latest audited Balance Sheet (₹ in Lakhs) | 2,991.91                             |
| 6.     | Profit or Loss for the year (₹ in Lakhs)  | 5,350.56                             |
|        | (i) Considered in Consolidation (₹ in Lakhs)  | 1,070.11                             |
|        | (ii) Not Considered in Consolidation (₹ in Lakhs)                                       | 4,280.45                             |

**ANNUAL REPORT ON CSR ACTIVITIES UNDERTAKEN DURING  
FINANCIAL YEAR 2022-2023**

**1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:**

SBI Funds Management Limited ('the Company' / 'AMC') will pursue fund and non-fund based activities to discharge its Corporate Social Responsibility (CSR) and play the role of a responsible and responsive corporate citizen. Both our parent companies, SBI and Amundi are deeply committed to Corporate Social Responsibility (CSR) and the CSR policy document has been prepared in line with broader corporate philosophy of SBI and Amundi and in accordance with Section 135 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Our emphasis will be on assisting socially & economically disadvantaged sections of society by providing avenues for improvement of their economic condition and wellbeing. 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. Non-fund based activities will also involve voluntary participation of our employees in community activities which contribute to the communal good, e.g. blood donation camps, health camps, participation in local festivals, literacy, tree planting etc.

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. Composition of CSR Committee:**

| Sr. No | Name of the Director         | Director Identification Number (DIN) | Designation / Nature of Directorship                    | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the Year |
|--------|------------------------------|--------------------------------------|---|--|--|
| 1      | Mr. C. N. Ram                | 00211906                             | Independent Director, Non-executive Director            | 2  | 1  |
| 2      | Mr. O. P. Gahrotra*          | 00936696                             | Independent Director, Non-executive Director            | 2  | 1  |
| 3      | Mr. Vinay M Tonse**          | 06695367                             | Managing Director & CEO (Associate), Executive Director | 2  | 1  |
| 4      | Mr. Shamsheer Singh***       | 09787674                             | Managing Director & CEO (Associate), Executive Director | 2  | 1  |
| 5.     | Mr. Fathi Jerfel             | 05225974                             | Associate Director, Non-executive Director              | 2  | Represented by his Alternate                                 |
| 6.     | Mr. Denys De Campigneulles # | 08716335                             | Alternate Director to Mr. Fathi Jerfel                  | 2  | 2  |
| 7.     | Ms. Sudha Krishnan \$        | 02885630                             | Independent Director, Non-executive Director            | 2  | 1  |
| 8.     | Mr. Shekhar Bhatnagar \$     | 01865541                             | Independent Director, Non-executive Director            | 2  | 1  |

\* Resigned at the close of business hours on October 21,2022

\*\* Resigned at the close of business hours on December 05, 2022

\*\*\* Appointed w.e.f. December 06, 2022

# Mr. Denys De Campigneulles vacates the office as an alternate director when Mr. Fathi Jerfel is in India and on the departure of Mr. Fathi Jerfel from India, Mr. Denys De Campigneulles is reappointed as an alternate Director as per the provisions of the Companies Act 2013

\$ Inducted in the CSR Committee w.e.f. January 19, 2023



## SBI FUNDS MANAGEMENT LIMITED

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company.

The Composition of the CSR Committee, CSR policy adopted by the Company and CSR projects approved by the Board are available on the Company's website: <https://www.sbimf.com/disclosure>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

As required under sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has carried out Impact Assessment for an eligible CSR project through an Independent third-party agency namely, Samhita Social Ventures Private Limited. The detailed Impact Assessment Report is enclosed as Annexure A to this report and displayed on Company's website.

A brief outline of the aforesaid Impact Assessment is given herein below:

**(a) Provision of Oxygen Generator to GNRC Medical, North Guwahati Hospital:**

**Financial Year: 2021-22 | Amount Rs. 2.49 Crore | CSR Registration No: CSR00000786**

The availability of oxygen therapy, including the use of oxygen generators, became a vital aspect of the healthcare system's response to the COVID-19 pandemic. On-site oxygen generators offer a cost-effective, reliable and safe alternative to traditional oxygen gas supplies such as cylinders or cryogenic liquid. The Company funded the procurement of a Medical Oxygen Generator for GNRC Medical, North Guwahati Hospital ('GNRC') under Mission Oxygen in partnership with Indo French Chamber of Commerce and Industry ('IFCCI') and Care India Solution for Sustainable Development ('CISSD'). The financial support by the Company for this mission helped achieve a larger goal of providing critical care equipment during the COVID-19 pandemic.

During the surge in COVID-19 infections, GNRC catered to more than 100 patients every day. The provision of oxygen generator to GNRC helped in providing affordable healthcare to patients from lower income households who were suffering from severe respiratory distress. Since oxygen generators do not require refilling and replacement, such a provision reduced the hospital's ongoing costs, reduced dependence on external suppliers and also reduced the burden on traditional oxygen cylinders (which were often expensive and difficult to transport).

- |    |   |                   |
|----|---|-------------------|
| 5. | (a) Average net profit of the company as per sub-section (5) of section 135                           | Rs.1078,45,47,175 |
|    | (b) Two percent of average net profit of the company as per sub-section (5) of section 135            | Rs.21,56,90,944   |
|    | (c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years | Nil               |
|    | (d) Amount required to be set-off for the financial year, if any                                      | Nil               |
|    | (e) Total CSR obligation for the financial year [(b)+(c)-(d)]   | Rs.21,56,90,944   |
| 6. | (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)                | Rs.21,56,90,944   |

**Details of CSR amount spent against ongoing projects for the financial year:**

| Sr. No. | Categorization of CSR Activity as per Schedule VII | CSR Activity Details                                      | Location of the project                               | Amount allocated for the project (in Rs. lakhs) | Amount spent in the current financial Year (in Rs. lakhs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) * (in Rs. lakhs) | Implementing agency and status of implementation    |
|---------|--|---|---|---|---|--|---|
| 1       | Rural development and livelihood enhancement       | To create training infrastructure at ICAR KVK for farmers | Village Alukkuli, Gobichettyal-ayam Erode, Tamil Nadu | 100.00  | 85.00   | 15.00  | MYRADA<br>CSR00001099<br>To be completed in FY 2024 |



**SBI FUNDS MANAGEMENT LIMITED**

| Sr. No.                             | Categorization of CSR Activity as per Schedule VII               | CSR Activity Details  | Location of the project                               | Amount allocated for the project (in Rs. lakhs) | Amount spent in the current financial Year (in Rs. lakhs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) * (in Rs. lakhs) | Implementing agency and status of implementation      |
|-------------------------------------|--|---|---|---|---|--|---|
| 2                                   | Promotion of Healthcare  | Mobile Medical Units and conducting health and waste management awareness programs (Project Sanjeevani) | One unit each for Assam, Himachal Pradesh, and Orissa | 225.00  | 95.10   | 129.90   | SBI Foundation CSR00001456 To be completed in FY 2024 |
| 3                                   | Promotion of healthcare and livelihood enhancement               | Medical facilities, education and promoting livelihood for destitute woman (Project Mauli seva)         | Ahmednagar  | 89.50   | 11.50   | 78.00  | SBI Foundation CSR00001456 To be completed in FY 2024 |
| 4                                   | Ensuring environmental sustainability and livelihood enhancement | Dry waste management - Phase I (Project Waste No More)  | Aurangabad Maharashtra                                | 118.00  | 40.00   | 78.00  | SBI Foundation CSR00001456 To be completed in FY 2024 |
| 5                                   | Livelihood enhancement   | Support to incubator (Rambau Malgi Promodini) for 15 startups – Phase II                                | Mumbai, Maharashtra                                   | 83.00   | 50.00   | 33.00  | SBI Foundation CSR00001456 To be completed in FY 2024 |
| <b>Total for 5 ongoing projects</b> |  |   |   | <b>615.50</b>                                   | <b>281.60</b>   | <b>333.90</b>  |   |

(\*) Excluding Rs.52.12 lakhs received after the approval of Audited Financial Statements for the year ended March 31, 2023

**Details of CSR amount spent against other than ongoing projects for the financial year:**

| Sr. No. | Categorization of CSR Activity as per Schedule VII | CSR Activity Details  | Location of the project                     | Amount spent for the project (in Rs. lakhs) | Implementing Agency                                      |
|---------|--|---|---|---|--|
| 1       | Promotion of education                             | To support infrastructure requirements – labs, Library, Smart Boards etc for the school | Laxmipura Cross, North Bangalore, Karnataka | 78.10                                       | National Institute of Value Education (NIVE) CSR00001579 |
| 2       | Promotion of education                             | Two School buses for school in tribal North East area                                   | Along, Arunachal Pradesh                    | 54.18                                       | Ramakrishna Mission, Belur math CSR00006101              |



**SBI FUNDS MANAGEMENT LIMITED**

| Sr. No. | Categorization of CSR Activity as per Schedule VII | CSR Activity Details  | Location of the project                    | Amount spent for the project (in Rs. lakhs) | Implementing Agency   |
|---------|--|---|--|---|---|
| 3       | Promotion of Healthcare                            | Two dialysis machines   | AC Shanmugam Hospital, Chennai, Tamil Nadu | 14.12                                       | Rotary Club of Madras Charitable Trust<br>CSR00000997       |
| 4       | Promotion of education                             | Improving competency and professional standards of teachers – Phase II                        | 52 districts of Madhya Pradesh             | 31.82                                       | SBI Foundation<br>CSR00001456                               |
| 5       | Promotion of Healthcare                            | One Unit of Steam Sterilizer  | Thane, Maharashtra                         | 56.72                                       | Chaitanya Seva trust (Bhakti Vedanta)<br>CSR00001017        |
| 6       | Promotion of Healthcare                            | To purchase Medical Equipment   | Attapadi, Kerala                           | 37.38                                       | Swami Vivekanand Medical Mission<br>CSR00002488             |
| 7       | Promotion of education                             | To establish computer lab - purchase of Computer, UPS, Furniture                              | Channi, Jammu                              | 5.23  | Sunrise Educational Trust<br>CSR00010696                    |
| 8       | Livelihood enhancement                             | To purchase one jail radio and vehicle for inmate reformation                                 | Pondicherry                                | 15.35                                       | Sri Aurobindo Society<br>CSR00000200                        |
| 9       | Promotion of sports                                | To purchase Sports equipment and sports firearms  | Mumbai, Maharashtra                        | 35.27                                       | Foundation for Promotion of Sports and Games<br>CSR00001100 |
| 10      | Livelihood enhancement                             | To purchase one refrigerator vehicle  | Nilguries, Tamilnadu                       | 22.00                                       | Rural development Organisation<br>CSR00001586               |
| 11      | Promotion of Healthcare                            | Purchase of anesthesia work station, ECMO, Fiber optic Bronchoscope                           | Raipur, Chhattisgarh                       | 77.10                                       | Sathya Sai Health and Education Trust<br>CSR0001048         |
| 12      | Livelihood enhancement                             | To establish computer training infrastructure. 11 good laptops were provided from our e-waste | Ramgarh Rajasthan                          | 4.70  | Lights of life trust<br>CSR00000156                         |



**SBI FUNDS MANAGEMENT LIMITED**

| Sr. No.  | Categorization of CSR Activity as per Schedule VII | CSR Activity Details  | Location of the project  | Amount spent for the project (in Rs. lakhs) | Implementing Agency   |
|--|--|---|--------------------------|---|---|
| 13   | Promotion of healthcare                            | To purchase two Ambulances, two Automatic Roti Makers and two Commercial Washing machines | Santacruz /Vakola Mumbai | 40.48                                       | Society Undertaking poor people Onus for Rehabilitation CSR00002042 |
| 14   | Promotion of healthcare                            | Procurement of a digital Mammogram unit   | Devakottai, Tamil Nadu   | 78.40                                       | Rotary Club of Madras CSR0000997                                    |
| 15   | Promotion of health care and livelihood            | To set Gymnasium and upgrading existing library for jail inmates                          | Central Jail Pondicherry | 12.20                                       | Sri Aurobindo Society CSR0000200                                    |
| <b>Total of 15 completed other than ongoing projects</b> |  |   |                          | <b>563.05</b>                               |   |

(b) Amount spent in Administrative Overheads Rs.7,84,118

(c) Amount spent on Impact Assessment, if applicable Rs.7,22,812

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] Rs.8,59,72,246

(e) CSR amount spent or unspent for the Financial Year

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.)   |                  |  |                 |                  |
|--|---|------------------|--|-----------------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135. |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. |                 |                  |
|  | Amount (in Rs.)   | Date of transfer | Name of the Fund   | Amount (in Rs.) | Date of transfer |
| 8,59,72,246  | 3,33,90,000*  | 28-03-2023       | Prime Minister's National Relief Fund  | 9,63,28,698     | 28-03-2023       |

(\*) Excluding Rs.52,11,978 received after the approval of Audited Financial Statements for the year ended March 31, 2023

(f) Excess amount for set-off, if any:

| Sr. No. | Particulars   | Amount (in Rs.) |
|---------|---|-----------------|
| 1       | 2   | 3               |
| (i)     | Two percent of average net profit of the company as per sub-section (5) of section 135                    | 21,56,90,944    |
| (ii)    | Total amount spent for the Financial Year   | 21,56,90,944    |
| (iii)   | Excess amount spent for the Financial Year [(ii)-(i)]   | Nil             |
| (iv)    | Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any | Nil             |
| (v)     | Amount available for set off in succeeding Financial Years [(iii)-(iv)]                                   | Nil             |



**SBI FUNDS MANAGEMENT LIMITED**

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| 1       | 2                           | 3   | 4   | 5   | 6  |                  | 7   | 8                  |
|---------|-----------------------------|---|---|---|--|------------------|---|--------------------|
| Sr. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Amount Spent in the Financial Year (in Rs.) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any |                  | Amount remaining to be spent in succeeding Financial Years (in Rs.) | Deficiency, if any |
|         |                             |   |   |   | Amount (in Rs.)  | Date of Transfer |   |                    |
| 1       | FY 2021-22                  | 1,37,60,546   | 1,37,60,546   | 1,37,60,546                                 | Nil  | N.A              | Nil   | Nil                |
| 2       | FY 2020-21*                 | 3,21,34,134   | 3,21,34,134   | 2,22,41,005                                 | 67,08,012  | 28-03-2023       | 31,85,117   | Nil                |
| 3       | FY 2019-20                  | Nil   | Nil   | Nil   | Nil  | N.A.             | Nil   | Nil                |

(\*) Amount spent during the year is net off refund received of Rs.13,41,278

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

- Yes
- No

If Yes, enter the number of Capital assets created/ acquired:

21

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sr. No. | Short particulars of the property or asset(s) [including Complete address and location of the property]   | Pin Code of property or Assets | Date of creation | Amount of CSR amount spent | Details of entity / authority / beneficiary of the registered owner |   |   |
|---------|---|--------------------------------|------------------|----------------------------|---|---|---|
| 1       | 2   | 3                              | 4                | 5                          | 6   |   |   |
|         |   |                                |                  |                            | CSR registration number if applicable                               | Name  | Register address  |
| 1       | Infrastructure for School (Science Lab, Library, Computer Lab, etc.): Laxmipura Cross Bangalore   | 562123                         | June & July 2022 | 78,09,600                  | CSR 00001579  | National Institute of Value Education (NIVE)        | No. 48, 13th Cross, 8th Main, Malleshwaram, Bangalore 560003    |
| 2       | Construction of Centre: Old S.F.No.109C3; New R. S. No. 443/1, Door No.272/412 Alukuzhi Village Gobichettipalayam Taluka, Pudukkottai Taluk, Pudukkottai District Erode | 638476                         | Up to 31-03-2023 | 85,00,000                  | CSR 00001099  | Mysore Re-settlement and Development Agency: MYRADA | NO.2, Service Road, Domlur Layout, Bengaluru: 560071            |
| 3       | School Buses: Ramakrishna Mission School, Aalo(Along)   | 791001                         | 18-06-2022       | 54,17,787                  | CSR 00006101  | Ramakrishna Mission                                 | Head Quarters Building, PO Belur, PS Bally, WB: 711202          |
| 4       | Dialysis Equipments and related consumables: A C Shanmugham Hospital, Chennai.  | 600077                         | 10-06-2022       | 14,11,639                  | CSR 00000997  | Rotary Club of Madras Charitable Trust              | Rayala Towers 3, 1st Floor, No. 158 Anna Salai, Chennai, 600002 |



**SBI FUNDS MANAGEMENT LIMITED**

| Sr. No. | Short particulars of the property or asset(s) [including Complete address and location of the property]                            | Pin Code of property or Assets | Date of creation     | Amount of CSR amount spent | Details of entity / authority / beneficiary of the registered owner |  |  |
|---------|--|--------------------------------|----------------------|----------------------------|---|--|--|
| 1       | 2  | 3                              | 4                    | 5                          | 6   |  |  |
|         |  |                                |                      |                            | CSR registration number if applicable                               | Name   | Register address   |
| 5       | Steam Sterlizer and accessoris: Bhakti vedanta Hospital, Sector 6 -1, Shrishthi Marg, Mira Bhayander Maharashtra                   | 411107                         | 29-10-2022           | 56,72,140                  | CSR 00001017  | Chaitanya Seva Trust                         | Bhakti Vedanta Hospital, Sector 1, Bhakti Vedanta Swami Marg, Mira Road East: 401107       |
| 6       | Purchase of Medical Equipments: S V M Hospital, at Agali   | 678581                         | Oct 2022 to Jan 2023 | 37,37,560                  | CSR 00002488  | Swami Vivekanand Medical Mission             | Durga Sangh Manduir,Agali, P O, Agali: 678581  |
| 7       | Purchase of Computers, UPS and Furniture: Dell PC: H.No- 365 A/M,Rapura Mangotrian JAMMU, JK05, JK, 180001                         | 180001                         | 23-12-2022           | 5,23,000                   | CSR 00010696  | Sunrise Educational Trust                    | H.No- 365 A/M,Rajapura Mangotrian, Jammu: 180001   |
| 8       | Jail Radio System & Mahindra Bolero Vehicle: Central Jail, Pondicherry   | 605014                         | Oct to Dec 2022      | 15,35,000                  | CSR 00000200  | Sri Aurobindo Society                        | 11,Saint Martin Street,Pondichery: 605001  |
| 9       | Archery Equipment (Ankita Bhakat): Kolkata, West Bengal  | 700001                         | 28-10-2022           | 3,55,280                   | CSR 00001100  | Foundation for Promotion of Sports and Games | Office No 4, 5TH Floor, Anand Building, Dr. ambedkar Road, Pali Hill Bandra Mumbai: 400050 |
| 10      | Air Rifle Walther LG 400 Alutec (Abhinav Shaw): Behind Post Office Building, Dhadka Road, Asansol (M Corp), Bardhaman, West Bengal | 713302                         | 03-01-2023           | 3,04,322                   | CSR 00001100  | Foundation for Promotion of Sports and Games | Office No 4, 5TH Floor, Anand Building, Dr. ambedkar Road, Pali Hill Bandra Mumbai: 400050 |
| 11      | Air Rifle and various shooting accessories (Aishwary Pratap Tomar): Bhopal   | 462001                         | 29-10-2022           | 5,57,423                   | CSR 00001100  | Foundation for Promotion of Sports and Games | Office No 4, 5TH Floor, Anand Building, Dr. ambedkar Road, Pali Hill Bandra Mumbai: 400050 |
| 12      | Air Rifle LG 400 and Grip, MEC (Srinjoy Dutta): 12/A, Brojo Datta Lane, P.O.Serampore, Hooghly, West Bengal                        | 712201                         | 02-11-2022           | 3,87,040                   | CSR 00001100  | Foundation for Promotion of Sports and Games | Office No 4, 5TH Floor, Anand Building, Dr. ambedkar Road, Pali Hill Bandra Mumbai: 400050 |
| 13      | Air Rifle Walther (Nisha Kanwar): P.No. 13, Scheme 11, Bhuvaneshwari Vatika, Siesa Road, Meena wala, Jaipur, Rajasthan             | 302034                         | 18-10-2022           | 3,75,970                   | CSR 00001100  | Foundation for Promotion of Sports and Games | Office No 4, 5TH Floor, Anand Building, Dr. ambedkar Road, Pali Hill Bandra Mumbai: 400050 |



**SBI FUNDS MANAGEMENT LIMITED**

| Sr. No. | Short particulars of the property or asset(s) [including Complete address and location of the property]  | Pin Code of property or Assets | Date of creation       | Amount of CSR amount spent | Details of entity / authority / beneficiary of the registered owner |   |  |
|---------|--|--------------------------------|------------------------|----------------------------|---|---|--|
| 1       | 2  | 3                              | 4                      | 5                          | 6   |   |  |
|         |  |                                |                        |                            | CSR registration number if applicable                               | Name  | Register address   |
| 14      | Table Tennis Table (Bhavina Patel): 7 Shubh Labh Tennament, Behind Nirnaynagar Underbridge, Ghatlodia, Ahmedabad, Gujarat                          | 380061                         | 07-12-2022             | 12,00,000                  | CSR 00001100  | Foundation for Promotion of Sports and Games            | Office No 4, 5TH Floor, Anand Building, Dr. ambedkar Road, Pali Hill Bandra Mumbai: 400050 |
| 15      | Archery Bow, Arrow and related accessories (Dipti Kumari): Jharkhand   | 834001                         | 24-11-2022             | 3,47,440                   | CSR 00001100  | Foundation for Promotion of Sports and Games            | Office No 4, 5TH Floor, Anand Building, Dr. ambedkar Road, Pali Hill Bandra Mumbai: 400050 |
| 16      | Purchase of Refrigeration Unit: Gramya Bhavan, Aruvankudu. Coonoor, Nilgiri, Tamilnadu   | 643202                         | Dec 2022 to Jan 2023   | 22,00,000                  | CSR 00001586  | Rural Development Organisation                          | Gramya Bhavan, Aruvankudu. Coonoor, Nilgiri, Tamilnadu: 643202                             |
| 17      | Critical Medical Equipments: Sri Satya Sai Hospital Raipur   | 492001                         | Feb & March 2023       | 77,10,800                  | CSR 00001048  | Sri Sathya Sai Sanjeevani Center                        | No-303,Tara Apartments, 132, Infantry Road, Bangalore: 560001                              |
| 18      | Computer, Printer and related accessories: Lights of Life Trust, Ruia Teacher's Training Center, Out of Bissau gate, Char Nohrawali Gulli, Ramghar | 331024                         | Nov 2022 to March 2023 | 4,69,920                   | CSR 00000156  | Light of Life Trust                                     | 181, Zuby Villa, Hill Road, Bandra West Mumbai: 400050                                     |
| 19      | Ambulance & medical equipments, automatic rotimaker and washing machine: Manthan Plaza Vakola  | 400055                         | Dec 2022 to March 2023 | 40,48,000                  | CSR 00002042  | Society Undertaking Poor People Onus for Rehabilitation | Manthan Plaza Bldg, 3rd Floor, Nehru Road, Vakola Market, Santacruz East: 400055           |
| 20      | Mammogram: Vallal Mena Hospital Rameshwaram Road, Kodikottai,Devakottai  | 630303                         | 28-03-2023             | 78,40,000                  | CSR 00000997  | Rotary Club of Madras Charitable Trust                  | Rayala Towers 3, 1st Floor, No 158 Anna Salai, Chennai: 600002                             |
| 21      | Construction of Gym and Library in Jail premises: Central Jail Pondicherry   | 605014                         | Feb & March 2023       | 12,20,000                  | CSR 00000200  | Sri Aurobindo Society                                   | 11, Saint Martin Street, Pondicherry: 605001   |

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

Sd/-  
MANAGING DIRECTOR & CEO

Sd/-  
CHAIRMAN, CSR COMMITTEE



Disclosures pertaining to Employee Stock Option Scheme for the FY 2022-23  
as required under Section 62 of the Companies Act, 2013

| Particulars  | Employee Stock Option Scheme -2018 |                        |                        |                       |                      |
|--|------------------------------------|------------------------|------------------------|-----------------------|----------------------|
|  | 2018-19<br>Tranche -I              | 2019-20<br>Tranche -II | 2020-21<br>Tranche-III | 2021-22<br>Tranche-IV | 2022-23<br>Tranche-V |
| Total number of options in force as at 01.04.2022                    | 2,08,960                           | 12,66,039              | 15,28,048              | 27,83,600             | -                    |
| Options Granted during the year                                      | -                                  | -                      | -                      | -                     | 8,31,000             |
| Options Exercised during the year                                    | 55,151                             | 1,73,367               | 1,09,447               | 80,676                | -                    |
| The total number of shares arising as a result of exercise of option | 55,151                             | 1,73,367               | 1,09,447               | 80,676                | -                    |
| Options lapsed (during the year)                                     | 8,107                              | 10,838                 | 21,889                 | 50,885                | 5,000                |
| Exercise Price   | ₹ 155.00                           | ₹ 250.30               | ₹ 360.00               | ₹ 559.90              | ₹ 727.70             |
| Variation of terms of options  | -                                  | -                      | -                      | -                     | -                    |
| Money realized by exercise of options (₹ in lakhs)                   | 85.48                              | 433.94                 | 394.01                 | 451.70                | -                    |
| Total number of options in force as at 31.03.2023                    | 1,45,702                           | 10,81,834              | 13,96,712              | 26,52,039             | 8,26,000             |
| Vested Options as at 31.03.2023                                      | 1,45,702                           | 10,81,834              | 7,62,967               | 8,24,882              | -                    |



**SECRETARIAL AUDIT REPORT**

To,

The Members,

**SBI FUNDS MANAGEMENT LIMITED**

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. N. L. Bhatia & Associates**

Practicing Company Secretaries

UIN: P1996MH055800

P/R. No.:700/2020

Sd/-

**N.L. BHATIA**

Partner

FCS No. 1176

COP No. 422

UDIN: F001176E000454486

Place : Mumbai

Date : June 05, 2023



**SECRETARIAL AUDIT REPORT**

**FORM NO. MR-3**

**FFOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

**[Pursuant to Section - 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**SBI FUNDS MANAGEMENT LIMITED**

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **SBI Funds Management Limited (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate conducts/Statutory Compliances and expressing my opinion thereon.

Based on our verification of Company's Books, Papers, Minute Books, Forms and Returns Filed and Other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit , we hereby Report that in our opinion, the Company has, during the Audit period covering the Financial Year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and Other Records maintained by **SBI Funds Management Limited** for the Financial Year ended on **March 31, 2023** according to the provisions of:

- (i) The Companies Act, 2013 ("**the Act**") and the Rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder- **Not Applicable**.
- (iii) The Depositories Act, 1996 and the regulation and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the financial year – the Company does not have any Overseas Direct Investment and External Commercial Borrowings during the financial year;
- (v) The following Regulations and Guidelines as amended from time to time, prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"):-
  - a) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
  - b) The Securities and Exchange Board of India (Alternative Investment Funds) Regulations; 2012;
  - c) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - f) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - g) The Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015;
  - h) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) MCA Notification holding Meetings through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).



## **SBI FUNDS MANAGEMENT LIMITED**

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During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice is given to all the Directors to schedule the Board Meetings, Agenda and Detailed Notes on Agenda were sent **at least seven days in advance**, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting. The Company has complied with the Secretarial Standards in respect of the Meetings of its Members, Board and its Committees.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes – All the decisions at the general meetings were carried unanimously.

**We further report that**, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with Applicable Laws, Rules, Regulations and Guidelines.

**We further report that**, the members of the Company at the Annual General Meeting held on 28 July, 2022 approved;

1. Appointment of Mr. Shekhar Bhatnagar (DIN: 01865541) as Director of the Company.
2. Appointment of Mr. Swaminathan Janakiraman (DIN: 08516241) as Director of the Company.

**We further report that**, the members of the Company at the Extra Ordinary General Meeting held on February 17, 2023 approved;

1. the amendment to the Employees' Stock Option Plan 2018.
2. the extension of the Company's Employees' Stock Option Plan 2018 to the employees of the subsidiary Company(ies).
3. the implementation of Employees' Stock Option Plan 2018 through Employees' Welfare Trust.
4. the Grant of Loan to Employees' Welfare Trust.

**For M/s. N. L. Bhatia & Associates**  
Practicing Company Secretaries  
UIN: P1996MH055800  
P/R. No.: 700/2020

Sd/-

**N.L. BHATIA**

Partner

FCS No. 1176

COP No. 422

UDIN: F001176E000454486

Place : Mumbai

Date : June 05, 2023



## INDEPENDENT AUDITOR'S REPORT

To the members of  
SBI Funds Management Limited

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

#### Opinion

We have audited the accompanying standalone financial statements of SBI Funds Management Limited, previously known as SBI Funds Management Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, 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 ("Ind AS") prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, 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 Company's Annual Report but does not include the Standalone Financial Statements and our audit report thereon. The Company's Annual Report is expected to be made available to us after the date of this audit 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, the Company's Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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;
- (e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2023 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** wherein we have expressed an unmodified opinion;
- (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, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (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 27 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    1. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    2. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    3. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (1) and (2) above, contain any material mis-statement.
  - v. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Companies Act, 2013.
  - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company only w.e.f. 1st April, 2023, reporting under this clause (Rule 11(g)) is not applicable.



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. As such, we have not come across any accounting transactions processed outside IT system which would have an impact on the integrity of the accounts or any financial implications. |
| 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. Whether such cases are properly accounted for? (in case, lender is a Government Company, then its direction is also applicable for statutory auditor of lender Company). | Based on our examination of relevant records of the company and the information and explanations received from the management, there were no borrowings made by the company and hence this clause is not applicable for the year 2022-23.   |
| c.      | Whether funds (grants/subsidy etc.) received/receivable for specific schemes from central/ state government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.   | Based on our examination of relevant records of the company and the information and explanations received from the management, there are no funds received/ receivable from Central/State agencies.   |

For Borkar & Muzumdar

Chartered Accountants

Firm Registration No: 101569W

Sd/-

Devang Vaghani

Partner

Membership No: 109386

Place: Mumbai

Date: 27th April 2023

UDIN: 23109386BGWGJR4906



## 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 Limited ("the Company") on the Standalone Financial Statements as of and for the year ended 31st March 2023]

- (i) In respect of the Company's Property Plant and Equipment ("PPE") and Intangible Assets:
- (a) 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of the PPE;
  2. The Company has maintained proper records showing full particulars of intangible assets.
  - (b) As per information and explanations given to us, physical verification of PPE has been carried out by the Management during the year in accordance with the phased programme of verification of all assets over three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification;
  - (c) 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;
  - (d) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not revalued its PPE or Intangible asset during the year.
  - (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) Since the Company is a service provider, clause 3(ii)(a) of the Order pertaining to physical verification of inventory is not applicable to the Company;
- (b) Clause 3(ii)(b) pertaining to sanctioning of working capital loan on the basis of security of current assets is not applicable to the Company since the Company has not borrowed any loan in the form of working capital from banks or financial institutions during the year.
- (iii) The Company has not made investments in, and not provided any guarantee or security or advances in the nature of 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. The Company has granted unsecured loan to one party during the year.

- (a) The Details of Loan granted during the year are given below:

(₹ In Lakhs)

| Particular   | Guarantee | Security | Loans    | Advance in the nature of Loan |
|--|-----------|----------|----------|-------------------------------|
| Aggregate Amount During the year - Others              | -         | -        | 4,156.00 | -                             |
| Balance outstanding at the balance sheet date - Others | -         | -        | 4,156.00 | -                             |

- (b) The Loan granted are not, prima facie, prejudicial to the Company's interest.
- (c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. No portion of the loan is due for repayment during the current year.
- (d) There is no amount which is overdue for more than 90 days in respect of loan granted to such party.
- (e) No loan amount is fallen due during the current year. Further, no fresh loan was granted to such party to settle the overdue loans.
- (f) The Company has not granted any loans, which is repayable on demand or without specifying the terms or period of repayment.



- (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 or the amounts which are deemed to be 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, income-tax, service tax, cess, Goods and Service Tax and other statutory dues applicable to the Company with appropriate authorities;
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service 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;
- (c) According to the information and explanations given to us, there are no dues outstanding in respect of income tax or service tax or Goods & service tax which has not been deposited on account of any dispute except the following:

| Sr. No. | Name of the Statute       | Nature of Dues   | Forum Where Dispute is pending | Amount<br>(₹ In Lakhs) | Period block to which it relates |
|---------|---------------------------|--|--------------------------------|------------------------|----------------------------------|
| 1       | Maharashtra GST Act, 2017 | Excess Input tax Credit claimed in GSTR 3B as compared GSTR 2A | Commissioner Appeals           | 0.68                   | FY 2017-18                       |

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) 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 (ix) (a) to (f) of the order is not applicable to the Company;
- (x) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans or Private placement or preferential allotment and hence reporting under clause 3 (x) (a) to (b) of the Order is not applicable to the Company;
- (xi) (a) Based on the information and explanations given to us by the management, no material frauds in the Company or on the Company have been noticed or reported during the year.
- (b) No report under sub section (12) of Section 143 of the Companies Act, 2013 is required to be filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on our enquiries and according to the information and explanation given by the management, we have been informed that no whistle blower complaints has been received during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii)(a) to (c) 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) (a) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business.
- (b) The reports of the Internal auditor for the year under audit have been considered by us during the audit.



- (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 reporting under 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. The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year and the Company is not a Core Investment Company (CIC) and hence reporting under clause 3 (xvi) b, c and d are not applicable.
- (xvii) According to the information and explanation given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditor during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and based on our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) According to the information and explanations given to us and based on our examination of the records of the Company, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects as on 31st March 2023. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) The amount remaining unspent under sub-section (5) of Section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the said Act.
- (xxi) Since this is report on the Standalone Financial Statements of the Company, reporting under clause 3 (xxi) is not applicable.

**For Borkar & Muzumdar**  
**Chartered Accountants**  
**Firm Registration No.: 101569W**

Sd/-  
**Devang Vaghani**  
**Partner**  
Membership No.: 109386

Place: Mumbai  
Date: 27th April 2023

UDIN: 23109386BGWJ4906



## 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 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 Limited ("the Company") as of 31st March 2023 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 with reference to standalone financial statements based on the internal control over financial reporting 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 system over financial reporting 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 2023, 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 Borkar & Muzumdar**  
**Chartered Accountants**  
**Firm Registration No.: 101569W**

Sd/-  
**Devang Vaghani**  
**Partner**  
Membership No.: 109386

Place: Mumbai  
Date: 27th April 2023

UDIN: 23109386BGWGJR4906



**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 LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of financial statements of SBI Funds Management Limited for the year ended 31 March 2023 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 the standards on auditing prescribed under 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April 2023.

The assets under management through various schemes managed by SBI Funds Management Limited are not reflected in its Balance Sheet, since these assets do not form part of the SBI Funds Management 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 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 Limited for the year ended 31 March 2023 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/-  
(Guljari Lal)  
Director General of Audit (Shipping), Mumbai

Place : Mumbai

Date : June 27, 2023



**STATEMENT OF ASSETS & LIABILITIES AS AT 31 MARCH 2023**

(₹ In Lakhs)

| Particulars   | Note No. | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------|----------------------|----------------------|
| <b>ASSETS</b>   |          |                      |                      |
| <b>1. Financial Assets</b>  |          |                      |                      |
| (a) Cash & Cash equivalents   | 2        | 31.64                | 171.84               |
| (b) Bank Balance other than (a) above   | 3        | 2,908.10             | 2,871.99             |
| (c) Receivables   |          |                      |                      |
| (i) Trade Receivables   | 4        | 5,600.34             | 4,642.85             |
| (d) Loans   | 5        | 4,188.47             | 52.80                |
| (e) Investments   | 6        | 4,58,510.32          | 3,38,196.00          |
| (f) Other Financial assets  | 7        | 856.50               | 5,742.01             |
| <b>Sub-total - Financial Assets</b>   |          | <b>4,72,095.37</b>   | <b>3,51,677.49</b>   |
| <b>2. Non Financial Assets</b>  |          |                      |                      |
| (a) Current Tax assets (Net)  |          | 2,196.59             | 2,374.62             |
| (b) Property, Plant and Equipment   | 9        | 22,728.61            | 22,029.93            |
| (c) Intangible Asset under Development  | 10       | 187.90               | 282.54               |
| (d) Other Intangible assets   | 11       | 420.11               | 312.56               |
| (e) Other Non- financial assets   | 12       | 2,283.96             | 1,386.68             |
| <b>Sub-total - Non- Financial Assets</b>  |          | <b>27,817.17</b>     | <b>26,386.33</b>     |
| <b>Total Assets</b>   |          | <b>4,99,912.54</b>   | <b>3,78,063.82</b>   |
| <b>LIABILITIES AND EQUITY</b>   |          |                      |                      |
| <b>Liabilities</b>  |          |                      |                      |
| <b>1. Financial Liabilities</b>   |          |                      |                      |
| <b>(a) Payables</b>   |          |                      |                      |
| <b>I. Trade Payables</b>  |          |                      |                      |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 13       | 4.83                 | 32.67                |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 13       | 1,352.73             | 1,463.70             |
| (b) Other financial liabilities   | 14       | 8,873.75             | 8,070.15             |
| <b>Sub-total - Financial Liabilities</b>  |          | <b>10,231.31</b>     | <b>9,566.52</b>      |
| <b>2. Non Financial Liabilities</b>   |          |                      |                      |
| (a) Provision   | 15       | 11,045.72            | 10,244.40            |
| (b) Deferred tax liabilities (Net)  | 8        | 1,020.38             | 701.82               |
| (c) Other non-financial liabilities   | 16       | 769.28               | 454.59               |
| <b>Sub-total - Non-Financial Liabilities</b>  |          | <b>12,835.38</b>     | <b>11,400.81</b>     |
| <b>3. Equity</b>  |          |                      |                      |
| (a) Equity Share capital  | 17       | 5,037.24             | 5,033.05             |
| (b) Other Equity  | 18       | 4,71,808.61          | 3,52,063.44          |
| <b>Sub-total -Equity</b>  |          | <b>4,76,845.85</b>   | <b>3,57,096.49</b>   |
| <b>Total Liabilities and Equity</b>   |          | <b>4,99,912.54</b>   | <b>3,78,063.82</b>   |
| Summary of Significant Accounting Policies  | 1        |                      |                      |
| Other Notes to the Financial Statements   | 2-49     |                      |                      |

The accompanying notes form an integral part of the financial statements.

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No: 101569W

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

Sd/-  
**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

Sd/-  
**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

Sd/-  
**Devang Vaghani**  
Partner  
Membership No: 109386

Sd/-  
**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)  
Director  
DIN 08716335

Sd/-  
**Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Place: Mumbai  
Date : 27 April 2023

Place: Mumbai  
Date : 27 April 2023

Sd/-  
**Inderjeet Ghuliani**  
Chief Financial Officer



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023**

(₹ In Lakhs)

| Particulars   | Note No. | For the Year Ended<br>31 Mar 2023 | For the Year Ended<br>31 Mar 2022 |
|---|----------|-----------------------------------|-----------------------------------|
| <b>Revenue from Operations</b>                                    |          |                                   |                                   |
| (i) Asset management Fee  | 19       | 2,15,557.29                       | 1,83,186.58                       |
| (ii) Net gain on fair value changes                               | 20       | 14,169.72                         | 12,112.05                         |
| <b>I. Total revenue from operations</b>                           |          | <b>2,29,727.01</b>                | <b>1,95,298.63</b>                |
| <b>II Other Income</b>  | 21       | 11,459.06                         | 4,263.41                          |
| <b>III. Total Income (I+II)</b>                                   |          | <b>2,41,186.07</b>                | <b>1,99,562.04</b>                |
| <b>Expenses</b>   |          |                                   |                                   |
| (i) Finance cost  | 40       | 525.46                            | 444.16                            |
| (ii) Scheme expenses  |          | 2,801.43                          | 5,111.39                          |
| (iii) Employee benefits expenses                                  | 22       | 32,614.17                         | 28,865.18                         |
| (iv) Depreciation and amortization expense                        | 9, 11    | 3,383.65                          | 3,317.93                          |
| (iv) Other expenses   | 23       | 24,572.34                         | 19,092.90                         |
| <b>IV. Total expenses</b>   |          | <b>63,897.05</b>                  | <b>56,831.56</b>                  |
| V. Profit / (Loss) before exceptional items and tax (III-IV)      |          | 1,77,289.02                       | 1,42,730.48                       |
| VI. Exceptional Items   |          | -                                 | -                                 |
| VII. Profit/(loss) before tax (V-VI)                              |          | 1,77,289.02                       | 1,42,730.48                       |
| <b>VIII. Tax Expense:</b>   |          |                                   |                                   |
| - Current Tax   | 24       | 43,850.00                         | 36,800.00                         |
| - Deferred Tax  | 25       | 319.41                            | (1,134.43)                        |
| <b>IX. Profit / (loss) for the period (VII-VIII)</b>              |          | <b>1,33,119.61</b>                | <b>1,07,064.91</b>                |
| <b>X. Other Comprehensive Income</b>                              |          |                                   |                                   |
| Items that will not be reclassified to profit or loss :           |          |                                   |                                   |
| i) Remeasurements of the defined benefit plans                    |          | (3.38)                            | 137.55                            |
| ii) Deferred tax on above   |          | 0.85                              | (34.62)                           |
| <b>XI. Total Comprehensive Income for the period (IX+X)</b>       |          | <b>1,33,117.08</b>                | <b>1,07,167.84</b>                |
| <b>XII. Earnings per equity share ( Face value of ₹ 1/- each)</b> | 26       |                                   |                                   |
| Basic (₹)   |          | 26.45                             | 21.33                             |
| Diluted (₹)   |          | 26.33                             | 21.22                             |
| Summary of Significant Accounting Policies                        | 1        |                                   |                                   |
| Other Notes to the Financial Statements                           | 2-49     |                                   |                                   |

The accompanying notes form an integral part of the financial statements.

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No: 101569W

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

Sd/-  
**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

Sd/-  
**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

Sd/-  
**Devang Vaghani**  
Partner  
Membership No: 109386

Sd/-  
**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)  
Director  
DIN 08716335

Sd/-  
**Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Place: Mumbai  
Date : 27 April 2023

Place: Mumbai  
Date : 27 April 2023

Sd/-  
**Inderjeet Ghuliani**  
Chief Financial Officer



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023****(₹ In Lakhs)**

| Particulars  | For the Year Ended<br>31 Mar 2023 | For the Year Ended<br>31 Mar 2022 |
|--|-----------------------------------|-----------------------------------|
| <b>Cash Flow from Operating Activities</b>                 |                                   |                                   |
| Net profit Before Tax                                      | 1,77,289.02                       | 1,42,730.48                       |
| <b>Adjustments for:</b>                                    |                                   |                                   |
| Depreciation and Amortization                              | 3,383.65                          | 3,317.93                          |
| Finance cost   | 525.46                            | 444.16                            |
| Employee Stock Option Expenses                             | 2,897.49                          | 2,333.19                          |
| (Profit) /Loss on sale of Property, Plant, Equipment (Net) | (9.72)                            | (3.13)                            |
| Fair valuations of Investment (Net)                        | (6,018.26)                        | 1,027.81                          |
| Gain on sale/redemption of investments                     | (8,151.46)                        | (13,139.86)                       |
| Interest income on investments                             | (9,947.13)                        | (2,488.48)                        |
| Interest on loan   | (6.54)                            | -                                 |
| Interest on Fixed deposit                                  | (139.47)                          | (128.54)                          |
| Other Interest income                                      | (1.37)                            | (1.86)                            |
| Dividend from Subsidiary                                   | (547.96)                          | (114.53)                          |
| Dividend income  | (1.61)                            | -                                 |
| <b>Operating profit before working capital changes</b>     | <b>1,59,272.10</b>                | <b>1,33,977.17</b>                |
| Decrease / (Increase) in Other Bank Balance                | 103.36                            | 4,885.23                          |
| Decrease / (Increase) in Trade Receivables                 | (957.49)                          | (528.54)                          |
| Decrease / (Increase) in Other Financial Assets            | 4,885.51                          | (5,018.79)                        |
| Decrease / (Increase) in Other Non Financial Assets        | (897.28)                          | 116.63                            |
| (Decrease) / Increase in Trade Payables                    | (138.81)                          | 56.70                             |
| (Decrease) / Increase in Other Financial Liabilities       | (246.41)                          | 344.71                            |
| (Decrease) / Increase in Provisions                        | 797.94                            | 768.10                            |
| (Decrease) / Increase in Other Non- Financial Liabilities  | 314.69                            | 160.68                            |
| <b>Net Cash Generated from Operations</b>                  | <b>1,63,133.61</b>                | <b>1,34,761.89</b>                |
| Income taxes paid net of refund ,if any                    | 43,671.97                         | 34,125.63                         |
| <b>Net cash generated from Operating Activities (A)</b>    | <b>1,19,461.64</b>                | <b>1,00,636.26</b>                |
| <b>Cash Flow from Investing Activities</b>                 |                                   |                                   |
| Purchase of Intangible assets                              | (263.21)                          | (431.92)                          |
| Purchase of Tangible assets                                | (901.85)                          | (649.98)                          |
| Purchase of Investments                                    | (4,24,005.49)                     | (2,91,945.30)                     |
| Proceeds from Sale of Investments                          | 3,21,234.30                       | 2,08,191.67                       |
| Loan to Staff and Employee welfare trust                   | (4,129.13)                        | -                                 |
| Other Interest Income                                      | 1.37                              | 1.86                              |
| Dividend received on investments                           | 1.61                              | -                                 |



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023**

(₹ In Lakhs)

| Particulars  | For the Year Ended<br>31 Mar 2023 | For the Year Ended<br>31 Mar 2022 |
|--|-----------------------------------|-----------------------------------|
| Dividend from subsidiary   | 547.96                            | 114.53                            |
| Interest income on investments   | 6,573.71                          | 694.80                            |
| <b>Net Cash used in Investing Activities (B)</b>   | <b>(1,00,940.73)</b>              | <b>(84,024.34)</b>                |
| <b>Cash Flow from Financing Activities</b>   |                                   |                                   |
| Proceeds from issuance of Share capital  | 1,365.12                          | 5,223.82                          |
| Principal element of Lease payments  | (1,870.43)                        | (1,583.02)                        |
| Interest element of Lease payments   | (525.46)                          | (444.16)                          |
| Interim Dividend paid  | (17,630.33)                       | (15,088.56)                       |
| Final Dividend paid  | -                                 | (5,272.50)                        |
| <b>Net Cash used in Financing Activities (C)</b>   | <b>(18,661.10)</b>                | <b>(17,164.42)</b>                |
| <b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>   | <b>(140.19)</b>                   | <b>(552.50)</b>                   |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>  | <b>171.84</b>                     | <b>724.34</b>                     |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>  | <b>31.64</b>                      | <b>171.84</b>                     |
| <b>Cash and Cash Equivalent comprising of :</b>  |                                   |                                   |
| Cash   | 0.41                              | 0.29                              |
| Balance with Banks in current accounts   | 31.23                             | 171.55                            |
| <b>Total</b>   | <b>31.64</b>                      | <b>171.84</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' and previous year figures have been regrouped. |                                   |                                   |
| Summary of Significant Accounting Policies   | 1                                 |                                   |
| Other Notes to the Financial Statements  | 2-49                              |                                   |

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No: 101569W

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

Sd/-  
**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

Sd/-  
**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

Sd/-  
**Devang Vaghani**  
Partner  
Membership No: 109386

Sd/-  
**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)  
Director  
DIN 08716335

Sd/-  
**Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Place: Mumbai  
Date : 27 April 2023

Place: Mumbai  
Date : 27 April 2023

Sd/-  
**Inderjeet Ghuliani**  
Chief Financial Officer



## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

## a. Equity Share Capital:

(₹ in Lakh)

| Particulars  | Balance at the beginning of the year | Changes in Equity Share Capital during the year | Balance at the end of the year |
|--|--------------------------------------|---|--------------------------------|
| Equity Shares of ₹1 each, fully paid up (Previous Year ₹1 each, fully paid up) |                                      |   |                                |
| As at 31 March, 2023   | 5,033.05                             | 4.19  | 5,037.24                       |
| As at 31 March, 2022   | 5,009.25                             | 23.80   | 5,033.05                       |

## b. Other Equity

(₹ in Lakh)

| Particulars   | Reserves and Surplus    |                    |                 |                                   |                   | OCI*     | Total Other Equity |
|---|-------------------------|--------------------|-----------------|-----------------------------------|-------------------|----------|--------------------|
|   | Share Application Money | Securities Premium | General Reserve | Shares Option Outstanding Account | Retained Earnings |          |                    |
| Opening balance as at 01 April, 2022  | -                       | 8,492.47           | 11,760.09       | 3,314.84                          | 3,28,943.47       | (447.43) | 3,52,063.44        |
| Profit for the year   | -                       | -                  | -               | -                                 | 1,33,119.61       | -        | 1,33,119.61        |
| Other Comprehensive Income<br>-Remeasurement gain/(loss) of the defined benefit plans (net of tax)      | -                       | -                  | -               | -                                 | -                 | (2.53)   | (2.53)             |
| <b>Total Comprehensive Income for the year</b>  | -                       | -                  | -               | -                                 | 1,33,119.61       | (2.53)   | 1,33,117.08        |
| Transfer to/from retained earnings  | -                       | -                  | 500.00          | -                                 | (500.00)          | -        | -                  |
| Other Additions/Deductions during the year  | -                       | -                  | -               | 2,897.49                          | -                 | -        | 2,897.49           |
| Interim Dividend for FY 2022-23   | -                       | -                  | -               | -                                 | (17,630.33)       | -        | (17,630.33)        |
| Additions During the year (towards options exercised)   | 1,365.12                | 1,360.93           | -               | -                                 | -                 | -        | 2,726.05           |
| Utilised during the year (on account of allotment of shares under ESOP)                                 | (1,365.12)              | -                  | -               | -                                 | -                 | -        | (1,365.12)         |
| Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)       | -                       | 362.92             | -               | (362.92)                          | -                 | -        | -                  |
| Transfer from Share Options Outstanding Account to Retained Earnings (towards vested options cancelled) | -                       | -                  | -               | (15.19)                           | 15.19             | -        | -                  |
| <b>Changes during the year</b>  | -                       | 1,723.85           | 500.00          | 2,519.38                          | (18,115.14)       | -        | (13,371.91)        |
| <b>Closing Balance as at 31 March, 2023</b>   | -                       | 10,216.32          | 12,260.09       | 5,834.22                          | 4,43,947.94       | (449.96) | 4,71,808.61        |
| Opening balance as at 01 April, 2021  | -                       | 1,925.08           | 11,260.09       | 2,353.31                          | 2,37,462.84       | (550.36) | 2,52,450.96        |
| Profit for the year   | -                       | -                  | -               | -                                 | 1,07,064.91       | -        | 1,07,064.91        |
| Other Comprehensive Income<br>-Remeasurement gain/(loss) of the defined benefit plans (net of tax)      | -                       | -                  | -               | -                                 | -                 | 102.93   | 102.93             |
| <b>Total Comprehensive Income for the year</b>  | -                       | -                  | -               | -                                 | 1,07,064.91       | 102.93   | 1,07,167.84        |
| Transfer to/from retained earnings  | -                       | -                  | 500.00          | -                                 | (500.00)          | -        | -                  |



## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

| Particulars   | Reserves and Surplus    |                    |                  |                                   |                    | OCI*            | Total Other Equity |
|---|-------------------------|--------------------|------------------|-----------------------------------|--------------------|-----------------|--------------------|
|   | Share Application Money | Securities Premium | General Reserve  | Shares Option Outstanding Account | Retained Earnings  |                 |                    |
| Other Additions/Deductions during the year  | -                       | -                  | -                | 2,333.19                          | -                  | -               | 2,333.19           |
| Interim Dividend for FY 2021-22   | -                       | -                  | -                | -                                 | (15,088.56)        | -               | (15,088.56)        |
| Additions During the year (towards options exercised)   | 5,223.82                | 5,200.01           | -                | -                                 | -                  | -               | 10,423.83          |
| Utilised during the year (on account of allotment of shares under ESOP)                                 | (5,223.82)              | -                  | -                | -                                 | -                  | -               | (5,223.82)         |
| Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)       | -                       | 1,367.38           | -                | (1,367.38)                        | -                  | -               | -                  |
| Transfer from Share Options Outstanding Account to Retained Earnings (towards vested options cancelled) | -                       | -                  | -                | (4.28)                            | 4.28               | -               | -                  |
| <b>Changes during the year</b>  | <b>-</b>                | <b>6,567.39</b>    | <b>500.00</b>    | <b>961.53</b>                     | <b>(15,584.28)</b> | <b>-</b>        | <b>(7,555.36)</b>  |
| <b>Closing Balance as at 31 March, 2022</b>   | <b>-</b>                | <b>8,492.47</b>    | <b>11,760.09</b> | <b>3,314.84</b>                   | <b>3,28,943.47</b> | <b>(447.43)</b> | <b>3,52,063.44</b> |

\* Other Comprehensive Income

Summary of Significant Accounting Policies 1

Other Notes to the Financial Statements 2-49

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No: 101569W

Sd/-  
**Devang Vaghani**  
Partner  
Membership No: 109386

Place: Mumbai  
Date : 27 April 2023

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

Sd/-  
**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

Sd/-  
**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)  
Director  
DIN 08716335

Place: Mumbai  
Date : 27 April 2023

Sd/-  
**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

Sd/-  
**Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Sd/-  
**Inderjeet Ghuliani**  
Chief Financial Officer



## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICY

#### Company Overview

SBI Funds Management Limited ('SBIFML/ the Company') erstwhile known as SBI Funds Management Private Limited was incorporated on 7th February 1992 under The Companies Act, 1956 (Act). The Company is 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 wholly owned foreign subsidiary namely SBI Funds Management (International) Private Limited, which is based at Mauritius and manages Off-shore Funds.

The Company is also registered with SEBI under the SEBI (Portfolio Managers) Regulations, 1993 now replaced by SEBI (Portfolio Managers) Regulations, 2020 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 Company has also received approval from the Development Commissioner, Kandla Special Economic Zone vide Letter of Approval dated March 19, 2021 for setting up branch office in International Financial Services Centres (IFSC) – GIFT City at Gujarat for undertaking Investment Management activities / services for pooled assets and Portfolio Management services. The Company has set up a branch in IFSC. International Financial Services Centres Authority (IFSCA) has granted certificate of registration dated November 28, 2022 to SBI Funds Management Limited (IFSC Branch) to carry out activities as a Fund Management Entity (Retail) vide registration number IFSCA / FME/ III/ 2022-23/010.

#### 1.1 Statement of compliance

The Financial statements of SBI Funds Management 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 lower of carrying amount or fair value less cost to sell
- Defined benefit plans- plan assets measured at fair value

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.

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 36.

#### 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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



## NOTES TO THE FINANCIAL STATEMENTS

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

### 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 – Fair values, risk management and impairment of financial assets.
- Estimates of useful lives and residual value of property, plant and equipment, and other intangible assets.
- Obligation relating to employee benefits related to actuarial assumptions and share based payments.
- Recognition and measurement of provisions and contingencies; key assumptions related to the likelihood and magnitude of an outflow of resources, if any
- Recognition of deferred tax assets/liabilities.
- Determination of lease term and discount rate for lease liabilities.
- Impairment test of non-financial assets:

key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets.

### 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.



## NOTES TO THE FINANCIAL STATEMENTS

### 1.6 Revenue recognition

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115 to determine when to recognize revenue and at what amount. The Company applies for the five - step approach for recognition of revenue.

- Identification of contract(s) with customer
- Identification of separate performance obligation in the contract
- Determination of transaction price
- Allocation of transaction price to the separate performance obligation, and
- Recognition of revenue when (or as) each performance obligation is satisfied.

#### 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.

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

##### a. Management Fees:

The Company receives management fees from the mutual fund which is charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The maximum amount of management fee that can be charged is subject to applicable SEBI regulations. In case of AIF Scheme management fees is recognised as defined into offer document on accrual basis.

##### b. Portfolio Management and Advisory Services:

Portfolio Management Fees and Advisory Fees are recognised on an accrual basis as per the terms of the contract with the customers.

These contracts include a single performance obligation (series of distinct services) that is satisfied over time and the management fees and/or advisory fees earned are considered as variable consideration.

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

#### 1.6.2 Other Income:

##### a. Dividend income:

Dividend income from investments is recognised when the right to receive payment has been 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 other income in the statement of profit and loss.



**NOTES TO THE FINANCIAL STATEMENTS****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 along with guidelines by Association of Mutual Funds in India (AMFI) issued from time to time.

Expenses of schemes of SBI Mutual Fund, in excess of the stipulated rates (if any), 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. In case of PMS/AIF scheme, based on the contract, expenses if any, are charged to the Statement of Profit and Loss.

- b. **Brokerage:** in case of open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs), brokerage paid of future period up to 21st October 2018 are amortized over a period of 36 months and in other cases 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. 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 incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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.



**NOTES TO THE FINANCIAL STATEMENTS****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 statement of profit and loss 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 statement of profit and loss, respectively).

**1.10 Employee benefits****a. Defined Contribution Plan:****i. 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.

**ii. 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.

**iii. National Pension System /Scheme (NPS)**

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



## NOTES TO THE FINANCIAL STATEMENTS

### 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 statement of profit and 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 end of reporting period.

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.



## NOTES TO THE FINANCIAL STATEMENTS

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 Company 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.

### 1.12 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.

#### Capital work in progress

Projects under which property plant and equipment are not ready for their intended use are carried at cost less accumulated impairment losses, comprising direct cost, inclusive of taxes, duties, freight, and other incidental expenses.



## 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, if any. 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.

#### Intangible assets under development

The intangible assets under development includes cost of intangible assets that are not ready for their intended use less accumulated impairment losses (if any).

### 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.



**NOTES TO THE FINANCIAL STATEMENTS****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 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.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Capital commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/ development of assets and other commitment represent the amounts pertaining to investments which have been committed but not called for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

**1.16 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 using effective interest rate.

***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.

***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.



**NOTES TO THE FINANCIAL STATEMENTS****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)

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.

**Offsetting of financial instruments**

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

**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.



**NOTES TO THE FINANCIAL STATEMENTS****1.19 Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**1.20 Impairment of Non- Financial assets**

The carrying amounts of non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated impaired when the carrying cost of an asset or cash-generating unit's (CGU) exceeds its recoverable value.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The recoverable amount is the greater of the assets' or CGU's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss, if any, is charged to Statement of Profit and Loss Account in the year in which an asset is identified as impaired. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**1.21 Standards Issued/Amended but not Effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12- Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 2. CASH AND CASH EQUIVALENTS

| Particulars             | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|-------------------------|----------------------|----------------------|
| a. Cash on hand         | 0.41                 | 0.29                 |
| b. Balance with banks * |                      |                      |
| - in Current accounts   | 31.23                | 171.55               |
| <b>Total</b>            | <b>31.64</b>         | <b>171.84</b>        |

(\*Refer Note No 41 for Related Party Disclosures)

## 3. OTHER BANK BALANCES \*

| Particulars   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------------------|----------------------|
| a. Current account earmarked for unpaid dividend#         | 2.44                 | -                    |
| b. Earmarked for CSR                                      | 365.75               | 458.95               |
| c. Balances with banks**<br>(Including interest accrued ) | 2,539.91             | 2,413.04             |
| <b>Total</b>  | <b>2,908.10</b>      | <b>2,871.99</b>      |

(\*Refer Note No 41 for Related Party Disclosures)

(\*\* includes (i) AED 50,000 (₹11.59 lakh) [previous year AED 50,000 (₹10.28 lakh)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of representative office at Dubai. (ii) ₹ 2,145 lakh 31 Mar 2023 [previous year ₹2,145 lakh] towards lien created for PMS activities for providing the Performance Guarantee)  
 (# ₹ 2.30 lakh earmarked for unpaid dividend)

## 4. TRADE RECEIVABLES \*

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| a. Receivables considered good - Secured;                      | -                    | -                    |
| b. Receivables considered good - Unsecured;                    |                      |                      |
| i. Management Fees Receivable                                  | 2,982.91             | 2,547.07             |
| ii. Portfolio Management & Advisory Fees Receivable            | 2,617.43             | 2,095.78             |
| c. Receivables which have significant increase in credit risk; | -                    | -                    |
| d. Receivables – credit impaired                               | -                    | -                    |
| <b>Total</b>   | <b>5,600.34</b>      | <b>4,642.85</b>      |



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## LOSS ALLOWANCE

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| a. Receivables considered good - Secured;                      | -                    | -                    |
| b. Receivables considered good - Unsecured;                    |                      |                      |
| i. Management Fees Receivable                                  | -                    | -                    |
| ii. Portfolio Management & Advisory Fees Receivable            | -                    | -                    |
| c. Receivables which have significant increase in credit risk; | -                    | -                    |
| d. Receivables – credit impaired                               | -                    | -                    |
| <b>Total</b>   | <b>-</b>             | <b>-</b>             |

## NET AMOUNT (TRADE RECEIVABLE)

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| a. Receivables considered good - Secured;                      | -                    | -                    |
| b. Receivables considered good - Unsecured;                    |                      |                      |
| i. Management Fees Receivable                                  | 2,982.91             | 2,547.07             |
| ii. Portfolio Management & Advisory Fees Receivable            | 2,617.43             | 2,095.78             |
| c. Receivables which have significant increase in credit risk; | -                    | -                    |
| d. Receivables – credit impaired                               | -                    | -                    |
| <b>Total</b>   | <b>5,600.34</b>      | <b>4,642.85</b>      |

## RECEIVABLES CONSIDERED GOOD - UNSECURED

| Particulars          | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|----------------------|----------------------|----------------------|
| <b>a. Undisputed</b> |                      |                      |
| - Unbilled           | 591.02               | 547.94               |
| - Billed not due     | -                    | -                    |
| - Billed and due     | 5,009.32             | 4,094.91             |
| <b>b. Disputed</b>   | -                    | -                    |
| <b>Total</b>         | <b>5,600.34</b>      | <b>4,642.85</b>      |



## NOTES TO THE FINANCIAL STATEMENTS

## TRADE RECEIVABLES - AGEING SCHEDULE

(₹ in Lakhs)

| Particulars   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------------------|----------------------|
| <b>a. Unsecured, considered good &amp; undisputed</b> |                      |                      |
| - Unbilled  | 591.02               | 547.94               |
| - Billed and due                                      |                      |                      |
| - Less than 6 Months                                  | 4,752.44             | 3,811.72             |
| - 6 months - 1 year                                   | 255.73               | 259.25               |
| - 1-2 years   | 1.15                 | 23.94                |
| <b>b. Disputed</b>                                    | -                    | -                    |
| <b>Total</b>  | <b>5,600.34</b>      | <b>4,642.85</b>      |

(\*Refer Note No 41 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)

## 5. LOANS\*

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| i. Loan to Employee Welfare Trust (EWT) \$                         | 4,156.00             | -                    |
| ii. Staff Loans  |                      |                      |
| a. Loans receivable considered good - Secured #                    | 22.20                | 41.82                |
| b. Loans receivable considered good – Unsecured                    | 10.27                | 10.98                |
| c. Loans receivable which have significant increase in credit risk | -                    | -                    |
| d. Loans receivable - credit impaired                              | -                    | -                    |
| <b>Total</b>   | <b>4,188.47</b>      | <b>52.80</b>         |

\$ measured at amortised cost. Loan is granted to EWT pursuant to amended ESOP policy for the period for 5 years and as approved by the Shareholders.

(\*Refer Note No 41 for Related Party Disclosures)

# Staff loans includes housing loans and vehicles loans which are secured against the respective assets and are based in India.



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 6. INVESTMENTS

| Particulars                         | As at 31 Mar 2023  |              |  |                    |               |                    |
|-------------------------------------|--------------------|--------------|--|--------------------|---------------|--------------------|
|                                     | At Fair Value      |              |  |                    | Others        | Total              |
|                                     | Amortised cost     | Through OCI# | Fair value through profit and loss account | Sub total          |               |                    |
| 1                                   | 2                  | 3            | 4=(2+3)                                    | 5                  | 6=(1+4+5)     |                    |
| Mutual fund units                   | -                  | -            | 2,73,985.85                                | 2,73,985.85        | -             | 2,73,985.85        |
| Alternative investment funds        | -                  | -            | 3,861.57                                   | 3,861.57           | -             | 3,861.57           |
| Debt Securities                     | 1,78,014.33        | -            | -  | -                  | -             | 1,78,014.33        |
| Investment in Subsidiaries*         | -                  | -            | -  | -                  | 4.44          | 4.44               |
| Investment in Associates*           | -                  | -            | -  | -                  | 600.25        | 600.25             |
| Investment in Equity Shares         | -                  | -            | 2,020.41                                   | 2,020.41           | 0.10          | 2,020.51           |
| Investment in Preference Shares     | 23.37              | -            | -  | -                  | -             | 23.37              |
| <b>Total – Gross (A)</b>            | <b>1,78,037.70</b> | <b>-</b>     | <b>2,79,867.83</b>                         | <b>2,79,867.83</b> | <b>604.79</b> | <b>4,58,510.32</b> |
| i. Overseas Investments             | -                  | -            | -  | -                  | 4.44          | 4.44               |
| ii. Investments in India            | 1,78,037.70        | -            | 2,79,867.83                                | 2,79,867.83        | 600.35        | 4,58,505.89        |
| <b>Total (B)</b>                    | <b>1,78,037.70</b> | <b>-</b>     | <b>2,79,867.83</b>                         | <b>2,79,867.83</b> | <b>604.79</b> | <b>4,58,510.32</b> |
| Less: Impairment loss allowance (C) | -                  | -            | -  | -                  | -             | -                  |
| <b>Total – Net (D) = (A)-(C)</b>    | <b>1,78,037.70</b> | <b>-</b>     | <b>2,79,867.83</b>                         | <b>2,79,867.83</b> | <b>604.79</b> | <b>4,58,510.32</b> |

| Particulars                         | As at 31 Mar 2022 |              |  |                    |               |                    |
|-------------------------------------|-------------------|--------------|--|--------------------|---------------|--------------------|
|                                     | At Fair Value     |              |  |                    | Others        | Total              |
|                                     | Amortised cost    | Through OCI# | Fair value through profit and loss account | Sub total          |               |                    |
| 1                                   | 2                 | 3            | 4=(2+3)                                    | 5                  | 6=(1+4+5)     |                    |
| Mutual fund units                   | -                 | -            | 2,78,822.19                                | 2,78,822.19        | -             | 2,78,822.19        |
| Alternative investment funds        | -                 | -            | 2,098.94                                   | 2,098.94           | -             | 2,098.94           |
| Debt Securities                     | 54,645.37         | -            | -  | -                  | -             | 54,645.37          |
| Investment in Subsidiaries*         | -                 | -            | -  | -                  | 4.44          | 4.44               |
| Investment in Associates*           | -                 | -            | -  | -                  | 600.25        | 600.25             |
| Investment in Equity Shares         | -                 | -            | 2,001.07                                   | 2,001.07           | 0.10          | 2,001.17           |
| Investment in Preference Shares     | 23.64             | -            | -  | -                  | -             | 23.64              |
| <b>Total – Gross (A)</b>            | <b>54,669.01</b>  | <b>-</b>     | <b>2,82,922.20</b>                         | <b>2,82,922.20</b> | <b>604.79</b> | <b>3,38,196.00</b> |
| i. Overseas Investments             | -                 | -            | -  | -                  | 4.44          | 4.44               |
| ii. Investments in India            | 54,669.01         | -            | 2,82,922.20                                | 2,82,922.20        | 600.35        | 3,38,191.57        |
| <b>Total (B)</b>                    | <b>54,669.01</b>  | <b>-</b>     | <b>2,82,922.20</b>                         | <b>2,82,922.20</b> | <b>604.79</b> | <b>3,38,196.00</b> |
| Less: Impairment loss allowance (C) | -                 | -            | -  | -                  | -             | -                  |
| <b>Total – Net (D) = (A)-(C)</b>    | <b>54,669.01</b>  | <b>-</b>     | <b>2,82,922.20</b>                         | <b>2,82,922.20</b> | <b>604.79</b> | <b>3,38,196.00</b> |

# Other Comprehensive Income

\*Investment in Subsidiary and Associate are carried at cost



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 7. OTHER FINANCIAL ASSETS\*

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| Deposit under Application Supported by Blocked Amount (ASBA)** | -                    | 4,999.18             |
| Investment pending allotment                                   | 50.53                | -                    |
| Security deposits (Unsecured considered good)                  | 791.80               | 741.65               |
| Others   | 14.17                | 1.18                 |
| <b>Total</b>   | <b>856.50</b>        | <b>5,742.01</b>      |

(\*Refer Note No 41 for Related Party Disclosures)

(\*\*Date of Allotment -5th April 2022)

## 8. DEFERRED TAX

| Particulars                              | As at<br>31 Mar 2022 | As at<br>31 Mar 2021 |
|--|----------------------|----------------------|
| Deferred Tax Assets                      | (1,310.45)           | (1,073.15)           |
| Deferred Tax Liabilities                 | 2,330.83             | 1,774.97             |
| <b>Deferred Tax Liabilities (net) \$</b> | <b>1,020.38</b>      | <b>701.82</b>        |

(\$ Refer Note no 25 for disclosure)

## 9. PROPERTY, PLANT AND EQUIPMENT

## 9.1 PROPERTY, PLANT AND EQUIPMENT - AS AT 31 MAR 2023

| Particulars   | Gross Block (At Cost) |                              |   |                     | Accumulated Depreciation |                      |   |                    | Net Block           |
|---|-----------------------|------------------------------|---|---------------------|--------------------------|----------------------|---|--------------------|---------------------|
|   | As at<br>01.04.2022   | Additions<br>for the<br>year | Deductions/<br>Adjustments/<br>for the year | As at<br>31.03.2023 | Upto<br>01.04.2022       | For the<br>Year (\$) | Deductions/<br>Adjustments/<br>for the year | Upto<br>31.03.2023 | As at<br>31.03.2023 |
| Building (refer note i)   | 15,018.24             | -                            | -   | 15,018.24           | 1,335.25                 | 267.05               | -   | 1,602.30           | 13,415.94           |
| Electrical Fittings<br>(including Building<br>Management Systems) | 82.53                 | 6.54                         | 0.02  | 89.05               | 81.53                    | 6.75                 | 0.02  | 88.26              | 0.79                |
| Furniture and Fixtures  | 833.39                | 87.36                        | 12.58                                       | 908.17              | 533.16                   | 119.45               | 10.78                                       | 641.83             | 266.34              |
| Vehicles  | 44.47                 | -                            | -   | 44.47               | 33.52                    | 3.44                 | -   | 36.96              | 7.51                |
| Office Equipment  | 855.80                | 290.05                       | 12.72                                       | 1,133.13            | 500.75                   | 170.62               | 12.38                                       | 658.99             | 474.14              |
| Right to use asset #  | 11,161.72             | 3,134.79                     | 603.04                                      | 13,693.47           | 4,523.21                 | 2,027.37             | 388.72                                      | 6,161.86           | 7,531.61            |
| Computers   | 2,924.37              | 56.03                        | 156.96                                      | 2,823.44            | 2,451.00                 | 237.86               | 156.57                                      | 2,532.29           | 291.15              |
| Leasehold<br>Improvements   | 1,449.02              | 474.19                       | 16.07                                       | 1,907.14            | 881.20                   | 300.81               | 16.00                                       | 1,166.01           | 741.13              |
| <b>Total Tangible Assets</b>                                      | <b>32,369.54</b>      | <b>4,048.96</b>              | <b>801.39</b>                               | <b>35,617.11</b>    | <b>10,339.62</b>         | <b>3,133.35</b>      | <b>584.47</b>                               | <b>12,888.50</b>   | <b>22,728.61</b>    |



## NOTES TO THE FINANCIAL STATEMENTS

## 9.2 PROPERTY, PLANT AND EQUIPMENT - AS AT 31 MAR 2022

(₹ in Lakhs)

| Particulars   | Gross Block (At Cost) |                        |                                       |                  | Accumulated Depreciation |                   |                                       |                  | Net Block        |
|---|-----------------------|------------------------|---------------------------------------|------------------|--------------------------|-------------------|---------------------------------------|------------------|------------------|
|   | As at 01.04.2021      | Additions for the year | Deductions/ Adjustments/ for the year | As at 31.03.2022 | Upto 01.04.2021          | For the Year (\$) | Deductions/ Adjustments/ for the year | Upto 31.03.2022  | As at 31.03.2022 |
| Building (refer note i )                                    | 15,018.24             | -                      | -                                     | 15,018.24        | 1,068.20                 | 267.05            | -                                     | 1,335.25         | 13,682.99        |
| Electrical Fittings (including Building Management Systems) | 77.29                 | 5.24                   | -                                     | 82.53            | 77.29                    | 4.24              | -                                     | 81.53            | 1.00             |
| Furniture and Fixtures                                      | 739.34                | 101.30                 | 7.25                                  | 833.39           | 430.67                   | 109.52            | 7.03                                  | 533.16           | 300.23           |
| Vehicles  | 53.64                 | -                      | 9.17                                  | 44.47            | 34.80                    | 6.84              | 8.12                                  | 33.52            | 10.95            |
| Office Equipment  | 708.62                | 150.30                 | 3.12                                  | 855.80           | 369.89                   | 133.97            | 3.11                                  | 500.75           | 355.05           |
| Right to use asset #  | 8,887.09              | 2,598.20               | 323.57                                | 11,161.72        | 2,881.62                 | 1,805.39          | 163.81                                | 4,523.20         | 6,638.52         |
| Computers   | 2,753.41              | 177.86                 | 6.90                                  | 2,924.37         | 2,016.03                 | 441.75            | 6.78                                  | 2,451.00         | 473.37           |
| Leasehold Improvements                                      | 1,229.28              | 219.79                 | 0.05                                  | 1,449.02         | 629.55                   | 251.70            | 0.05                                  | 881.20           | 567.82           |
| <b>Total Tangible Assets</b>                                | <b>29,466.91</b>      | <b>3,252.69</b>        | <b>350.06</b>                         | <b>32,369.54</b> | <b>7,508.05</b>          | <b>3,020.46</b>   | <b>188.90</b>                         | <b>10,339.61</b> | <b>22,029.93</b> |

Note: i. On long term assignment basis

## # RIGHT TO USE ASSET - AS AT 31 MAR 2023

| Particulars        | Gross Block (At Cost) |                        |                                       |                  | Accumulated Depreciation |                   |                                       |                 | Net Block        |
|--------------------|-----------------------|------------------------|---------------------------------------|------------------|--------------------------|-------------------|---------------------------------------|-----------------|------------------|
|                    | As at 01.04.2022      | Additions for the year | Deductions/ Adjustments/ for the year | As at 31.03.2023 | Upto 01.04.2022          | For the Year (\$) | Deductions/ Adjustments/ for the year | Upto 31.03.2023 | As at 31.03.2023 |
| Building           | 10,329.95             | 3,082.59               | 603.04                                | 12,809.50        | 4,209.99                 | 1,751.28          | 388.72                                | 5,572.55        | 7,236.95         |
| Computers          | 724.33                | 52.20                  | -                                     | 776.53           | 274.19                   | 243.90            | -                                     | 518.09          | 258.44           |
| Vehicle            | 107.44                | -                      | -                                     | 107.44           | 39.03                    | 32.19             | -                                     | 71.22           | 36.22            |
| <b>Grand Total</b> | <b>11,161.72</b>      | <b>3,134.79</b>        | <b>603.04</b>                         | <b>13,693.47</b> | <b>4,523.21</b>          | <b>2,027.37</b>   | <b>388.72</b>                         | <b>6,161.86</b> | <b>7,531.61</b>  |

## # RIGHT TO USE ASSET - AS AT 31 MAR 2022

| Particulars        | Gross Block (At Cost) |                        |                                       |                  | Accumulated Depreciation |                   |                                       |                 | Net Block        |
|--------------------|-----------------------|------------------------|---------------------------------------|------------------|--------------------------|-------------------|---------------------------------------|-----------------|------------------|
|                    | As at 01.04.2021      | Additions for the year | Deductions/ Adjustments/ for the year | As at 31.03.2022 | Upto 01.04.2021          | For the Year (\$) | Deductions/ Adjustments/ for the year | Upto 31.03.2022 | As at 31.03.2022 |
| Building           | 8,411.25              | 2,242.27               | 323.57                                | 10,329.95        | 2,788.40                 | 1,585.38          | 163.81                                | 4,209.97        | 6,119.98         |
| Computers          | 415.27                | 309.06                 | -                                     | 724.33           | 76.54                    | 197.65            | -                                     | 274.19          | 450.14           |
| Vehicle            | 60.57                 | 46.87                  | -                                     | 107.44           | 16.68                    | 22.36             | -                                     | 39.04           | 68.40            |
| <b>Grand Total</b> | <b>8,887.09</b>       | <b>2,598.20</b>        | <b>323.57</b>                         | <b>11,161.72</b> | <b>2,881.62</b>          | <b>1,805.39</b>   | <b>163.81</b>                         | <b>4,523.20</b> | <b>6,638.52</b>  |



## NOTES TO THE FINANCIAL STATEMENTS

## 10. INTANGIBLE ASSET UNDER DEVELOPMENT

(₹ in Lakhs)

| Particulars                        | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|------------------------------------|----------------------|----------------------|
| Intangible asset under development | 187.90               | 282.54               |

## 10.1 INTANGIBLE ASSET UNDER DEVELOPMENT AGEING SCHEDULE

| Intangible assets under development | Amount of intangible assets under development for a period of |                      |                      |                      |
|-------------------------------------|---|----------------------|----------------------|----------------------|
|                                     | As at<br>31 Mar 2023  | As at<br>31 Mar 2022 | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|                                     | Less than 1 year  | Total                | Less than 1 year     | Total                |
| Projects in Progress                | 187.90  | 187.90               | 282.54               | 282.54               |
| Projects temporarily suspended      | -   | -                    | -                    | -                    |

Intangible assets under development completion schedule for overdue projects/ assets from above : Nil

## 11. INTANGIBLE ASSETS

## 11.1 INTANGIBLE ASSETS - AS AT 31 MARCH 2023

| Particulars                    | Gross Block (At Cost) |                              |   |                     | Accumulated Amortisation |                      |   |                    | Net Block           |
|--------------------------------|-----------------------|------------------------------|---|---------------------|--------------------------|----------------------|---|--------------------|---------------------|
|                                | As at<br>01.04.2022   | Additions<br>for the<br>year | Deductions/<br>Adjustments/<br>for the year | As at<br>31.03.2023 | Upto<br>01.04.2022       | For the<br>Year (\$) | Deductions/<br>Adjustments/<br>for the year | Upto<br>31.03.2023 | As at<br>31.03.2023 |
| Computer Software              | 2,263.69              | 74.68                        | -   | 2,338.37            | 1,951.13                 | 227.02               | -   | 2,178.15           | 160.22              |
| Copyright License              | 15.81                 | -                            | -   | 15.81               | 15.81                    | -                    | -   | 15.81              | -                   |
| Website Development<br>Cost    | 70.22                 | 283.17                       | -   | 353.39              | 70.22                    | 23.28                | -   | 93.50              | 259.89              |
| <b>Total Intangible Assets</b> | <b>2,349.72</b>       | <b>357.85</b>                | <b>-</b>                                    | <b>2,707.57</b>     | <b>2,037.16</b>          | <b>250.30</b>        | <b>-</b>                                    | <b>2,287.46</b>    | <b>420.11</b>       |

## 11.2 INTANGIBLE ASSETS - AS AT 31 MARCH 2022

| Particulars                    | Gross Block (At Cost) |                              |   |                     | Accumulated Amortisation |                      |   |                    | Net Block           |
|--------------------------------|-----------------------|------------------------------|---|---------------------|--------------------------|----------------------|---|--------------------|---------------------|
|                                | As at<br>01.04.2021   | Additions<br>for the<br>year | Deductions/<br>Adjustments/<br>for the year | As at<br>31.03.2022 | Upto<br>01.04.2021       | For the<br>Year (\$) | Deductions/<br>Adjustments/<br>for the year | Upto<br>31.03.2022 | As at<br>31.03.2022 |
| Computer Software              | 2,170.25              | 149.37                       | 55.93                                       | 2,263.69            | 1,713.06                 | 294.00               | 55.93                                       | 1,951.13           | 312.56              |
| Copyright License              | 15.81                 | -                            | -   | 15.81               | 15.81                    | -                    | -   | 15.81              | -                   |
| Website Development<br>Cost    | 70.22                 | -                            | -   | 70.22               | 66.77                    | 3.47                 | 0.02  | 70.22              | -                   |
| <b>Total Intangible Assets</b> | <b>2,256.28</b>       | <b>149.37</b>                | <b>55.93</b>                                | <b>2,349.72</b>     | <b>1,795.64</b>          | <b>297.47</b>        | <b>55.95</b>                                | <b>2,037.16</b>    | <b>312.56</b>       |

## (\$) DEPRECIATION AND AMORTIZATION EXPENSE \*

| Particulars                                   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------------------|----------------------|
| Depreciation on Property, Plant and Equipment | 3,133.35             | 3,020.46             |
| Amortization of Intangible Assets             | 250.30               | 297.47               |
| <b>Total</b>                                  | <b>3,383.65</b>      | <b>3,317.93</b>      |

\* Includes ₹23.79 lakh (previous year ₹ 23.32 lakh) assets costing up to ₹5000



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 12. OTHER NON-FINANCIAL ASSETS

| Particulars             | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|-------------------------|----------------------|----------------------|
| Prepayment under leases | 167.94               | 131.37               |
| Prepaid expenses        | 1,495.50             | 1,109.72             |
| Others                  | 620.52               | 145.59               |
| <b>Total</b>            | <b>2,283.96</b>      | <b>1,386.68</b>      |

## 13. TRADE PAYABLES\*

| Particulars   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------------------|----------------------|
| i total outstanding dues of micro enterprises and small enterprises **  | 4.83                 | 32.67                |
| ii. total outstanding dues of creditors other than micro enterprises and small enterprises<br>(*Refer Note No.41 for Related Party Disclosures) | 1,352.73             | 1,463.70             |
| <b>Total</b>  | <b>1,357.56</b>      | <b>1,496.37</b>      |

\*\*Refer Note No 42 for disclosure

## TRADE PAYABLES - MSME

| Particulars                  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|------------------------------|----------------------|----------------------|
| <b>Undisputed</b>            |                      |                      |
| - Unbilled                   | -                    | -                    |
| - Billed not due for payment | -                    | -                    |
| - Billed and due for payment | 4.83                 | 32.67                |
| <b>Disputed</b>              | -                    | -                    |
| <b>Total</b>                 | <b>4.83</b>          | <b>32.67</b>         |

## TRADE PAYABLES - OTHERS

| Particulars                  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|------------------------------|----------------------|----------------------|
| <b>Undisputed</b>            |                      |                      |
| - Unbilled                   | 613.00               | 796.63               |
| - Billed not due for payment | -                    | -                    |
| - Billed and due for payment | 739.73               | 667.07               |
| <b>Disputed</b>              | -                    | -                    |
| <b>Total</b>                 | <b>1,352.73</b>      | <b>1,463.70</b>      |



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## TRADE PAYABLES - AGEING SCHEDULE

| Particulars              | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--------------------------|----------------------|----------------------|
| <b>Undisputed - MSME</b> |                      |                      |
| - Unbilled               | -                    | -                    |
| <b>Billed and due</b>    |                      |                      |
| - Less than 1 year       | 4.83                 | 32.67                |
| <b>Disputed - MSME</b>   | -                    | -                    |
| <b>Total</b>             | <b>4.83</b>          | <b>32.67</b>         |

## TRADE PAYABLES - AGEING SCHEDULE

| Particulars                | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|----------------------------|----------------------|----------------------|
| <b>Undisputed - Others</b> |                      |                      |
| - Unbilled                 | 613.00               | 796.63               |
| <b>Billed and due</b>      |                      |                      |
| - Less than 1 year         | 739.73               | 667.07               |
| <b>Disputed - Others</b>   | -                    | -                    |
| <b>Total</b>               | <b>1,352.73</b>      | <b>1,463.70</b>      |

## 14. OTHER FINANCIAL LIABILITIES

| Particulars                            | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| CSR Payable                            | 365.75               | 458.95               |
| <b>Other liabilities</b>               |                      |                      |
| i. Earnest money deposit *             | 2.45                 | 1.97                 |
| ii. Retention money *                  | 35.03                | 23.23                |
| iii. Interim Dividend payable          | 2.30                 | -                    |
| iv. Creditors for capital expenditure* | 37.02                | 150.10               |
| v. Lease liabilities                   | 8,392.67             | 7,342.66             |
| vi. Expenses payable                   | 38.53                | 93.24                |
| <b>Total</b>                           | <b>8,873.75</b>      | <b>8,070.15</b>      |

(\*Refer Note no. 42 for disclosure)



## NOTES TO THE FINANCIAL STATEMENTS

## 15. PROVISIONS

(₹ in Lakhs)

| Particulars                        | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|------------------------------------|----------------------|----------------------|
| a. Provision for Employee Benefits | 10,162.06            | 9,518.42             |
| b. Provision for Contingencies     | 420.00               | 420.00               |
| c. Provision for Expenses          | 463.66               | 305.98               |
| <b>Total</b>                       | <b>11,045.72</b>     | <b>10,244.40</b>     |

## 16. OTHER NON-FINANCIAL LIABILITIES

| Particulars                   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|-------------------------------|----------------------|----------------------|
| <b>Statutory dues payable</b> |                      |                      |
| - Goods and services tax      | 452.87               | 351.20               |
| - Withholding taxes           | 315.12               | 102.27               |
| - Others                      | 1.29                 | 1.12                 |
| <b>Total</b>                  | <b>769.28</b>        | <b>454.59</b>        |

## 17. EQUITY SHARE CAPITAL

| Particulars   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------------------|----------------------|
| <b>Authorised</b>   |                      |                      |
| 52,50,00,000 Equity Shares of ₹ 1 each<br>(Previous year 52,50,00,000 Equity Shares of ₹ 1 each)                                | 5,250.00             | 5,250.00             |
| <b>Issued, Subscribed and Paid Up</b>   |                      |                      |
| 50,37,23,797 Equity Shares of ₹ 1 each (fully paid up )<br>(Previous year 50,33,05,156 Equity Shares of ₹1 each fully paid up ) | 5,037.24             | 5,033.05             |

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

| Particulars  | As at 31 Mar 2023   |                 | As at 31 Mar 2022   |                 |
|--|---------------------|-----------------|---------------------|-----------------|
|  | No of Shares        | (₹ In Lakhs)    | No of Shares        | (₹ In Lakhs)    |
| <b>Equity (face value of ₹ 1 each)</b>                                 |                     |                 |                     |                 |
| Outstanding at the beginning of the year                               | 50,33,05,156        | 5,033.05        | 50,09,24,692        | 5,009.25        |
| Add: Shares issued during the year                                     | 4,18,641            | 4.19            | 23,80,464           | 23.80           |
| <b>Outstanding at the end of the year<br/>(face value of ₹ 1 each)</b> | <b>50,37,23,797</b> | <b>5,037.24</b> | <b>50,33,05,156</b> | <b>5,033.05</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. The dividend proposed by the Board of Directors is subject to the approval of 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.

## 17.2 DETAILS OF SHARES HELD BY HOLDING/PROMOTOR COMPANY

| Particulars         | As at 31 Mar 2023 |              | As at 31 Mar 2022 |              |
|---------------------|-------------------|--------------|-------------------|--------------|
|                     | 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     |



## NOTES TO THE FINANCIAL STATEMENTS

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

(₹ in Lakhs)

| Particulars   | As at 31 Mar 2023 |              | As at 31 Mar 2022 |              |
|---|-------------------|--------------|-------------------|--------------|
|   | No of Shares      | % of Holding | No of Shares      | % of Holding |
| State Bank of India                                       | 31,50,00,000      | 62.53%       | 31,50,00,000      | 62.59%       |
| Amundi India Holding, a wholly owned subsidiary of Amundi | 18,50,00,000      | 36.73%       | 18,50,00,000      | 36.76%       |

61,02,287 (Previous Year: 57,86,647) equity shares of ₹ 1 each are reserved for issuance towards outstanding ESOP (Refer note no. 28)

During the current year 4,18,641 Nos of equity shares (Previous Year 23,80,464 Nos) at a face value of ₹ 1 each have been allotted to employees on exercise of ESOP.

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% (on the date of transfer) 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.

## 18. OTHER EQUITY

| Particulars                                   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------------------|----------------------|
| <b>(A) General Reserve</b>                    |                      |                      |
| Balance at the beginning of the year          | 11,760.09            | 11,260.09            |
| Add: Transfer from Retained Earnings          | 500.00               | 500.00               |
| <b>Sub-total (A)</b>                          | <b>12,260.09</b>     | <b>11,760.09</b>     |
| <b>(B) Share application amount</b>           |                      |                      |
| Balance at the beginning of the year          | -                    | -                    |
| Add: During the year                          | 1,365.12             | 5,223.82             |
| Less: transferred to:                         |                      |                      |
| - Paid up Capital                             | (4.19)               | (23.81)              |
| - Securities Premium account                  | (1,360.93)           | (5,200.01)           |
| <b>Sub-total (B)</b>                          | <b>-</b>             | <b>-</b>             |
| <b>(C) Securities Premium</b>                 |                      |                      |
| Balance at the beginning of the year          | 8,492.47             | 1,925.08             |
| Add: Transfer from Share Application account  | 1,360.93             | 5,200.01             |
| Add: Transfer from ESOP Outstanding account   | 362.92               | 1,367.38             |
| <b>Sub-total (C)</b>                          | <b>10,216.32</b>     | <b>8,492.47</b>      |
| <b>(D) Retained Earnings</b>                  |                      |                      |
| Balance at the beginning of the year          | 3,28,943.47          | 2,37,462.84          |
| Add: Profit for the year                      | 1,33,119.61          | 1,07,064.91          |
| Add: Transfer from ESOP Outstanding account # | 15.19                | 4.28                 |
| Less: Transfer to general reserve             | (500.00)             | (500.00)             |
| Less: Interim dividend                        | (17,630.33)          | (15,088.56)          |
| <b>Sub-total (D)</b>                          | <b>4,43,947.94</b>   | <b>3,28,943.47</b>   |



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| <b>(E) Share option outstanding account (Employee stock options)</b> |                      |                      |
| Balance at the beginning of the year                                 | 3,314.84             | 2,353.31             |
| Additions during the year  | 2,897.49             | 2,333.19             |
| Less: Transfer to Securities Premium account                         | (362.92)             | (1,367.38)           |
| Less: Transfer to Retained Earnings #                                | (15.19)              | (4.28)               |
| <b>Sub-total (E)</b>   | <b>5,834.22</b>      | <b>3,314.84</b>      |
| <b>(F) Other Comprehensive Income</b>                                |                      |                      |
| Balance at the beginning of the year (Net)                           | (447.43)             | (550.36)             |
| Add: Movement during the year  | (2.53)               | 102.93               |
| <b>Sub-total (F)</b>   | <b>(449.96)</b>      | <b>(447.43)</b>      |
| <b>Total (A+B+C+D+E+F)</b>   | <b>4,71,808.61</b>   | <b>3,52,063.44</b>   |

# On account of cancellation of vested ESOP Options.

**General Reserve:**

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

**Share Option Outstanding Account (Employee Stock Options)**

The grant date fair value of equity-settled share-based payment transactions with employees are recognised in the Statement of Profit and Loss with the corresponding credit to this account over the vesting period. The amounts recorded in Share Options Outstanding Account are transferred to Securities Premium upon exercise of stock options by the employees.

**Securities Premium :**

The Securities Premium is used to record premium (amount received in excess of Face Value of Equity Shares) on issue of shares and also includes amount transferred from Share Option Outstanding Account upon exercise of options by employees.

**Retained Earnings:**

Retained earnings represents the amount of accumulated earnings of the Company.

The Company paid interim dividend of ₹17,630.33 Lakh @ ₹ 3.50/- per equity share during the year.

**Other Comprehensive Income :**

It consist of remeasurement of net defined benefit liability/asset of employee benefits.

**19. ASSET MANAGEMENT FEE**

| Particulars                                | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|--|-----------------------------------|-----------------------------------|
| Management Fees                            | 2,10,360.77                       | 1,78,624.08                       |
| Portfolio Management & Other Advisory Fees | 5,196.52                          | 4,562.50                          |
| <b>Total</b>                               | <b>2,15,557.29</b>                | <b>1,83,186.58</b>                |



## NOTES TO THE FINANCIAL STATEMENTS

## 20. NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakhs)

| Particulars   | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| Net gain / (loss) on financial instruments at fair value through profit or loss | 14,169.72                         | 12,112.05                         |
| <b>Total net gain on fair value changes</b>                                     | <b>14,169.72</b>                  | <b>12,112.05</b>                  |
| <b>Fair value changes</b>   |                                   |                                   |
| Realised  | 8,151.46                          | 13,139.86                         |
| Unrealised  | 6,018.26                          | (1,027.81)                        |
| <b>Total net gain on fair value changes</b>                                     | <b>14,169.72</b>                  | <b>12,112.05</b>                  |

## 21. OTHER INCOME

| Particulars  | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|--|-----------------------------------|-----------------------------------|
| <u>Dividend income</u>   |                                   |                                   |
| - Preference shares (Financial Assets classified at amortised cost)                    | 1.61                              | -                                 |
| - Subsidiary *   | 547.96                            | 114.53                            |
| <u>Interest</u>  |                                   |                                   |
| - Fixed Deposits*  | 139.47                            | 128.40                            |
| - Staff Loans  | 1.37                              | 1.86                              |
| - Security Deposits  | 45.24                             | 40.36                             |
| - Loan to Employees Welfare Trust (Financial Assets classified at amortised cost)*     | 6.54                              | -                                 |
| - Investments Bonds (Financial Assets classified at Amortised Cost )                   | 9,727.17                          | 2,147.38                          |
| - Investments Bonds (Financial Assets classified at fair value through profit or loss) | -                                 | 54.10                             |
| - Investments AIF (Financial Assets classified at fair value through profit or loss)   | 219.96                            | 287.00                            |
| <b>Dividend and interest income (A)</b>  | <b>10,689.32</b>                  | <b>2,773.63</b>                   |
| Net gain on sale of Property, Plant and Equipment                                      | 9.72                              | 3.13                              |
| Net gain on foreign currency transactions and translations                             | 15.25                             | -                                 |
| Miscellaneous Income   | 744.77                            | 1,486.65                          |
| <b>Other income (B)</b>  | <b>769.74</b>                     | <b>1,489.78</b>                   |
| <b>Total (A+B)</b>   | <b>11,459.06</b>                  | <b>4,263.41</b>                   |

(\*Refer Note No 41 for Related Party Disclosures)



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 22. EMPLOYEE BENEFIT EXPENSE

| Particulars                               | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| Salaries and allowances*                  | 26,837.02                         | 24,422.78                         |
| Contribution to provident and other funds | 1,591.52                          | 1,117.16                          |
| Employee Stock Option Expenses            | 2,897.49                          | 2,333.19                          |
| Staff welfare expenses                    | 1,288.14                          | 992.05                            |
| <b>Total</b>                              | <b>32,614.17</b>                  | <b>28,865.18</b>                  |

(\*Refer Note No 41 for Related Party Disclosures)

## 23. OTHER EXPENSES\*

| Particulars   | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| Rent, Taxes and Energy Cost #   | 590.44                            | 454.42                            |
| Software and IT cost  | 3,763.68                          | 2,676.04                          |
| Insurance   | 107.38                            | 58.96                             |
| Travelling and Conveyance   | 1,953.64                          | 781.90                            |
| Recruitment and Training  | 213.77                            | 178.45                            |
| Printing and Stationery   | 166.48                            | 143.48                            |
| Postage and Courier   | 106.87                            | 118.35                            |
| Communication Cost  | 722.43                            | 660.47                            |
| Advertising, Publicity and Business Promotion                         | 4,403.59                          | 3,556.74                          |
| Outsource Manpower Services   | 3,596.52                          | 3,450.89                          |
| Legal and Professional Fees   | 2,815.10                          | 2,067.81                          |
| <b>Auditor's remuneration:</b>  |                                   |                                   |
| - Audit fees  | 28.58                             | 24.45                             |
| - Certification fee & other assurance fees( including reimbursements) | 14.78                             | 14.78                             |
| Directors' Sitting Fees   | 45.20                             | 44.70                             |
| Royalty to SBI for Logo   | 2,141.30                          | 1,720.81                          |
| Corporate Social Responsibility (Refer note no. 31)                   | 2,156.91                          | 1,611.24                          |
| Repairs and Maintenance   | 470.66                            | 308.98                            |
| Net loss on foreign currency transactions and translations            | -                                 | 32.82                             |
| Membership and Subscription   | 886.55                            | 746.14                            |
| Miscellaneous Expenses  | 388.46                            | 441.47                            |
| <b>Total</b>  | <b>24,572.34</b>                  | <b>19,092.90</b>                  |

(\*Refer Note No 41 for Related Party Disclosures)

# Refer Note No 40)



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 24. TAX EXPENSES

## (A) Amount recognised in the Statement of Profit and loss

| Particulars                             | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| <b>Current tax</b>                      |                                   |                                   |
| In respect of the current year          | 43,850.00                         | 36,500.00                         |
| Adjustments relating to earlier periods | -                                 | 300.00                            |
| Deferred Tax                            | 319.41                            | (1,134.43)                        |
| <b>Income tax expense for the year</b>  | <b>44,169.41</b>                  | <b>35,665.57</b>                  |

## (B) Amount recognised in Other Comprehensive Income

|  |      |         |
|--|------|---------|
| Tax on remeasurements of the defined benefit plans | 0.85 | (34.62) |
|--|------|---------|

## (C) Reconciliation of Effective Tax Rate

| Particulars                                   | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| <b>Profit before tax</b>                      | 1,77,289.02                       | 1,42,730.48                       |
| Applicable Tax Rate*                          | 25.17%                            | 25.17%                            |
| Computed Tax Expenses                         | 44,620.10                         | 35,922.41                         |
| <b>Tax Effect of:-</b>                        |                                   |                                   |
| Effect of Items taxable at different rates    | (1,383.02)                        | (1,307.52)                        |
| Net expense non deductible                    | 1,275.00                          | 650.61                            |
| Tax exempt income & others                    | (342.11)                          | 100.07                            |
| <b>Total</b>                                  | <b>(450.13)</b>                   | <b>(556.84)</b>                   |
| <b>Tax Adjustments of earlier years</b>       | <b>-</b>                          | <b>300.00</b>                     |
| <b>Tax expense recognised during the year</b> | <b>44,169.97</b>                  | <b>35,665.57</b>                  |
| <b>Effective Tax Rate</b>                     | <b>24.91%</b>                     | <b>24.99%</b>                     |

\* Company has opted for Concessional Tax Rate under section 115BAA of Income Tax Act, 1961.

## 25. DEFERRED TAX BALANCES

The following is the analysis of Deferred Tax Assets/(Liabilities) presented in the Balance Sheet:

| Particulars              | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--------------------------|----------------------|----------------------|
| Deferred Tax Assets      | 1,310.45             | 1,073.15             |
| Deferred Tax Liabilities | (2,330.83)           | (1,774.97)           |
| <b>Net</b>               | <b>(1,020.38)</b>    | <b>(701.82)</b>      |



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## CURRENT YEAR ( 2022-23)

| 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> |                 |                              |                   |                               |  |                   |
| Depreciation/Amortization on Tangible/ Intangible Assets | 163.02          | 81.31                        | -                 | -                             | -  | 244.33            |
| Fair Valuation of Investments                            | (1,774.97)      | (555.86)                     | -                 | -                             | -  | (2,330.83)        |
| Provision for Leave Encashment                           | 568.81          | 41.02                        | -                 | -                             | -  | 609.83            |
| Provision for Gratuity                                   | 50.82           | 77.09                        | 0.85              | -                             | -  | 128.76            |
| Others [including 40(a) and 43B]                         | 107.86          | -                            | -                 | -                             | -  | 107.86            |
| Right to Use Assets                                      | 179.90          | 37.19                        | -                 | -                             | -  | 217.09            |
| Fair Value of Security Deposit                           | 2.74            | (0.16)                       | -                 | -                             | -  | 2.58              |
| <b>Total</b>   | <b>(701.82)</b> | <b>(319.41)</b>              | <b>0.85</b>       | <b>-</b>                      | <b>-</b>                                   | <b>(1,020.38)</b> |

## PREVIOUS YEAR (2021-22)

| 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> |                   |                              |                   |                               |  |                 |
| Depreciation/Amortization on Tangible/ Intangible Assets | 56.30             | 106.72                       | -                 | -                             | -  | 163.02          |
| Fair Valuation of Investments                            | (3,378.19)        | 1,603.22                     | -                 | -                             | -  | (1,774.97)      |
| Provision for Leave Encashment                           | 613.24            | (44.43)                      | -                 | -                             | -  | 568.81          |
| Provision for Gratuity                                   | 75.67             | 9.77                         | (34.62)           | -                             | -  | 50.82           |
| Others [including 40(a) and 43B]                         | 702.40            | (594.54)                     | -                 | -                             | -  | 107.86          |
| Right to Use Assets                                      | 126.49            | 53.41                        | -                 | -                             | -  | 179.90          |
| Fair Value of Security Deposit                           | 2.46              | 0.28                         | -                 | -                             | -  | 2.74            |
| <b>Total</b>   | <b>(1,801.63)</b> | <b>1,134.43</b>              | <b>(34.62)</b>    | <b>-</b>                      | <b>-</b>                                   | <b>(701.82)</b> |

## 26. EARNINGS PER SHARE (EPS)

| Particulars  | As at 31 Mar 2023 | As at 31 Mar 2022 |
|--|-------------------|-------------------|
| a. Nominal Value of an Equity Share (₹)  | 1.00              | 1.00              |
| b. Net Profit available to Equity Shareholders (₹ in Lakh)                               | 1,33,119.61       | 1,07,064.91       |
| c. Number of Shares Outstanding  | 50,37,23,797      | 50,33,05,156      |
| d. Weighted Average Number of Shares Outstanding   | 50,33,26,948      | 50,20,28,282      |
| e. Effect of Potential Equity Shares for Stock Outstanding                               | 22,28,677         | 24,05,420         |
| f. Weighted Average Number of Equity Shares used for computing Diluted Earning Per Share | 50,55,55,625      | 50,44,33,702      |
| <b>g. Basic EPS (₹) = (b)/(d)</b>  | <b>26.45</b>      | <b>21.33</b>      |
| <b>h. Diluted EPS (₹) = (b)/(f)</b>  | <b>26.33</b>      | <b>21.22</b>      |



## NOTES TO THE FINANCIAL STATEMENTS

## 27. CONTINGENT LIABILITIES &amp; CAPITAL COMMITMENTS

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>A. Contingent Liabilities</b>                         |                        |                        |
| Claims Against the Company Not Acknowledged as Debts     | 254.08                 | 259.34                 |
| <b>Subtotal (A)</b>                                      | <b>254.08</b>          | <b>259.34</b>          |
| <b>B. Capital &amp; Other Commitments</b>                |                        |                        |
| i. Contracts remaining to be executed on capital account | 216.32                 | 396.82                 |
| ii. Capital Commitment for AIF Scheme                    | 1,522.09               | 2,653.75               |
| <b>Subtotal (B)</b>                                      | <b>1,738.41</b>        | <b>3,050.57</b>        |
| <b>Total (A+B)</b>                                       | <b>1,992.49</b>        | <b>3,309.91</b>        |

## 28. ACCOUNTING FOR SHARE BASED PAYMENTS (ESOP)

The Company has instituted the Employee Stock Option Plan 2018 ("ESOP-2018" or "Scheme") for eligible employees of the Company, duly approved by the Board of Directors at its meeting held on 20th January 2018 and the shareholders at the EGM held on 31st January 2018. The Scheme was amended with approval of the Board of Directors at its meeting held on 25th January 2023 and the shareholders at the EGM held on 17th February 2023 (by way of a special resolution) to enable the Company to implement the ESOP-2018 and future ESOP plans through: (a) Direct route, (b) Trust route and (c) a combination of the Direct & Trust route.

The amended Scheme categorizes options as Type I, Type II and Type III options with multiple vesting periods. The options can be exercised over a period of seven (7) years from the grant date. Each option carries with it the right to acquire one equity share of the Company at the exercise price determined by the Company at the time of grant. Pursuant to the amended Scheme and approval of the Board of Directors upon recommendation of the Nomination and Remuneration Committee ("NRC"), the Company has set up the SBI Funds Management Limited – Employee Welfare Trust ("ESOP Trust"). In terms of the amended Scheme and Trust Deed, the Company has advanced funds to the ESOP Trust during the year to enable the ESOP Trust to acquire 5,09,606 shares of the Company from employees/legal heirs.

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

During the financial year 2017-18 Company 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 follows:**

| Particulars   | 2022-23  | 2021-22   |
|---|----------|-----------|
|   | Nos      | Nos       |
| Opening Outstanding                                       | 2,08,960 | 14,40,966 |
| Granted During the year                                   | -        | -         |
| Exercised   | 55,151   | 12,31,071 |
| Forfeited   | -        | -         |
| Lapsed  | 8,107    | 935       |
| Closing Outstanding ESOPs                                 | 1,45,702 | 2,08,960  |
| Vested Options as at the year end                         | 1,45,702 | 2,08,960  |
| Weighted average exercise price per share (₹)             | 155.00   | 155.00    |
| Weighted Average remaining contractual life (No of years) | 2.80     | 3.80      |

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated 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%-19.33% and (d) dividend yield of around : 1.40% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹43.94/- per option.



## NOTES TO THE FINANCIAL STATEMENTS

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

During the financial year 2019-20 Company 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 follows:**

| Particulars   | 2022-23   | 2021-22   |
|---|-----------|-----------|
|   | Nos       | Nos       |
| Opening Outstanding                                       | 12,66,039 | 20,52,744 |
| Granted During the year                                   | -         | -         |
| Exercised   | 1,73,367  | 7,49,460  |
| Forfeited   | -         | -         |
| Lapsed  | 10,838    | 37,245.00 |
| Closing Outstanding ESOPs                                 | 10,81,834 | 12,66,039 |
| Vested Options as at the year end                         | 10,81,834 | 5,97,236  |
| Weighted average exercise price per share (₹)             | 250.30    | 250.30    |
| Weighted Average remaining contractual life (No of years) | 3.50      | 4.50      |

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated 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 ₹ 62.87/- per option.

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

During the financial year 2020-21, Company granted 22,69,700 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 360.00

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

| Particulars   | 2022-23   | 2021-22   |
|---|-----------|-----------|
|   | Nos       | Nos       |
| Opening Outstanding                                       | 15,28,048 | 19,92,370 |
| Granted During the year                                   | -         | -         |
| Exercised   | 1,09,447  | 3,99,933  |
| Forfeited   | -         | -         |
| Lapsed  | 21,889    | 64,389    |
| Closing Outstanding ESOPs                                 | 13,96,712 | 15,28,048 |
| Vested Options as at the year end                         | 7,62,967  | 2,55,398  |
| Weighted average exercise price per share (₹)             | 360.00    | 360.00    |
| Weighted Average remaining contractual life (No of years) | 4.34      | 5.34      |

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated 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: 5.6% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 21.30% and (d) dividend yield of around : 0.9% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 95.39/- per option.



## NOTES TO THE FINANCIAL STATEMENTS

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

During the financial year 2021-22, Company granted 27,89,100 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 559.90

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

| Particulars   | 2022-23   | 2021-22   |
|---|-----------|-----------|
|   | Nos       | Nos       |
| Opening Outstanding                                       | 27,83,600 | -         |
| Granted During the year                                   |           | 27,89,100 |
| Exercised   | 80,676    | -         |
| Forfeited   | -         | -         |
| Lapsed  | 50,885    | 5,500     |
| Closing Outstanding ESOPs                                 | 26,52,039 | 27,83,600 |
| Vested Options as at the year end                         | 8,24,882  | -         |
| Weighted average exercise price per share (₹)             | 559.90    | 559.90    |
| Weighted Average remaining contractual life (No of years) | 5.50      | 6.50      |

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated 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: 5.69% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 24.93% and (d) dividend yield of around : 0.83% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 165.807/- per option.

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

During the current year Company granted 8,31,000 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 727.70

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

| Particulars   | 2022-23  |
|---|----------|
|   | Nos      |
| Opening Outstanding                                       | -        |
| Granted During the year                                   | 8,31,000 |
| Exercised   | -        |
| Forfeited   | -        |
| Lapsed  | 5,000    |
| Closing Outstanding ESOPs                                 | 8,26,000 |
| Vested Options as at the year end                         | -        |
| Weighted average exercise price per share (₹)             | 727.70   |
| Weighted Average remaining contractual life (No of years) | 6.50     |

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated 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: 6.02% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 27.2% and (d) dividend yield of around : 0.77% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 223.227/- per option.

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes Model is the annualised standard deviation of the continuously compounded expected rates of return over a period of time.



## NOTES TO THE FINANCIAL STATEMENTS

Amount charged to Statement of Profit and Loss as ESOP expense:

(₹ in Lakhs)

| Particulars  | 31 Mar 2023 | 31 Mar 2022 |
|--|-------------|-------------|
| ESOP expense charged to statement of profit and loss | 2,897.49    | 2,333.19    |

## 29. PROVISIONS

Movement in Provision for contingency is as under :

| Particulars                                      | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| Carrying amount as at the beginning of the year  | 420.00               | 420.00               |
| Additions during the year                        | -                    | -                    |
| Less utilised during the year                    | -                    | -                    |
| Reversed during the year                         | -                    | -                    |
| <b>Carrying amount as at the end of the year</b> | <b>420.00</b>        | <b>420.00</b>        |

## 30. DIVIDEND REMITTANCES TO NON-RESIDENT SHAREHOLDERS:\*

| Particulars                                 | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| Number of non-resident shareholders         | 5                                 | 1                                 |
| Number of equity shares held by them        | 18,50,05,890                      | 18,50,00,000                      |
| Amount of final dividend paid (₹ in Lakh)   | -                                 | 5,550.00                          |
| Year to which dividend relates              | -                                 | 2020-21                           |
| Amount of interim dividend paid (₹ in Lakh) | 6,475.21                          | 5,550.00                          |
| Year to which interim dividend relates      | 2022-23                           | 2021-22                           |

\* On payment basis during the period

## 31. CORPORATE SOCIAL RESPONSIBILITY (CSR)

| Particulars  | For the year ended<br>31 Mar 2023                                      | For the year ended<br>31 Mar 2022                               |
|--|--|---|
| a) Gross amount required to be spent by the Company during the year (under Section 135 of the Companies Act, 2013) | <b>2,156.90</b>  | <b>1,611.24</b>   |
| b) Amount of expenditure incurred  | 2,156.90   | 1,611.24  |
| c) Shortfall at the end of the period/year   | -  | -   |
| d) Reason for shortfall  | -  | -   |
| e) Unutilised/ unspent CSR amount in separate CSR account  | 333.90   | 137.61  |
| Amount yet to be spent   | 333.90   | 137.61  |
| <b>Nature of CSR activities</b>  |  |   |
| (i) Construction/ acquisition of any asset   | -  | -   |
| On purposes other than (i) above   | 1,823.00   | 1,473.63  |
| Purpose/ Nature of activities  | Health, Education, PM Relief Fund, Medical and Livelihood enhancements | Health, Education, PM Relief Fund, Swach Bharat and Clean Ganga |
| <b>Total</b>   | <b>2,156.90</b>  | <b>1,611.24</b>   |



## NOTES TO THE FINANCIAL STATEMENTS

## Details of related party transactions in relation to CSR expenditure as relevant accounting standard (Net of refund) (₹ in Lakhs)

|                  |        |        |
|------------------|--------|--------|
| SBI Foundation * | 228.42 | 185.00 |
|------------------|--------|--------|

\* Refer Note 41 for related party transactions

## 32. 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:

| Particulars  | (₹ in Lakhs)                      |                                   |
|--|-----------------------------------|-----------------------------------|
|  | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
| Employer's Contribution to Provident Fund, Superannuation Fund and National Pension Scheme | 1,119.53                          | 929.29                            |

## Details of Provision for Leave encashment (₹ in Lakhs)

| Particulars   | (₹ in Lakhs)                      |                                   |
|---|-----------------------------------|-----------------------------------|
|   | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
| Provision for Leave encashment (based on actuarial valuation) | 163.02                            | (176.35)                          |

## Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is for employees, which requires contributions to be made to a separately administered fund (through insurer managed scheme). 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.



## NOTES TO THE FINANCIAL STATEMENTS

## Assumptions (Current Period)

| Particulars                      | Valuation as at  |  |
|----------------------------------|--|--|
|                                  | 31 Mar 2023  | 31 Mar 2022  |
| Expected Return on Plan Assets   | 7.48%  | 7.27%  |
| Rate of Discounting              | 7.48%  | 7.27%  |
| Rate of Salary Increase          | 9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year | 9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year |
| Rate of Employee Turnover        | 3.00% p.a. for all service groups.   | 3.00% p.a. for all service groups.   |
| Mortality Rate During Employment | Indian Assured Lives Mortality 2012-14 (Urban)                                     | Indian Assured Lives Mortality 2012-14 (Urban)                                     |

## Assumptions (Previous Period)

| Particulars                      | Valuation as at  |  |
|----------------------------------|--|--|
|                                  | 31 Mar 2022  | 31 Mar 2021  |
| Expected Return on Plan Assets   | 7.27%  | 6.87%  |
| Rate of Discounting              | 7.27%  | 6.87%  |
| Rate of Salary Increase          | 9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year | 9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year |
| Rate of Employee Turnover        | 3.00% p.a. for all service groups.   | 3.00% p.a. for all service groups.   |
| Mortality Rate During Employment | Indian Assured Lives Mortality 2012-14 (Urban)                                     | Indian Assured Lives Mortality (2006-08) Ultimate                                  |

## Table Showing Change in the Present Value of Defined Benefit Obligation

(₹ in Lakhs)

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| Present Value of Benefit Obligation at the beginning                               | 2,353.64                  | 2,208.75                  |
| Interest Cost  | 171.11                    | 151.74                    |
| Current Service Cost   | 225.49                    | 223.09                    |
| Benefit Paid From the Fund   | (190.41)                  | (119.12)                  |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions | -                         | (1.60)                    |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions   | (5.82)                    | (46.50)                   |
| Actuarial (Gains)/Losses on Obligations - Due to Experience adjustments            | (8.62)                    | (62.72)                   |
| <b>Present Value of Benefit Obligation at the end</b>                              | <b>2,545.39</b>           | <b>2,353.64</b>           |



## NOTES TO THE FINANCIAL STATEMENTS

Table Showing Change in the Fair Value of Plan Assets

(₹ in Lakhs)

| Particulars                                       | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|---|---------------------------|---------------------------|
| <b>Fair Value of Plan Assets at the beginning</b> | <b>2,163.48</b>           | <b>1,908.13</b>           |
| Interest Income                                   | 157.29                    | 131.09                    |
| Contributions by the Employer                     | 162.32                    | 216.65                    |
| Benefit Paid from the Fund                        | (190.41)                  | (119.12)                  |
| Return on Plan Assets, Excluding Interest Income  | (17.82)                   | 26.73                     |
| <b>Fair Value of Plan Assets at the end</b>       | <b>2,274.86</b>           | <b>2,163.48</b>           |

## Amount Recognized in the Balance Sheet

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| Present Value of Benefit Obligation at the end of the Period | (2,545.39)                | (2,353.64)                |
| Fair Value of Plan Assets at the end of the Period           | 2,274.86                  | 2,163.48                  |
| Funded Status Surplus/ (Deficit)                             | (270.53)                  | (190.16)                  |
| <b>Net (Liability)/Asset Recognized in the Balance Sheet</b> | <b>(270.53)</b>           | <b>(190.16)</b>           |

## Net Interest Cost

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| Present Value of Benefit Obligation at the Beginning of the Period | 2,353.64                  | 2,208.75                  |
| Fair Value of Plan Assets at the Beginning of the Period           | (2,163.48)                | (1,908.13)                |
| Net Liability/(Asset) at the Beginning                             | 190.16                    | 300.62                    |
| Interest Cost  | 171.11                    | 151.74                    |
| Interest Income  | (157.29)                  | (131.09)                  |
| <b>Net Interest Cost</b>   | <b>13.82</b>              | <b>20.65</b>              |

## Expenses recognised in the Statement of Profit or Loss

| Particulars                | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|----------------------------|---------------------------|---------------------------|
| Current Service Cost       | 225.49                    | 223.09                    |
| Net Interest Cost          | 13.82                     | 20.65                     |
| <b>Expenses recognised</b> | <b>239.31</b>             | <b>243.74</b>             |

## Expenses recognised in the Other Comprehensive Income (OCI)

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| Actuarial (Gains)/Losses on Obligation For the Period        | (14.44)                   | (110.82)                  |
| Return on Plan Assets, Excluding Interest Income             | 17.82                     | (26.73)                   |
| <b>Net (Income)/Expense For the Period Recognized in OCI</b> | <b>3.38</b>               | <b>(137.55)</b>           |



## NOTES TO THE FINANCIAL STATEMENTS

## Balance Sheet Reconciliation

(₹ in Lakhs)

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| Opening Net Liability                              | 190.16                    | 300.65                    |
| Expenses Recognized in Statement of Profit or Loss | 239.31                    | 243.74                    |
| Expenses Recognized in OCI                         | 3.38                      | (137.55)                  |
| Employer's Contribution                            | (162.32)                  | (216.65)                  |
| <b>Closing liability/(asset)</b>                   | <b>270.53</b>             | <b>190.19</b>             |

## Category of Assets

| Particulars                 | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|-----------------------------|---------------------------|---------------------------|
| Government of India Assets  | -                         | -                         |
| State Government Securities | -                         | -                         |
| Special Deposits Scheme     | -                         | -                         |
| Debt Instruments            | -                         | -                         |
| Corporate Bonds             | -                         | -                         |
| Cash And Cash Equivalents   | -                         | -                         |
| Insurance fund              | 2,274.86                  | 2,163.48                  |
| Asset-Backed Securities     | -                         | -                         |
| Structured Debt             | -                         | -                         |
| Other                       | -                         | -                         |

## Other Details

| Particulars   | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|---|---------------------------|---------------------------|
| No of Members in Service                                    | 1,332                     | 1,236                     |
| Per Month Salary For Members in Service                     | 656.27                    | 594.94                    |
| Weighted Average Duration of the Defined Benefit Obligation | 10.00                     | 11.00                     |
| Average Expected Future Service                             | 15.00                     | 15.00                     |
| Defined Benefit Obligation (PBO) - Total                    | 2,545.39                  | 2,353.64                  |
| Defined Benefit Obligation (PBO) - Due but Not Paid         | -                         | -                         |
| Expected Contribution in the Next Year                      | 512.01                    | 415.65                    |

## Maturity Analysis of the Benefit Payments

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| <b>Projected Benefits Payable in Future Years From the Date of Reporting</b> |                           |                           |
| 1st Following Year   | 170.65                    | 145.02                    |
| 2nd Following Year   | 114.55                    | 145.85                    |
| 3rd Following Year   | 170.19                    | 113.14                    |
| 4th Following Year   | 220.69                    | 143.85                    |
| 5th Following Year   | 134.86                    | 206.47                    |
| Sum of Years 6 To 10   | 1,129.75                  | 1,000.35                  |
| Sum of Years 11 and above  | 3,672.66                  | 3,454.69                  |



## NOTES TO THE FINANCIAL STATEMENTS

## Sensitivity Analysis (₹ in Lakhs)

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| <b>Projected Benefit Obligation on Current Assumptions</b> | <b>2,545.40</b>           | <b>2,353.65</b>           |
| Delta Effect of +1% Change in Rate of Discounting          | (206.27)                  | (197.60)                  |
| Delta Effect of -1% Change in Rate of Discounting          | 236.89                    | 227.85                    |
| Delta Effect of +1% Change in Rate of Salary Increase      | 164.52                    | 161.63                    |
| Delta Effect of -1% Change in Rate of Salary Increase      | (156.24)                  | (152.39)                  |
| Delta Effect of +1% Change in Rate of Employee Turnover    | 39.52                     | 33.58                     |
| Delta Effect of -1% Change in Rate of Employee Turnover    | (44.28)                   | (37.88)                   |

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 defined 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 defined 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.

## 33. DETAILS OF SUBSIDIARY

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 2023   | 31 Mar 2022 |
| SBI Funds Management (International) Pvt Ltd | Investment Management Services | Mauritius                            | 100%  | 100%        |

## 34. DETAILS OF ASSOCIATE

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

| Name of Associates                | Country of Incorporation | Proportion of ownership interest |             |
|-----------------------------------|--------------------------|----------------------------------|-------------|
|                                   |                          | 31 Mar 2023                      | 31 Mar 2022 |
| SBI Pension Funds Private Limited | India                    | 20%                              | 20%         |

## B. Summarised financial information of associate

Summarised financial information of material associate :

Summarised financial information in respect of the Company's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements.

| Particulars               | (₹ in Lakhs)         |                      |
|---------------------------|----------------------|----------------------|
|                           | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
| Financial Assets          | 15,260.31            | 9,878.67             |
| Non Financial Assets      | 1,542.58             | 241.99               |
| Financial Liabilities     | 1,411.06             | 60.43                |
| Non Financial Liabilities | 432.26               | 451.22               |



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

| Particulars   | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|---|---------------------------|---------------------------|
| Revenue   | 13,506.59                 | 11,648.13                 |
| Profit/(loss) from continuing operations              | 5,350.56                  | 5,197.69                  |
| Post-tax profit/(loss) from discontinued operations   | -                         | -                         |
| Profit/(loss) for the year                            | 5,350.56                  | 5,197.69                  |
| Other comprehensive income for the year               | -                         | -                         |
| Total comprehensive income for the year               | 5,350.56                  | 5,197.69                  |
| Dividends received from the associate during the year | -                         | -                         |

**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 2023 | As at 31 Mar 2022 |
|---|-------------------|-------------------|
| Net worth of SBI Pension Funds Private Limited (₹ In Lakh)  | 14,959.57         | 9,609.01          |
| Proportion of the Company's ownership interest in SBI Pension Funds Private Limited               | 20%               | 20%               |
| Goodwill (₹ In Lakh)  | 15.04             | 15.04             |
| Other adjustments   | -                 | -                 |
| <b>Carrying amount of the Company's interest in SBI Pension Funds Private Limited (₹ In Lakh)</b> | <b>3,006.95</b>   | <b>1,936.84</b>   |

**35. SEGMENTAL REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company.

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

There is only one customer contributing in excess of 10% of the total revenue of the Company.

The amounts for the same are as follows:

(₹ In Lakhs)

| Particulars                  | 31 Mar 2023 | 31 Mar 2022 |
|------------------------------|-------------|-------------|
| Revenue from SBI Mutual Fund | 2,09,808.03 | 1,77,946.76 |



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 36. 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 31 March 2023 |                    |                    | As at 31 March 2022 |                    |                    |
|---|---------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
|   | Within 12 months    | After 12 months    | Total              | Within 12 months    | After 12 months    | Total              |
| <b>ASSETS</b>   |                     |                    |                    |                     |                    |                    |
| <b>1. Financial Assets</b>  |                     |                    |                    |                     |                    |                    |
| (a) Cash & Cash equivalents   | 31.64               | -                  | 31.64              | 171.84              | -                  | 171.84             |
| (b) Bank Balance other than (a) above   | 2,908.10            | -                  | 2,908.10           | 458.95              | 2,413.04           | 2,871.99           |
| (c) Receivables   |                     |                    |                    |                     |                    |                    |
| i. Trade Receivables  | 5,600.34            | -                  | 5,600.34           | 4,642.85            | -                  | 4,642.85           |
| (d) Loans   | 14.73               | 4,173.74           | 4,188.47           | 19.05               | 33.75              | 52.80              |
| (e) Investments   | 13,263.49           | 4,45,246.83        | 4,58,510.32        | 11,058.54           | 3,27,137.46        | 3,38,196.00        |
| (f) Other Financial assets  | 218.83              | 637.67             | 856.50             | 5,347.36            | 394.65             | 5,742.01           |
| <b>Sub-total - Financial Assets</b>   | <b>22,037.13</b>    | <b>4,50,058.24</b> | <b>4,72,095.37</b> | <b>21,698.59</b>    | <b>3,29,978.90</b> | <b>3,51,677.49</b> |
| <b>2. Non Financial Assets</b>  |                     |                    |                    |                     |                    |                    |
| (a) Current Tax assets ( Net)   | -                   | 2,196.59           | 2,196.59           | -                   | 2,374.62           | 2,374.62           |
| (b) Property, Plant and Equipment   | -                   | 22,728.61          | 22,728.61          | -                   | 22,029.93          | 22,029.93          |
| (c) Intangible asset under Development  | -                   | 187.90             | 187.90             | -                   | 282.54             | 282.54             |
| (d) Other Intangible assets   | -                   | 420.11             | 420.11             | -                   | 312.56             | 312.56             |
| (e) Other Non- financial assets   | 1,923.51            | 360.45             | 2,283.96           | 1,174.21            | 212.47             | 1,386.68           |
| <b>Sub-total - Non- Financial Assets</b>  | <b>1,923.51</b>     | <b>25,893.66</b>   | <b>27,817.17</b>   | <b>1,174.21</b>     | <b>25,212.12</b>   | <b>26,386.33</b>   |
| <b>Total Assets</b>   | <b>23,960.64</b>    | <b>4,75,951.90</b> | <b>4,99,912.54</b> | <b>22,872.80</b>    | <b>3,55,191.02</b> | <b>3,78,063.82</b> |
| <b>Liabilities</b>  |                     |                    |                    |                     |                    |                    |
| <b>1. Financial Liabilities</b>   |                     |                    |                    |                     |                    |                    |
| (a) (i) total outstanding dues of micro enterprises and small enterprises                   | 4.83                | -                  | 4.83               | 32.67               | -                  | 32.67              |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1,352.73            | -                  | 1,352.73           | 1,463.70            | -                  | 1,463.70           |
| (b) Other financial liabilities   | 2,016.65            | 6,857.10           | 8,873.75           | 2,445.72            | 5,624.43           | 8,070.15           |
| <b>Sub-total - Financial Liabilities</b>  | <b>3,374.21</b>     | <b>6,857.10</b>    | <b>10,231.31</b>   | <b>3,942.09</b>     | <b>5,624.43</b>    | <b>9,566.52</b>    |
| <b>2. Non Financial Liabilities</b>   |                     |                    |                    |                     |                    |                    |
| (a) Provision   | 8,103.32            | 2,942.40           | 11,045.72          | 8,119.05            | 2,125.35           | 10,244.40          |
| (b) Other non-financial liabilities   | 769.28              | -                  | 769.28             | 454.59              | -                  | 454.59             |
| (c) Deferred tax liabilities (Net)  | -                   | 1,020.38           | 1,020.38           | -                   | 701.82             | 701.82             |
| <b>Sub-total - Non Financial Liabilities</b>  | <b>8,872.60</b>     | <b>3,962.78</b>    | <b>12,835.38</b>   | <b>8,573.64</b>     | <b>2,827.17</b>    | <b>11,400.81</b>   |
| <b>Total Liabilities</b>  | <b>12,246.81</b>    | <b>10,819.88</b>   | <b>23,066.69</b>   | <b>12,515.73</b>    | <b>8,451.60</b>    | <b>20,967.33</b>   |



## NOTES TO THE FINANCIAL STATEMENTS

## 37. Revenue

(₹ in Lakhs)

| Note No. | Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|----------|---|-----------------------------|-----------------------------|
| 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.<br><b>Revenue from operations</b>  |                             |                             |
|          | • Management Fees   | 2,10,360.77                 | 1,78,624.08                 |
|          | • Portfolio Management & Other Advisory Fees  | 5,196.52                    | 4,562.50                    |
|          | <b>Total</b>  | <b>2,15,557.29</b>          | <b>1,83,186.58</b>          |
| 2        | <b>Disaggregate Revenue</b>   |                             |                             |
|          | The table below presents disaggregated revenues of the Company from schemes of mutual fund and from contracts with customers by geography. 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.<br><b>Revenue based on geography</b> |                             |                             |
|          | In India  | 2,13,346.76                 | 1,80,570.59                 |
|          | Outside India   | 2,210.53                    | 2,615.99                    |
|          | <b>Total</b>  | <b>2,15,557.29</b>          | <b>1,83,186.58</b>          |

## 38. FINANCIAL INSTRUMENTS

## A. Fair value measurements

## Accounting classification and fair value

(₹ in Lakhs)

| As at 31 March 2023  | Carrying Amount    |                    |                    | Fair Value         |                    |                 |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|--------------------|
|  | FVTPL              | Amortised Cost     | Total              | Level 1            | Level 2            | Level 3         | Total              |
| <b>Financial Assets</b>  |                    |                    |                    |                    |                    |                 |                    |
| Cash & Cash equivalents #  | -                  | 31.64              | <b>31.64</b>       | -                  | -                  | -               | -                  |
| Other Bank Balances #  | -                  | 2,908.10           | <b>2,908.10</b>    | -                  | -                  | -               | -                  |
| Trade Receivables #  | -                  | 5,600.34           | <b>5,600.34</b>    | -                  | -                  | -               | -                  |
| Loan   | -                  | 4,188.47           | <b>4,188.47</b>    | -                  | -                  | -               | -                  |
| <b>Investments (excluding investment in Subsidiary and Associates)</b> |                    |                    |                    |                    |                    |                 |                    |
| - Mutual funds   | 2,73,985.85        | -                  | <b>2,73,985.85</b> | 2,73,985.85        | -                  | -               | <b>2,73,985.85</b> |
| - Alternative investment funds   | 3,861.57           | -                  | <b>3,861.57</b>    | -                  | -                  | 3,861.57        | <b>3,861.57</b>    |
| - Debt securities  | -                  | 1,78,014.33        | <b>1,78,014.33</b> | -                  | 1,78,261.34        | -               | <b>1,78,261.34</b> |
| - Equity investments   | 2,020.41           | -                  | <b>2,020.41</b>    | -                  | -                  | 2,020.41        | <b>2,020.41</b>    |
| - Preference Shares  | -                  | 23.64              | <b>23.64</b>       | -                  | 23.18              | -               | <b>23.18</b>       |
| Other Financial Assets #   | -                  | 856.50             | <b>856.50</b>      | -                  | -                  | -               | -                  |
| <b>Total</b>   | <b>2,79,867.83</b> | <b>1,91,623.02</b> | <b>4,71,490.85</b> | <b>2,73,985.85</b> | <b>1,78,284.52</b> | <b>5,881.98</b> | <b>4,58,152.35</b> |
| <b>Financial Liabilities</b>   |                    |                    |                    |                    |                    |                 |                    |
| Trade payables #   | -                  | 1,357.56           | <b>1,357.56</b>    | -                  | -                  | -               | -                  |
| Other Financial Liabilities #  | -                  | 8,873.75           | <b>8,873.75</b>    | -                  | -                  | -               | -                  |
| <b>Total</b>   | <b>-</b>           | <b>10,231.31</b>   | <b>10,231.31</b>   | <b>-</b>           | <b>-</b>           | <b>-</b>        | <b>-</b>           |



## NOTES TO THE FINANCIAL STATEMENTS

## Valuation inputs and relationship to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement.

| Financial instruments        | Significant unobservable inputs | Probability weights/range | Sensitivity of inputs to fair value measurement   |
|------------------------------|---------------------------------|---------------------------|---|
| Alternative Investment Funds | Net Asset Value (NAV)           | 0.90X -1.10X              | A 10% increase in the NAV would increase the carrying value of investment by ₹ 386.16 Lakh. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 386.16 Lakh. |

## Fair Value Measurement using significant unobservable inputs (level 3)

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values: (₹ in Lakhs)

| Particulars   | Debt Securities | Alternative investment funds | Equity share in Others |
|---|-----------------|------------------------------|------------------------|
| Opening balance   | -               | 2,098.94                     | 2,001.07               |
| Net gain/(losses) on Financial Instruments recognised in the Statement of Profit and Loss | -               | (70.99)                      | 19.34                  |
| Purchases of financial instruments  | -               | 2,201.70                     | -                      |
| Sale of financial instruments   | -               | 368.09                       | -                      |
| <b>Closing balance</b>  | -               | <b>3,861.56</b>              | <b>2,020.41</b>        |

(₹ in Lakhs)

| As at 31 March 2022  | Carrying Amount    |                  |                    | Fair Value         |                  |                 |                    |
|--|--------------------|------------------|--------------------|--------------------|------------------|-----------------|--------------------|
|  | FVTPL              | Amortised Cost   | Total              | Level 1            | Level 2          | Level 3         | Total              |
| <b>Financial Assets</b>  |                    |                  |                    |                    |                  |                 |                    |
| Cash & Cash equivalents #  | -                  | 171.84           | <b>171.84</b>      | -                  | -                | -               | -                  |
| Other Bank Balances #  | -                  | 2,871.99         | <b>2,871.99</b>    | -                  | -                | -               | -                  |
| Trade Receivables #  | -                  | 4,642.85         | <b>4,642.85</b>    | -                  | -                | -               | -                  |
| Loan   | -                  | 52.80            | <b>52.80</b>       | -                  | -                | -               | -                  |
| <u>Investments (excluding investment in Subsidiary and Associates)</u> |                    |                  |                    |                    |                  |                 |                    |
| - Mutual funds   | 2,78,822.19        | -                | <b>2,78,822.19</b> | 2,78,822.19        | -                | -               | <b>2,78,822.19</b> |
| - Alternative investment funds   | 2,098.94           | -                | <b>2,098.94</b>    | -                  | -                | 2,098.94        | <b>2,098.94</b>    |
| - Debt securities  | -                  | 54,645.37        | <b>54,645.37</b>   | -                  | 54,591.89        | -               | <b>54,591.89</b>   |
| - Equity investments   | 2,001.07           | -                | <b>2,001.07</b>    | -                  | -                | 2,001.07        | <b>2,001.07</b>    |
| - Preference Shares  | -                  | 23.64            | <b>23.64</b>       | -                  | 23.73            | -               | <b>23.73</b>       |
| Other Financial Assets #   | -                  | 5,742.01         | <b>5,742.01</b>    | -                  | -                | -               | -                  |
| <b>Total</b>   | <b>2,82,922.20</b> | <b>68,150.50</b> | <b>3,51,072.70</b> | <b>2,78,822.19</b> | <b>54,615.62</b> | <b>4,100.01</b> | <b>3,37,537.82</b> |
| <b>Financial Liabilities</b>   |                    |                  |                    |                    |                  |                 |                    |
| Trade payables #   | -                  | 1,496.37         | <b>1,496.37</b>    | -                  | -                | -               | -                  |
| Other Financial Liabilities #  | -                  | 8,070.15         | <b>8,070.15</b>    | -                  | -                | -               | -                  |
| <b>Total</b>   | -                  | <b>9,566.52</b>  | <b>9,566.52</b>    | -                  | -                | -               | -                  |



## NOTES TO THE FINANCIAL STATEMENTS

### Valuation inputs and relationship to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement.

| Financial instruments        | Significant unobservable inputs | Probability weights/ range | Sensitivity of inputs to fair value measurement   |
|------------------------------|---------------------------------|----------------------------|---|
| Alternative Investment Funds | Net Asset Value (NAV)           | 0.90X -1.10X               | A 10% increase in the NAV would increase the carrying value of investment by ₹ 209.89 Lakh. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 209.89 Lakh. |

### Fair Value Measurement using significant unobservable inputs (level 3) For the year ended 31 Mar 2022

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values: (₹ in Lakhs)

| Particulars   | Debt Securities | Alternative investment funds | Equity share in Others |
|---|-----------------|------------------------------|------------------------|
| Opening balance   | 1,171.00        | 4,389.86                     | 5.00                   |
| Net gain/(losses) on Financial Instruments recognised in the Statement of Profit and Loss | (3.50)          | 357.37                       | -                      |
| Purchases of financial instruments  | -               | -                            | 1,996.07               |
| Sale of financial instruments   | 1,167.50        | 2648.29                      | -                      |
| <b>Closing balance</b>  | <b>0.00</b>     | <b>2,098.94</b>              | <b>2,001.07</b>        |

# Fair value of cash and cash equivalents, bank balances, trade & other receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to current maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

For the purpose of disclosure, price provided by valuation agency is considered as the fair value of financial assets that are measured at amortised cost.

The hierarchy used is as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

| Financial instruments         | Valuation techniques   |
|-------------------------------|--|
| Mutual funds/ AIF investments | On the basis of latest NAV/Market price available  |
| Debt securities               | The price provided by valuation agency is considered as the fair value of financial assets |
| Equity investments            | The investment is recognised   |

In order to assess Level 3 valuations, the management reviews the performance of the alternative investment funds on a regular basis by tracking their latest available financial statements/financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.



## NOTES TO THE FINANCIAL STATEMENTS

## B. Financial Risk Management

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives. 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.

The different types of risks the company is exposed to arising from Financial Instruments are as follows:

| Exposure arising from  | Risk                                |
|--|-------------------------------------|
| Cash and cash equivalents, trade & other receivables, financial assets measured at amortised cost        | Credit Risk                         |
| Financial liabilities  | Liquidity Risk                      |
| Recognised financial assets not denominated in ₹   | Market Risk - Foreign Exchange Risk |
| Investments in debt securities   | Market Risk - Interest Rate Risk    |
| Investments in equity securities, units of mutual funds, alternative investment funds, measured at FVTPL | Market Risk - Price Risk            |

## 1. Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has adopted a policy of managing assets with due consideration to liquidity and monitoring future cash flows and liquidity on a regular basis. The Company has developed internal control processes for managing liquidity risk. The Company maintains sufficient bank balance and highly marketable securities such as liquid/ultra-short duration and other debt funds. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

The tables below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 Mar 2023

(₹ in Lakhs)

| Particulars                   | Carrying Amount | Contractual Cash Flow |              |                  |
|-------------------------------|-----------------|-----------------------|--------------|------------------|
|                               |                 | Total                 | Up to 1 year | More than 1 year |
| <b>Financial Liabilities</b>  |                 |                       |              |                  |
| - Trade Payables              | 1,357.56        | 1,357.56              | 1,357.56     | -                |
| - Lease liabilities           | 8,392.67        | 10,267.28             | 2,041.53     | 8,225.75         |
| - Other financial liabilities | 481.08          | 481.08                | 481.08       | -                |

As at 31 Mar 2022

(₹ in Lakhs)

| Particulars                   | Carrying Amount | Contractual Cash Flow |              |                  |
|-------------------------------|-----------------|-----------------------|--------------|------------------|
|                               |                 | Total                 | Up to 1 year | More than 1 year |
| <b>Financial Liabilities</b>  |                 |                       |              |                  |
| - Trade Payables              | 1,439.67        | 1,439.67              | 1,496.37     | -                |
| - Lease liabilities           | 7,342.66        | 8,713.36              | 2,151.43     | 6,561.93         |
| - Other financial liabilities | 727.49          | 727.49                | 727.49       | -                |



## NOTES TO THE FINANCIAL STATEMENTS

### 2. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables, cash and cash equivalents, and financial assets measured at amortised cost. Exposure to credit risk is mitigated through regular monitoring of collections and counterparty's creditworthiness and diversification in exposure. 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 as high/moderate etc.

#### Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, bank balance, trade and other receivables and financial assets measured at amortised cost.

| Particulars                     | (₹ in Lakhs) |             |
|---------------------------------|--------------|-------------|
|                                 | 31 Mar 2023  | 31 Mar 2022 |
| Maximum Exposure to Credit Risk | 80,755.75    | 39,110.63   |

Further, refer note 3 for Trade receivables ageing analysis schedule.

#### Expected Credit Loss (ECL) on 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)

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. The Company has determined based on historical experience and expectations that the ECL on its trade receivables is insignificant and was not recorded. 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.

The Company has three types of financial assets that are subject to the expected credit loss:

- Cash and Cash equivalent
- Trade & other receivables
- Investment in debt securities measured at amortised cost

#### Trade and Other Receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as control over preponderant amount of such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 1 year (mainly dues from GOI/ GOI undertakings /PSUs) are still collectible in full, based on historical payment behaviour.

#### Cash and Cash Equivalents

The Company holds cash and cash equivalents and other bank balances as per note 2 and 3. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

#### Investment in Debt Securities measured at amortised cost

The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. Investment in debt securities being at amortised cost include (i) GC Strips which do not carry any risk being sovereign in nature and (ii) bonds of highly rated public sector banks. Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.



**3. Market Risk:**

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to Price risk, Currency risk, and Interest rate risk.

**i. Price risk management:**

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market. The Company's exposure to price risk arises from investments in equity securities, debt securities, units of mutual funds, and alternative investment funds which are classified as financial assets at Fair Value Through Profit and Loss. The following is the Company's exposure to price risk:

| (₹ in Lakhs)                      |             |             |
|-----------------------------------|-------------|-------------|
| Particulars                       | 31 Mar 2023 | 31 Mar 2022 |
| Investment exposure to price risk | 2,79,867.83 | 2,82,922.20 |

To manage its price risk from investments in equity securities, debt securities, units of mutual funds, and alternative investment funds, the Company diversifies its portfolio.

**Price sensitivity analysis:**

The table below sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening in prices/ market value by 5% :

| (₹ in Lakhs)                    |             |             |
|---------------------------------|-------------|-------------|
| Particulars                     | 31 Mar 2023 | 31 Mar 2022 |
| <b>Effect on Profit or Loss</b> |             |             |
| 5% decrease in prices           | (13,993.39) | (14,146.11) |
| 5% increase in prices           | 13,993.39   | 14,146.11   |

**ii. Foreign currency risk management:**

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. 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<br>31 Mar 2023 | As at<br>31 Mar 2022 | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
| AED          | -                    | -                    | 15.03                | 17.23                |
| USD          | -                    | 3.64                 | 283.88               | 286.06               |
| BHD          | 13.16                | 18.65                | -                    | -                    |
| AUD          | -                    | -                    | 4.59                 | 4.11                 |
| JPY          | -                    | -                    | 91.67                | 75.67                |
| SGD          | -                    | -                    | 102.89               | 83.05                |
| EURO         | -                    | -                    | 105.57               | 110.49               |

**Foreign currency sensitivity analysis:**

The following table details the Company's sensitivity to a 10% increase and decrease in ₹ 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 ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ 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 Mar 2023                     | As at 31 Mar 2022 | As at 31 Mar 2023  | As at 31 Mar 2022 |
| AED Currency impact  | 1.50                                  | 1.72              | 1.12   | 1.29              |
| USD Currency impact  | 28.39                                 | 28.24             | 21.24  | 21.13             |
| BHD Currency impact  | (1.32)                                | (1.87)            | (0.98)   | (1.40)            |
| AUD Currency impact  | 0.46                                  | 0.41              | 0.34   | 0.31              |
| JPY Currency impact  | 9.17                                  | 7.57              | 6.86   | 5.66              |
| SGD Currency impact  | 10.29                                 | 8.31              | 7.70   | 6.21              |
| EURO Currency impact | 10.56                                 | 11.05             | 7.90   | 8.27              |

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.

### iii. Interest rate risk management:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest instruments. Accordingly, the exposure to interest rate risk is insignificant.

### 39. Capital management :

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create and maximise value for its shareholders. The same is done through equity. The funding requirements are met through operating cash flows and other equity. The management monitors the return on capital and the board of directors monitors the level of dividends paid to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

### 40. LEASES (AS A LESSEE)

#### (i) Amounts recognised in the balance sheet

The following shows the changes to carrying value relating to right-to-use assets:

(₹ in Lakhs)

| Particulars  | 31 Mar 2023     | 31 Mar 2022     |
|--|-----------------|-----------------|
| <b>Opening balance of Right-of-use assets</b>        | <b>6,638.52</b> | <b>6,005.48</b> |
| Add: Additions during the year                       | 3,134.79        | 2,598.20        |
| Less: Deletion during the year                       | (214.33)        | (159.77)        |
| Less: Depreciation during the year                   | (2,027.37)      | (1,805.39)      |
| Add/Less: Adjustments for Ind AS 116 during the year | -               | -               |
| <b>Closing balance of Right-of-use assets</b>        | <b>7,531.61</b> | <b>6,638.52</b> |

The following shows the movement to lease liabilities during the year:

(₹ in Lakhs)

| Particulars                            | 31 Mar 2023     | 31 Mar 2022     |
|--|-----------------|-----------------|
| <b>Balance at the beginning</b>        | <b>7,342.66</b> | <b>6,487.26</b> |
| Add: New Lease arrangements            | 3,134.79        | 2,598.20        |
| Less: Deletion                         | (243.29)        | (167.50)        |
| Add/Less: Adjustment due to Ind AS 116 | -               | -               |
| Add: Finance cost accrued              | 525.46          | 444.16          |
| Less: Payment of Lease liabilities     | (2,366.95)      | (2,019.46)      |
| Less: Rent concessions                 | -               | -               |
| <b>Balance at the end</b>              | <b>8,392.67</b> | <b>7,342.66</b> |



The following is the break up of current and non-current lease liabilities (₹ in Lakhs)

| Particulars  | 31 Mar 2023     | 31 Mar 2022     |
|--------------|-----------------|-----------------|
| Current      | 1,535.57        | 1,743.03        |
| Non-current  | 6,857.10        | 5,599.63        |
| <b>Total</b> | <b>8,392.67</b> | <b>7,342.66</b> |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis: (₹ in Lakhs)

| Particulars          | 31 Mar 2023      | 31 Mar 2022     |
|----------------------|------------------|-----------------|
| Less than one year   | 2,041.53         | 2,151.43        |
| One to five years    | 5,944.45         | 4,967.12        |
| More than five years | 2,281.30         | 1,594.81        |
| <b>Total</b>         | <b>10,267.28</b> | <b>8,713.36</b> |

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

The statement of profit or loss shows the following amounts relating to leases: (₹ in Lakhs)

| Particulars  | 31 Mar 2023 | 31 Mar 2022 |
|--|-------------|-------------|
| Depreciation charge on right-of-use assets   | 2,027.37    | 1,805.39    |
| Interest expense (included in finance cost)  | 525.46      | 444.16      |
| Expense relating to short-term leases (included in administrative expenses)  | 102.93      | 62.29       |
| 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)                | -           | -           |
| Rent concession  | -           | -           |



## 41. 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 62.53% of the share capital   |
| Enterprise having significant influence | Amundi India Holding, a wholly owned subsidiary of Amundi holds 36.73% of the share capital   |
| Subsidiary                              | SBI Funds Management (International) Private Limited (100% subsidiary)  |
| Controlled Trust                        | SBI Funds Management Employee Welfare Trust   |
| Associates                              | SBI Pension Funds Private Limited   |
| Other Related Party                     | C Edge Technologies Ltd.<br>(Joint Venture of State Bank of India)<br>The Clearing Corporation of India Limited<br><b>RRBs:-</b><br>Arunachal Pradesh Rural Bank<br>Ellaquai Dehati Bank<br>Mizoram Rural Bank<br>Nagaland Rural Bank<br>Rajasthan Marudhara Gramin Bank<br>Saurashtra Gramin Bank<br>Uttarakhand Gramin Bank<br>Chhattisgarh Rajya Gramin Bank<br>Jharkhand Rajya Gramin Bank<br>Meghalaya Rural Bank<br>Telangana Grameena Bank<br>Utkal Grameen Bank<br>Andhra Pradesh Grameena Vikas Bank<br>Madhyanchal Gramin Bank<br>(Associates of State Bank of India)   |
| Key Management Personnel                | Mr. Shamsheer Singh (Managing Director & Chief Executive Officer) from December 6, 2022<br>Mr. Vinay M. Tonse (Managing Director & Chief Executive Officer) upto December 5, 2022<br>Mr. Denys de Campigneulles (Deputy Chief Executive Officer)<br>Mr. Dinesh Kumar Khara (Chairman)<br>Mr. Fathi Jerfel (Associate Director)<br>Mr. Ashwini Kumar Tewari (Associate Director) upto July 14, 2022<br>Mr. Swaminathan Janakiraman (Associate Director) from July 21, 2022<br>Mr. Jean Yves Glain (Associate Director) upto December 09, 2022<br>Mr. C. N. Ram (Independent Director)<br>Mr. Om Prakash Gahrotra (Independent Director) upto October 21, 2022<br>Mr. Moiz Miyajiwala (Independent Director)<br>Mrs. Sudha Krishnan (Independent Director) from June 25, 2021<br>Mr. Shekhar Bhatnagar (Independent Director) from March 21, 2022<br>Mr. T.T. Ram Mohan (Independent Director) from December 05, 2022 |



|                                     |  |
|-------------------------------------|--|
| Other Related parties:-             |  |
| i) Fellow Subsidiaries              | SBI Life Insurance Company Limited<br>SBI General Insurance Limited<br>SBI Mutual Fund Trustee Company Private Limited<br>SBI-SG Global Securities Services Private Limited<br>SBICAP Securities Limited<br>SBI Capital Markets Limited<br>SBI Foundation<br>SBI CAP Trustee Company Private Limited<br>SBI DFHI Limited |
| ii) Enterprise under common control | <b>Subsidiary/Associates of Amundi:</b><br>Amundi Singapore Limited (100%)<br>Amundi Hong Kong Limited (100%)<br>Amundi Asset Management, Paris (100%)<br>Amundi UK Ltd. (100%)<br>NH-Amundi Asset Management Co. Ltd. (30%)   |

## i) Details of transactions with Related Parties during the year 2023-23

(₹ In Lakh)

| Particulars                                       | Holding Company (State Bank of India) | Enterprise Having Significant Influence | Fellow Subsidiaries * | Enterprise under Common control * | KMP/ Relative * | Subsidiary | Other  | Associates |
|---|---------------------------------------|---|-----------------------|-----------------------------------|-----------------|------------|--------|------------|
| PMS Advisory & Other fees                         | 144.61                                | -                                       | -                     | 1,528.62                          | -               | -          | 452.48 | -          |
| Interest Income                                   | 139.29                                | -                                       | -                     | -                                 | -               | 6.54       | -      | -          |
| Fund Accounting and Custodial Charges             | -                                     | -                                       | 2,346.19              | -                                 | -               | -          | -      | -          |
| Rent paid/( Recovered)                            | 48.40                                 | -                                       | (2.03)                | -                                 | -               | -          | -      | -          |
| Brokerage - PMS & AIF                             | 295.68                                | -                                       | -                     | -                                 | -               | -          | -      | -          |
| Demat Charges & Brokerage                         | -                                     | -                                       | 4.87                  | -                                 | -               | -          | -      | -          |
| CSR Activities (#)                                | -                                     | -                                       | 228.42                | -                                 | -               | -          | -      | -          |
| Data Processing charges & Scheme related expenses | -                                     | -                                       | -                     | -                                 | -               | -          | -      | -          |
| Bank charges                                      | 24.69                                 | -                                       | -                     | -                                 | -               | -          | -      | -          |
| Royalty   | 2,141.30                              | -                                       | -                     | -                                 | -               | -          | -      | -          |
| Processing Fee                                    | -                                     | -                                       | -                     | -                                 | -               | -          | -      | -          |
| Electricity/Generator Charges                     | 0.32                                  | -                                       | -                     | -                                 | -               | -          | -      | -          |
| Repairs & Maintenance                             | -                                     | -                                       | -                     | -                                 | -               | -          | -      | -          |
| Business Promotion                                | 60.12                                 | -                                       | -                     | -                                 | -               | -          | -      | -          |
| Training  | 9.16                                  | -                                       | -                     | -                                 | -               | -          | -      | -          |
| Scheme Related Expenses                           | -                                     | -                                       | 0.30                  | -                                 | -               | -          | -      | -          |
| Reimbursement/Recovery of Expenses                | 28.90                                 | -                                       | (0.13)                | -                                 | -               | -          | -      | -          |
| Transaction charges                               | -                                     | -                                       | -                     | -                                 | -               | -          | 60.94  | -          |
| Software Support                                  | -                                     | -                                       | -                     | -                                 | -               | -          | 33.83  | -          |
| Initial settlement amount                         |                                       |   |                       |                                   |                 | 0.10       |        |            |



(₹ in Lakhs)

| Particulars   | Holding Company (State Bank of India) | Enterprise Having Significant Influence | Fellow Subsidiaries * | Enterprise under Common control * | KMP/Relative * | Subsidiary | Other  | Associates |
|---|---------------------------------------|---|-----------------------|-----------------------------------|----------------|------------|--------|------------|
| Insurance Premium                                       | -                                     | -                                       | 584.23                | -                                 | -              | -          | -      | -          |
| Purchase of 8.07% Andhra Pradesh SDL 2036               | -                                     | -                                       | 5,029.24              | -                                 | -              | -          | -      | -          |
| Investment  | -                                     | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Dividend Received                                       | -                                     | -                                       | -                     | -                                 | -              | 547.96     | -      | -          |
| Interim Dividend Paid/ Payable                          | 11,025.00                             | 6,475.00                                | -                     | -                                 | -              | 17.84      | -      | -          |
| Final Dividend Paid                                     | -                                     | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Reimbursement of salaries of deputed employees from SBI | 305.56                                | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Recovery of salaries of deputed employees to SBI        | 123.29                                | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Recovery of Admin Expenses                              | -                                     | -                                       | (30.00)               | -                                 | -              | -          | -      | -          |
| Administrator   | -                                     | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Payment to KMP/Relative                                 | -                                     | -                                       | -                     | -                                 | 45.20          | -          | -      | -          |
|   |                                       |   |                       |                                   |                |            |        |            |
|   |                                       |   |                       |                                   |                |            |        |            |
| <b>Balances Outstanding as at 31 Mar 2023</b>           |                                       |   |                       |                                   |                |            |        |            |
| Receivable/(Payable)                                    | 97.96                                 | -                                       | (164.13)              | 389.37                            | -              | 4,162.54   | 296.98 | -          |
| Balance in Current Accounts                             | 396.40                                | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Term Deposit  | 2,528.16                              | -                                       | -                     | -                                 | -              | -          | -      | -          |

\* Refer Annexure

# Refer Note 31

**Remuneration to Key Managerial Personnel**

The remuneration of key management personnel during the year was as follows:

(₹ in Lakhs)

| Particulars                   | 2022-23 |
|-------------------------------|---------|
| i. Short Term Benefits        | 192.45  |
| ii. Post Employment Benefits  | -       |
| iii. Other long term benefits | -       |
| iv. Share based payments      | -       |
| v. Termination Benefits       | -       |

**Note:**

(i) Banking/Credit Card transactions in normal course of business with related parties have not been considered.

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



## ii) Details of transactions with Related Parties during the year 2021-22

(₹ In Lakh)

| Particulars   | Holding Company (State Bank of India) | Enterprise Having Significant Influence | Fellow Subsidiaries * | Enterprise under Common control * | KMP/Relative * | Subsidiary | Other  | Associates |
|---|---------------------------------------|---|-----------------------|-----------------------------------|----------------|------------|--------|------------|
| PMS Advisory & Other fees                               | 378.36                                | -                                       | (0.85)                | 1,948.76                          | -              | -          | -      | -          |
| Interest Income   | 128.31                                | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Fund Accounting and Custodial Charges                   | -                                     | -                                       | 1,522.52              | -                                 | -              | -          | -      | -          |
| Rent paid/( Recovered)                                  | 65.33                                 | -                                       | (2.29)                | -                                 | -              | -          | -      | -          |
| Brokerage - PMS   | 64.05                                 | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Demat Charges   | -                                     | -                                       | -                     | -                                 | -              | -          | -      | -          |
| CSR Activities (#)                                      | -                                     | -                                       | 185.00                | -                                 | -              | -          | -      | -          |
| Data Processing charges & Scheme related expenses       | -                                     | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Bank charges  | 53.05                                 | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Royalty   | 1,720.81                              | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Processing Fee  | 50.00                                 | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Electricity/Generator Charges                           | 3.14                                  | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Repairs & Maintenance                                   | -                                     | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Business Promotion                                      | 74.71                                 | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Training  | 0.34                                  | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Scheme Related Expenses                                 | -                                     | -                                       | 0.90                  | -                                 | -              | -          | -      | -          |
| Reimbursement of Expenses                               | -                                     | -                                       | 3.89                  | -                                 | -              | -          | -      | 7.00       |
| Transaction charges                                     | -                                     | -                                       | -                     | -                                 | -              | -          | 64.18  | -          |
| Software Support  | -                                     | -                                       | -                     | -                                 | -              | -          | 79.80  | -          |
| Insurance Premium                                       | -                                     | -                                       | 715.89                | -                                 | -              | -          | -      | -          |
| Investment  | -                                     | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Dividend Received                                       | -                                     | -                                       | -                     | -                                 | -              | 114.53     | -      | -          |
| Interim Dividend Paid/ Payable                          | 9,450.00                              | 5,550.00                                | -                     | -                                 | -              | -          | -      | -          |
| Final Dividend Paid                                     | -                                     | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Reimbursement of salaries of deputed employees from SBI | 351.01                                | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Recovery of salaries of deputed employees to SBI        | 121.11                                | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Recovery of Admin Expenses                              | -                                     | -                                       | 30.00                 | -                                 | -              | -          | -      | -          |
| Administrator   | -                                     | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Payment to KMP/Relative                                 | -                                     | -                                       | -                     | -                                 | 44.70          | -          | -      | -          |
|   |                                       |   |                       |                                   |                |            |        |            |
|   |                                       |   |                       |                                   |                |            |        |            |
| <b>Balances Outstanding as at 31 Mar 2022</b>           |                                       |   |                       |                                   |                |            |        |            |
| Receivable/(Payable)                                    | 304.03                                | -                                       | (65.55)               | 384.99                            | -              | -          | (0.24) | -          |
| Balance in Current Accounts                             | 623.99                                | -                                       | -                     | -                                 | -              | -          | -      | -          |
| Term Deposit  | 2,402.40                              | -                                       | -                     | -                                 | -              | -          | -      | -          |

\* Refer Annexure

# Refer Note 31



## Remuneration to Key Managerial Personnel

The remuneration of key management personnel during the year was as follows:

(₹ in Lakhs)

| Particulars                   | 2021-22 |
|-------------------------------|---------|
| i. Short Term Benefits        | 169.26  |
| ii. Post Employment Benefits  | -       |
| iii. Other long term benefits | -       |
| iv. Share based payments      | -       |
| v. Termination Benefits       | -       |

## Note:

(i) Banking/Credit Card transactions in normal course of business with related parties have not been considered.

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

## \*Annexure to details of Related Party Transactions:

(₹ in Lakhs)

| Particulars                                       | Classification                            | 2022-23  | 2021-22  |
|---|---|----------|----------|
| <b>Fellow Subsidiaries</b>                        |   |          |          |
| SBI Mutual Fund Trustee Company Private Limited   | Other Income                              | 30.13    | 33.89    |
| SBI-SG Global Securities Services Private Limited | Professional Fees                         | 2,346.18 | 1,522.52 |
| SBI Life Insurance Company Limited                | Insurance Premium                         | 144.54   | 296.00   |
| SBI General Insurance Limited                     | Insurance Premium                         | 439.69   | 419.89   |
| SBI CAP Trustee Company Private Limited           | Scheme Expenses                           | 0.30     | 0.90     |
| SBICAP Securities Limited                         | Demat & Demat Brokerage Charges           | 4.87     | -        |
| SBI Foundation (#)                                | CSR Activities                            | 228.42   | 185.00   |
| SBI Capital Markets Limited                       | Other Income                              | 2.03     | 3.13     |
| SBI DFHI Ltd                                      | Purchase of 8.07% Andhra Pradesh SDL 2036 | 5,029.24 | -        |

(₹ in Lakhs)

| Particulars               | Classification | 2022-23 | 2021-22 |
|---------------------------|----------------|---------|---------|
| <b>KMP/Relative</b>       |                |         |         |
| Dr. Prafulla Agnihotri    | Sitting Fee    | -       | 2.20    |
| O.P. Gahrotra             | Sitting Fee    | 8.10    | 13.90   |
| C.N.Ram                   | Sitting Fee    | 7.70    | 10.40   |
| Moiz Miyajiwala           | Sitting Fee    | 10.50   | 10.30   |
| Sudha Krishnan            | Sitting Fee    | 9.00    | 6.50    |
| Shekhar Jitendra Bhatngar | Sitting Fee    | 7.40    | 1.40    |
| Dr. T.T.Ram Mohan         | Sitting Fee    | 2.50    | -       |



| (₹ in Lakhs)                           |                           |          |          |
|--|---------------------------|----------|----------|
| Particulars                            | Classification            | 2022-23  | 2021-22  |
| <b>Enterprise under Common control</b> |                           |          |          |
| Amundi Singapore Limited               | PMS Advisory & Other fees | 28.87    | 33.66    |
| Amundi Hong Kong Limited               | PMS Advisory & Other fees | 1,080.87 | 1,508.50 |
| NH - Amundi Asset Management Co. Ltd   | PMS Advisory & Other fees | 6.84     | 8.60     |
| Amundi Asset Management - Paris        | PMS Advisory & Other fees | 388.66   | 371.69   |
| Amundi UK Limited                      | PMS Advisory & Other fees | 23.38    | 26.30    |

| (₹ in Lakhs)                              |                            |         |         |
|---|----------------------------|---------|---------|
| Particulars                               | Classification             | 2022-23 | 2021-22 |
| <b>Other Related Party</b>                |                            |         |         |
| C-Edge Technologies Ltd                   | Software Support (Expense) | 33.83   | 79.80   |
| The Clearing Corporation of India Limited | Transaction charges        | 60.94   | 64.18   |
| RRBs                                      | PMS Advisory & Other fees  | 452.48  | -       |

| (₹ in Lakhs)   |                           |         |         |
|--|---------------------------|---------|---------|
| Particulars  | Classification            | 2022-23 | 2021-22 |
| <b>Associates/Subsidiary</b>                         |                           |         |         |
| SBI Pension Funds Private Limited                    | Reimbursement of Expenses | -       | 7.00    |
| SBI Funds Management (International) Private Limited | Dividend Received         | 547.96  | 114.53  |

| (₹ in Lakhs)  |                |         |         |
|---|----------------|---------|---------|
| Particulars   | Classification | 2022-23 | 2021-22 |
| <b>Receivable / (Payable) - Enterprise Under Common Control</b> |                |         |         |
| Amundi Hong Kong Equity India                                   | Receivable     | 270.05  | 269.84  |
| Amundi India Bond Fund  | Receivable     | 6.22    | 7.27    |
| NH-Amundi Asset Management Co. Ltd.                             | Receivable     | 1.03    | 1.53    |
| Amundi Asset Management Paris                                   | Receivable     | 105.57  | 99.01   |
| UK Amundi Ltd   | Receivable     | 6.49    | 7.35    |

| (₹ in Lakhs)  |                |          |         |
|---|----------------|----------|---------|
| Particulars   | Classification | 2022-23  | 2021-22 |
| <b>Receivable / (Payable) - Fellow Subsidiaries</b> |                |          |         |
| SBI-SG Global Securities Services Private Limited   | Payable        | (192.21) | (87.71) |
| SBI Mutual Fund Trustee Company Private Limited     | Receivable     | -        | 0.15    |
| SBI Capital Markets Limited                         | Receivable     | -        | -       |
| SBI Life Insurance Company Limited                  | Receivable     | 18.25    | 15.17   |
| SBI General Insurance Limited                       | Receivable     | 9.83     | 6.84    |



| (₹ in Lakhs)                          |                |         |         |
|---------------------------------------|----------------|---------|---------|
| Particulars                           | Classification | 2022-23 | 2021-22 |
| <b>Receivable / (Payable) - Other</b> |                |         |         |
| C-Edge Technologies Ltd               | Payable        | (8.12)  |         |
| The Clearing Corporation of India Ltd | Payable        | -       | (0.24)  |
| RRBs                                  | Receivable     | 305.10  | (0.24)  |

| (₹ in Lakhs)                               |                          |          |         |
|--|--------------------------|----------|---------|
| Particulars                                | Classification           | 2022-23  | 2021-22 |
| <b>Receivable / (Payable) - Subsidiary</b> |                          |          |         |
| SBI Funds Management Limited - EWT         | Loan given               | 4,156.00 | -       |
| SBI Funds Management Limited - EWT         | Accrued interest on loan | 6.54     | -       |

# Refer Note 31

**42. 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 Lakhs)  |              |              |
|---|--------------|--------------|
| Particulars   | 31 Mar 2023  | 31 Mar 2022  |
| Principal amount remaining unpaid to any supplier as at the year end *  | 11.65        | 66.07        |
| 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          |
| <b>*Breakup of above is as under :-</b>   |              |              |
| Trade Payables  | 4.83         | 32.67        |
| Creditors for capital expenses  | -            | 30.19        |
| Retention   | 6.42         | 2.39         |
| Earnest Deposit   | 0.40         | 0.82         |
| <b>Total</b>  | <b>11.65</b> | <b>66.07</b> |

**43. Expenditure in Foreign Currency :**

(₹ in Lakhs)

| Particulars                        | 31 Mar 2023   | 31 Mar 2022   |
|------------------------------------|---------------|---------------|
| Travelling Expenses                | 43.60         | 4.04          |
| Business Promotion & Advertisement | 103.34        | 11.54         |
| Salary                             | 329.40        | 311.13        |
| Rent and Subscription              | 240.83        | 172.66        |
| Professional Fees and others       | 132.36        | 160.09        |
| <b>Total</b>                       | <b>849.53</b> | <b>659.46</b> |

44. The Hon'ble Supreme Court Vide orders dated February 2, 2021 February 9, 2021 and February 12, 2021 in the SLP Nos. 14288- 14291/2020 in Franklin Templeton (FT) Vs. Amruta Garg & OR's., appointed SBI Funds Management Ltd ('SBIFML') erstwhile SBI Funds Management Pvt Ltd, to undertake the exercise of distribution and winding up, which includes liquidation of the holdings/assets/portfolio and distribution/ payment to the unitholders of the six schemes of Franklin Templeton Mutual Fund ('FTMF'). SBIFML received cash amounting to ₹9,122 crores for initial disbursement and balance securities amounting to ₹ 17,682 crores for liquidation and subsequent disbursement.

SBIFML based on its standard operating procedure application filed with the Hon'ble Supreme Court has liquidated securities of appx. 98% of securities received under liquidation. The proceeds from liquidation have been received from selling the securities, maturity proceeds, expense reversals and collections from coupons. As on March 31st, 2023, the securities amounting to ₹ 17867 crores have been liquidated, out of which ₹659 crores have been liquidated in FY23. The total disbursements made by SBIFML to FT unitholders is ₹26932 crores which include ₹ 833 crores disbursed in FY23, ₹16,977 crores disbursed in FY22 in addition to the ₹9,122 crores of the initial disbursement in FY21.

SBIFML has filed interim updates with the Hon'ble Supreme Court regarding progressive status of disbursement and liquidation on 15th March 2021, 17th January 2022 and 5th April 2022. The Hon'ble Supreme Court had vide its order dated April 12, 2022, directed that no further distribution of the available fund/money shall be made by SBIFML without prior permission/approval of this Court, which was subsequently vacated by orders dated 3rd August 2022 and 12th August 2022, by the Hon'ble Supreme Court, wherein the court allowed disbursement of certain amounts to the unitholders of various schemes.

45. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity (if any). The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

46. Disclosures with regard to the new amendments under "Division III of Schedule III" under "Part I – Balance Sheet - General Instructions for preparation of Balance Sheet" in relation to the following clauses WA, WB (i),(ii),(iii), (iv),(v), (vi),(viii), (ix),(x), (xi),(xii), (xiii),(xv), (xiv) and (xvi) are as under:

- The company does not have any borrowings from banks/financial insitutions..
- The company does not have immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company.
- The company does not have investment property in terms IND AS 40.
- The company has not revalued any of its Property, Plant and Equipment (including Rightof-Use Assets) during the year.
- The company has not revalued any of its Intangible assets during the year.
- The company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013
- The Company does not have any capital work in progress.
- The details of Intangible assets under development are given in Note 11
- There are no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder
- The company does not have any borrowings from banks or financial institutions on the basis of security of current assets.
- The Company has not been declared a Wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The company has not entered into any transaction with companies struck off under section 248 of the Companies Act 2013.
- The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.
- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.



- There are no ratios which are applicable with regard to new amendments under "Division III of Schedule III" under "Part I – Balance Sheet - General Instructions for preparation of Balance Sheet".
  - The Company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.
  - The Company has neither advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) nor received any funds to/ from any other person(s) or entity(ies), including foreign entities (Intermediaries) for lending or investing or providing guarantees to/ on behalf of the ultimate beneficiary during the financial year.
47. Disclosure with regard to the new amendments under "Division III of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss" in relation to the following clauses 11(v) 11(vi) and 11(vii) are as under:
- The details of Corporate Social Responsibility (CSR) has been disclosed in note 31.
  - The Company does not have transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during financial year in the tax assessments under the Income Tax Act, 1961.
  - The Company has not traded or invested in Crypto currency or Virtual Currency during any financial year .
49. The financial statements were approved by the Board of Directors on 27 April 2023.
50. Previous years figures have regrouped/reclassified in line with current year.

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No: 101569W

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

Sd/-  
**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

Sd/-  
**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

Sd/-  
**Devang Vaghani**  
Partner  
Membership No: 109386

Sd/-  
**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)  
Director  
DIN 08716335

Sd/-  
**Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Place: Mumbai  
Date : 27 April 2023

Place: Mumbai  
Date : 27 April 2023

Sd/-  
**Inderjeet Ghuliani**  
Chief Financial Officer



**SBI FUNDS MANAGEMENT  
LIMITED  
(CONSOLIDATED FINANCIAL STATEMENTS)**



## INDEPENDENT AUDITOR'S REPORT

To the members of  
SBI Funds Management Limited

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

#### Opinion

We have audited the accompanying consolidated financial statements of SBI Funds Management Limited, previously known as 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 2023, 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 ("Ind AS") prescribed under section 133 of the Act, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2023, 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 Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Company's Annual Report but does not include the consolidated financial statements and our audit report thereon. The Company's Annual Report is expected to be made available to us after the date of this audit 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 associate 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, the Holding Company's Board of Directors 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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



## 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 subsidiaries Company and its associate company 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### Other Matter

We did not audit the financial statements of one foreign subsidiary whose financial statements reflect total assets of Rs. 221.84 Lakh as at 31st March 2023, total revenues of Rs. 625.84 Lakh and net cash outflows amounting to Rs. 101.38 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. 1,070.11 Lakh for the year ended 31st March 2023, as considered in the consolidated financial statements, in respect of one 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 the said subsidiary and associate company, is based solely on the audit reports of such other auditors. 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, under paragraph 3 (xxi), we report that there have been no qualifications or adverse remarks by the respective auditor in the Companies (Auditor's Report) Order (CARO) reports of the Companies included in the consolidated financial statements of the group.
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 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.
  - (e) On the basis of the written representations received from the directors of Holding Company as on 31st March 2023 taken on record by the Board of Directors of Holding Company and on the basis of reports of the statutory auditors of its associate company, none of the directors is disqualified as on 31st March 2023 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** wherein we have expressed an unmodified opinion.
  - (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, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (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 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 27 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.
    - iv.
      1. The Holding Company's Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      2. The Holding Company's Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
      3. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (1) and (2) above, contain any material mis-statement.



- v. The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in compliance with Section 123 of the Companies Act, 2013. The provisions of Section 123 of the Companies Act, 2013 are not applicable to the subsidiaries of the Holding Company.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company only w.e.f. 1st April, 2023, reporting under this clause (Rule 11(g)) is not applicable.
3. 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 Limited ("the Holding Company") and its associate company has a system in place to process all the accounting transactions through IT system. With regards to Holding Company, as such, we have not come across any accounting transactions processed outside IT system which would have an impact on the integrity of the accounts or any financial implications. With regards to associate company, if accounting process is outside, IT system, integrity and reliability of accounting system would be jeopardized since there is no maker/checker concept in manual accounting. |
| 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. Whether such cases are properly accounted for? (in case, lender is a Government Company, then its direction is also applicable for statutory auditor of lender Company). | Based on our examination of relevant records of the SBI Funds Management Limited ("the Holding Company") and its associate company, and the information and explanations received from the Management, there were no borrowings made by Holding Company and its associate company and hence this clause is not applicable for the year 2022-23.   |
| c.      | Whether funds (grants/subsidy etc.) received/receivable for specific schemes from central/ state government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.   | Based on our examination of relevant records of the SBI Funds Management Limited ("the Holding Company") and its associate company and the information and explanations received from the Management, 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 Borkar & Muzumdar**  
**Chartered Accountants**  
 Firm Registration No: 101569W

Sd/-  
**Devang Vaghani**  
 Partner  
 Membership No.: 109386

Place: Mumbai  
 Date: 27th April 2023

UDIN: 23109386BGWGS7972



## Annexure A 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 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 Limited ("the Holding Company") and its associate company, which are companies incorporated in India, as of 31st March 2023 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 with reference to consolidated financial statements 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 internal financial controls with reference to the consolidated financial statements of the Holding Company and its associate company, incorporated in India, 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 Company which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting 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 2023, 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 Borkar & Muzumdar**

**Chartered Accountants**

Firm Registration No.: 101569W

Sd/-

**Devang Vaghani**

Partner

Membership No.: 109386

Place: Mumbai

Date: 27th April 2023

UDIN: 23109386BGWGS7972



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SBI FUNDS MANAGEMENT LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of consolidated financial statements of SBI Funds Management Limited for the year ended 31 March 2023 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) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April 2023.

The assets under management through various schemes managed by SBI Funds Management Limited are not reflected in its Balance Sheet, since these assets do not form part of the SBI Funds Management 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 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 consolidated financial statement of SBI Funds Management Limited for the year ended 31 March 2023 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of SBI Funds Management Limited but did not conduct supplementary audit of the financial statements of SBI Pension Funds Private Limited and SBI Funds Management (International) Private Limited for the year ended 31 March 2023. Further, Section 139(5) and 143(6)(a) of the Act are not applicable to SBI Funds Management (International) Private Limited being private entity incorporated in Foreign country under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquires of the Statutory Auditors and company personnel and 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/-  
(Guljari Lal)  
Director General of Audit (Shipping), Mumbai

Place : Mumbai

Date : June 27, 2023



**CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES AS AT 31 MARCH 2023**

(₹ In Lakhs)

| Particulars  | Note No. | As at 31 Mar 2023  | As at 31 Mar 2022  |
|--|----------|--------------------|--------------------|
| <b>ASSETS</b>  |          |                    |                    |
| <b>1. Financial Assets</b>   |          |                    |                    |
| a. Cash & Cash equivalents   | 2        | 200.70             | 411.07             |
| b. Bank Balance other than (a) above   | 3        | 2,908.10           | 2,871.99           |
| c. Receivables   |          |                    |                    |
| (i) Trade Receivables  | 4        | 5,655.30           | 4,819.61           |
| d. Loans   | 5        | 32.47              | 52.80              |
| e. Investments   | 6        | 4,60,912.58        | 3,39,528.15        |
| f. Other Financial assets  | 7        | 856.50             | 5,742.01           |
| <b>Sub-total - Financial Assets</b>  |          | <b>4,70,565.65</b> | <b>3,53,425.63</b> |
| <b>2. Non Financial Assets</b>   |          |                    |                    |
| a. Current Tax assets ( Net)   |          | 2,202.39           | 2,352.61           |
| b. Property, Plant and Equipment   | 9        | 22,728.61          | 22,029.93          |
| c. Intangible Asset under Development  | 10       | 187.90             | 282.54             |
| d. Other Intangible assets   | 11       | 420.11             | 312.56             |
| e. Other Non- financial assets   | 12       | 2,283.24           | 1,391.07           |
| <b>Sub-total - Non- Financial Assets</b>   |          | <b>27,822.25</b>   | <b>26,368.71</b>   |
| <b>Total Assets</b>  |          | <b>4,98,387.90</b> | <b>3,79,794.34</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                       | 13       | 4.83               | 32.67              |
| ii. total outstanding dues of creditors other than micro enterprises and small enterprises | 13       | 1,510.80           | 1,619.78           |
| b. Other financial liabilities   | 14       | 8,873.75           | 8,070.15           |
| <b>Sub-total - Financial Liabilities</b>   |          | <b>10,389.38</b>   | <b>9,722.60</b>    |
| <b>2. Non Financial Liabilities</b>  |          |                    |                    |
| a. Provision   | 15       | 11,045.72          | 10,244.40          |
| b. Deferred tax liabilities (Net)  | 8        | 1,045.04           | 701.82             |
| c. Other non-financial liabilities   | 16       | 769.28             | 454.59             |
| <b>Sub-total - Non-Financial Liabilities</b>   |          | <b>12,860.04</b>   | <b>11,400.81</b>   |
| <b>3. Equity</b>   |          |                    |                    |
| a. Equity Share capital  | 17       | 5,032.14           | 5,033.05           |
| b. Other Equity  | 18       | 4,70,106.34        | 3,53,637.88        |
| <b>Sub-total - Equity</b>  |          | <b>475,138.48</b>  | <b>358,670.93</b>  |
| <b>Total Liabilities and Equity</b>  |          | <b>498,387.90</b>  | <b>379,794.34</b>  |
| Summary of Significant Accounting Policies   | 1        |                    |                    |
| Other Notes to the Financial Statements  | 2-50     |                    |                    |
| The accompanying notes form an integral part of the financial statements.                  |          |                    |                    |

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No: 101569W

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

Sd/-  
**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

Sd/-  
**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

Sd/-  
**Devang Vaghani**  
Partner  
Membership No: 109386

Sd/-  
**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)  
Director  
DIN 08716335

Sd/-  
**Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Place: Mumbai  
Date : 27 April 2023

Place: Mumbai  
Date : 27 April 2023

Sd/-  
**Inderjeet Ghuliani**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023**

(₹ In Lakhs)

| Particulars   | Note No. | For the Year Ended<br>31 Mar 2023 | For the Year Ended<br>31 Mar 2022 |
|---|----------|-----------------------------------|-----------------------------------|
| <b>Revenue from Operations</b>                                      |          |                                   |                                   |
| i. Asset management fee   | 19       | 2,16,158.59                       | 1,83,685.70                       |
| ii. Net gain on fair value changes                                  | 20       | 14,169.72                         | 12,112.05                         |
| <b>I. Total revenue from operations</b>                             |          | <b>2,30,328.31</b>                | <b>1,95,797.75</b>                |
| <b>II. Other Income</b>   | 21       | 10,929.10                         | 4,216.64                          |
| <b>III. Total Income (I+II)</b>                                     |          | <b>2,41,257.41</b>                | <b>2,00,014.39</b>                |
| <b>Expenses</b>   |          |                                   |                                   |
| i. Finance cost   | 40       | 525.46                            | 444.16                            |
| ii. Scheme expenses   |          | 3,012.80                          | 5,335.31                          |
| iii. Employee benefits expenses                                     | 22       | 32,614.17                         | 28,865.18                         |
| iv. Depreciation and amortization expense                           | 9, 11    | 3,383.65                          | 3,317.93                          |
| v. Other expenses   | 23       | 24,634.62                         | 19,141.43                         |
| <b>IV. Total expenses</b>   |          | <b>64,170.70</b>                  | <b>57,104.01</b>                  |
| <b>V. Profit / (Loss) before exceptional items and tax (III-IV)</b> |          | 1,77,086.71                       | 1,42,910.38                       |
| <b>VI. Exceptional Items</b>  |          | -                                 | -                                 |
| <b>VII. Profit/(loss) before tax (V-VI)</b>                         |          | 1,77,086.71                       | 1,42,910.38                       |
| <b>VIII. SHARE OF PROFIT/(LOSS) OF ASSOCIATES</b>                   |          | 1,070.11                          | 1,039.54                          |
| <b>IX. Tax Expense:</b>   |          |                                   |                                   |
| - Current Tax   | 24       | 43,865.99                         | 36,847.51                         |
| - Deferred Tax  | 25       | 319.41                            | (1,134.43)                        |
| <b>X. Profit / (loss) for the period (VII+VIII-IX)</b>              |          | <b>1,33,971.42</b>                | <b>1,08,236.84</b>                |
| <b>XI. Other Comprehensive Income</b>                               |          |                                   |                                   |
| Items that will not be reclassified to profit or loss :             |          |                                   |                                   |
| i. Remeasurements of the defined benefit plans                      |          | (3.38)                            | 137.55                            |
| ii. Deferred tax on above   |          | 0.85                              | (34.62)                           |
| <b>XII. Total Comprehensive Income for the period</b>               |          | <b>1,33,968.89</b>                | <b>1,08,339.77</b>                |
| <b>XIII. Earnings per equity share</b>                              | 26       |                                   |                                   |
| Basic (₹)   |          | 26.62                             | 21.56                             |
| Diluted (₹)   |          | 26.50                             | 21.46                             |
| Summary of Significant Accounting Policies                          | 1        |                                   |                                   |
| Other Notes to the Financial Statements                             | 2-50     |                                   |                                   |

The accompanying notes form an integral part of the financial statements.

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No: 101569W

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

Sd/-  
**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

Sd/-  
**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

Sd/-  
**Devang Vaghani**  
Partner  
Membership No: 109386

Sd/-  
**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)  
Director  
DIN 08716335

Sd/-  
**Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Place: Mumbai  
Date : 27 April 2023

Place: Mumbai  
Date : 27 April 2023

Sd/-  
**Inderjeet Ghuliani**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023**

(₹ In Lakhs)

| Particulars  | For the Year End<br>31 Mar 2023 | For the Year End<br>31 Mar 2022 |
|--|---------------------------------|---------------------------------|
| <b>Cash Flow from Operating Activities</b>                                     |                                 |                                 |
| Net profit Before Tax  | 1,77,086.71                     | 1,42,910.38                     |
| <b>Adjustments for:</b>  |                                 |                                 |
| Depreciation and Amortization  | 3,383.65                        | 3,317.93                        |
| Finance cost   | 525.46                          | 444.16                          |
| Employee Stock Option Expenses   | 2,897.49                        | 2,333.19                        |
| (Profit) /Loss on sale of Property, Plant, Equipment & Intangible Assets (Net) | (9.72)                          | (3.13)                          |
| Fair valuations of Investment (Net)  | (6,018.26)                      | 1,027.81                        |
| Gain on sale/redemption of investments   | (8,151.46)                      | (13,139.86)                     |
| Exchange Fluctuations  | 28.90                           | 8.63                            |
| Interest income on investments   | (9,947.13)                      | (2,488.48)                      |
| Interest on Fixed deposit  | (139.87)                        | (128.40)                        |
| Other Interest income  | (1.37)                          | (1.86)                          |
| Dividend income  | (1.61)                          | -                               |
| <b>Operating profit before working capital changes</b>                         | <b>1,59,652.79</b>              | <b>1,34,280.37</b>              |
| Decrease / (Increase) in Other Bank Balance                                    | 103.76                          | 4,885.09                        |
| Decrease / (Increase) in Trade Receivables                                     | (835.69)                        | (645.48)                        |
| Decrease / (Increase) in Other Financial Assets                                | 4,885.51                        | (5,018.76)                      |
| Decrease / (Increase) in Other Non Financial Assets                            | (892.17)                        | 113.20                          |
| (Decrease) / Increase in Trade Payables  | (136.82)                        | 57.78                           |
| (Decrease) / Increase in Other Financial Liabilities                           | (246.41)                        | 344.71                          |
| (Decrease) / Increase in Provisions  | 797.94                          | 768.10                          |
| (Decrease) / Increase in Other Non- Financial Liabilities                      | 314.69                          | 160.68                          |
| <b>Net Cash Generated from Operations</b>                                      | <b>1,63,643.60</b>              | <b>1,34,945.69</b>              |
| Income taxes paid net of refund ,if any  | 43,715.77                       | 34,152.77                       |
| <b>Net cash generated from Operating Activities (A)</b>                        | <b>1,19,927.83</b>              | <b>1,00,792.92</b>              |
| <b>Cash Flow from Investing Activities</b>                                     |                                 |                                 |
| Purchase of Intangible assets(including advances for capital)                  | (901.85)                        | (431.92)                        |
| Purchase of Tangible assets(including advances for capital)                    | (263.21)                        | (649.98)                        |
| Purchase of Investments  | (4,24,005.49)                   | (2,91,945.30)                   |
| Proceeds from Sale of Investments  | 3,21,234.30                     | 2,08,191.67                     |
| Loan to Staff  | 21.70                           | -                               |
| Other Interest Income  | -                               | 1.86                            |
| Dividend received on investments   | 1.61                            | -                               |
| Interest income on investments   | 6,573.71                        | 694.80                          |
| <b>Net Cash used in Investing Activities (B)</b>                               | <b>(97,339.23)</b>              | <b>(84,138.87)</b>              |



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023**

(₹ In Lakhs)

| Particulars  | For the Year End<br>31 Mar 2023 | For the Year End<br>31 Mar 2022 |
|--|---------------------------------|---------------------------------|
| <b>Cash Flow from Financing Activities</b>   |                                 |                                 |
| Proceeds from issuance of Share capital<br>( Net of Shares held by EWT)  | 1,360.02                        | 5,223.82                        |
| Adjustment in relation to shares held by the EWT   | (4,150.60)                      | -                               |
| Principal element of Lease payments  | (1,870.43)                      | (1,583.02)                      |
| Interest element of Lease payments   | (525.46)                        | (444.16)                        |
| Interim Dividend paid  | (17,612.49)                     | (15,088.56)                     |
| Final Dividend paid  | -                               | (5,272.50)                      |
| <b>Net Cash used in Financing Activities (C)</b>   | <b>(22,798.96)</b>              | <b>(17,164.42)</b>              |
| <b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>   | <b>(210.36)</b>                 | <b>(510.37)</b>                 |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>  | <b>411.07</b>                   | <b>921.44</b>                   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>  | <b>200.70</b>                   | <b>411.07</b>                   |
| <b>Cash and Cash Equivalent comprising of :</b>  |                                 |                                 |
| Cash   | 0.41                            | 0.29                            |
| Balance with Banks in current accounts   | 200.29                          | 410.78                          |
| <b>Total</b>   | <b>200.70</b>                   | <b>411.07</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' and previous year figures have been regrouped. |                                 |                                 |
| Summary of Significant Accounting Policies   | 1                               |                                 |
| Other Notes to the Financial Statements  | 2-50                            |                                 |

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No: 101569W

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

Sd/-  
**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

Sd/-  
**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

Sd/-  
**Devang Vaghani**  
Partner  
Membership No: 109386

Sd/-  
**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)  
Director  
DIN 08716335

Sd/-  
**Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Place: Mumbai  
Date : 27 April 2023

Place: Mumbai  
Date : 27 April 2023

Sd/-  
**Inderjeet Ghuliani**  
Chief Financial Officer



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023****a. Equity Share Capital:**

(₹ in Lakh)

| Particulars   | Balance at the beginning of the year | Allotment of Shares on exercise of ESOPs | Shares held by the EWT* | Balance at the end of the year |
|---|--------------------------------------|--|-------------------------|--------------------------------|
| Equity Shares of ₹1 each, fully paid up<br>(Previous Year ₹1 each, fully paid up) |                                      |  |                         |                                |
| As at 31 March, 2023  | 5,033.05                             | 4.19                                     | (5.10)                  | 5,032.14                       |
| As at 31 March, 2022  | 5,009.25                             | 23.80                                    | -                       | 5,033.05                       |

(\*509, 606 shares held by SBI Funds Management Ltd. Employer Welfare Trust ("EWT"). Refer Note no. 28 for details on EWT)

**b. Other Equity**

(₹ in Lakh)

| Particulars   | Reserves and Surplus    |                    |                  |                                   |                    | Other Comprehensive Income (OCI) | Foreign Currency translation reserves | Total Other Equity |
|---|-------------------------|--------------------|------------------|-----------------------------------|--------------------|----------------------------------|---------------------------------------|--------------------|
|   | Share Application Money | Securities Premium | General Reserve  | Shares Option Outstanding Account | Retained Earnings  |                                  |                                       |                    |
| Opening balance as at 01 April, 2022  | -                       | 8,492.47           | 11,760.09        | 3,314.84                          | 3,30,456.88        | (447.43)                         | 61.03                                 | 3,53,637.88        |
| Profit for the year   | -                       | -                  | -                | -                                 | 1,33,971.42        | -                                | -                                     | 1,33,971.42        |
| Other Comprehensive Income -Remeasurement gain/(loss) of the defined benefit plans (net of tax)         | -                       | -                  | -                | -                                 | -                  | (2.53)                           | 28.90                                 | 26.37              |
| <b>Total Comprehensive Income for the year</b>  | -                       | -                  | -                | -                                 | <b>1,33,971.42</b> | <b>(2.53)</b>                    | <b>28.90</b>                          | <b>1,33,997.79</b> |
| Transfer to/from retained earnings  | -                       | -                  | 500.00           | -                                 | (500.00)           | -                                | -                                     | -                  |
| Other Additions/Deductions during the year  | -                       | -                  | -                | 2,897.49                          | -                  | -                                | -                                     | 2,897.49           |
| Adjustment in relation to shares held by the EWT  | -                       | -                  | -                | (4,253.69)                        | 78.43              | -                                | -                                     | (4,175.26)         |
| Interim Dividend for FY 2022-23   | -                       | -                  | -                | -                                 | (17,612.49)        | -                                | -                                     | (17,612.49)        |
| Additions During the year (towards options exercised)   | 1,365.12                | 1,360.93           | -                | -                                 | -                  | -                                | -                                     | 2,726.05           |
| Utilised during the year (on account of allotment of shares under ESOP)                                 | (1,365.12)              | -                  | -                | -                                 | -                  | -                                | -                                     | (1,365.12)         |
| Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)       | -                       | 362.92             | -                | (362.92)                          | -                  | -                                | -                                     | -                  |
| Transfer from Share Options Outstanding Account to Retained Earnings (towards vested options cancelled) | -                       | -                  | -                | (15.19)                           | 15.19              | -                                | -                                     | -                  |
| <b>Changes during the year</b>  | <b>-</b>                | <b>1,723.85</b>    | <b>500.00</b>    | <b>(1,734.31)</b>                 | <b>(18,018.87)</b> | <b>-</b>                         | <b>-</b>                              | <b>(17,529.33)</b> |
| <b>Closing Balance as at 31 March, 2023</b>   | <b>-</b>                | <b>10,216.32</b>   | <b>12,260.09</b> | <b>1,580.53</b>                   | <b>4,46,409.43</b> | <b>(449.96)</b>                  | <b>89.93</b>                          | <b>4,70,106.34</b> |



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**

| Particulars   | Reserves and Surplus    |                    |                  |                                   |                    | OCI*            | Foreign Currency translation reserve | Total Other Equity |
|---|-------------------------|--------------------|------------------|-----------------------------------|--------------------|-----------------|--------------------------------------|--------------------|
|   | Share Application Money | Securities Premium | General Reserve  | Shares Option Outstanding Account | Retained Earnings  |                 |                                      |                    |
| Opening balance as at 01 April, 2021  | -                       | 1,925.08           | 11,260.09        | 2,353.31                          | 2,37,804.32        | (550.36)        | 52.40                                | 2,52,844.84        |
| Profit for the year   | -                       | -                  | -                | -                                 | 1,08,236.84        | -               | -                                    | 1,08,236.84        |
| Other Comprehensive Income -Remeasurement gain/(loss) of the defined benefit plans (net of tax)         | -                       | -                  | -                | -                                 | -                  | 102.93          | -                                    | 102.93             |
| <b>Total Comprehensive Income for the year</b>  | -                       | -                  | -                | -                                 | <b>1,08,236.84</b> | <b>102.93</b>   | -                                    | <b>1,08,339.77</b> |
| Transfer to/from retained earnings  | -                       | -                  | 500.00           | -                                 | (500.00)           | -               | -                                    | -                  |
| Other Additions/Deductions during the year  | -                       | -                  | -                | 2,333.19                          | -                  | -               | 8.63                                 | 2,341.82           |
| Interim Dividend for FY 2021-22   | -                       | -                  | -                | -                                 | (15,088.56)        | -               | -                                    | (15,088.56)        |
| Additions During the year (towards options exercised)   | 5,223.82                | 5,200.01           | -                | -                                 | -                  | -               | -                                    | 10,423.83          |
| Utilised during the year (on account of allotment of shares under ESOP)                                 | (5,223.82)              | -                  | -                | -                                 | -                  | -               | -                                    | (5,223.82)         |
| Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)       | -                       | 1,367.38           | -                | (1,367.38)                        | -                  | -               | -                                    | -                  |
| Transfer from Share Options Outstanding Account to Retained Earnings (towards vested options cancelled) | -                       | -                  | -                | (4.28)                            | 4.28               | -               | -                                    | -                  |
| <b>Changes during the year</b>  | -                       | <b>6,567.39</b>    | <b>500.00</b>    | <b>961.53</b>                     | <b>(15,584.28)</b> | -               | <b>8.63</b>                          | <b>(7,546.73)</b>  |
| <b>Closing Balance as at 31 March, 2022</b>   | -                       | <b>8,492.47</b>    | <b>11,760.09</b> | <b>3,314.84</b>                   | <b>3,30,456.88</b> | <b>(447.43)</b> | <b>61.03</b>                         | <b>3,53,637.88</b> |

Summary of Significant Accounting Policies 1  
Other Notes to the Financial Statements 2-50

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No: 101569W

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

Sd/-  
**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

Sd/-  
**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

Sd/-  
**Devang Vaghani**  
Partner  
Membership No: 109386

Sd/-  
**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)  
Director  
DIN 08716335

Sd/-  
**Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Place: Mumbai  
Date : 27 April 2023

Place: Mumbai  
Date : 27 April 2023

Sd/-  
**Inderjeet Ghuliani**  
Chief Financial Officer

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICY

#### **Company Overview**

“SBI Funds Management Limited (‘SBIFML/ the Company’) erstwhile known as SBI Funds Management Private Limited was incorporated on 7th February 1992 under The Companies Act, 1956 (Act). The Company is 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 wholly owned foreign subsidiary namely SBI Funds Management (International) Private Limited, which is based at Mauritius and manages Off-shore Funds.

The Company is also registered with SEBI under the SEBI (Portfolio Managers) Regulations, 1993 now replaced by SEBI (Portfolio Managers) Regulations, 2020 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 Company has also received approval from the Development Commissioner, Kandla Special Economic Zone vide Letter of Approval dated March 19, 2021 for setting up branch office in International Financial Services Centres (IFSC) – GIFT City at Gujarat for undertaking Investment Management activities / services for pooled assets and Portfolio Management services. The Company has set up a branch in IFSC. International Financial Services Centres Authority (IFSCA) has granted certificate of registration dated November 28, 2022 to SBI Funds Management Limited (IFSC Branch) to carry out activities as a Fund Management Entity (Retail) vide registration number is IFSCA / FME/ III/ 2022-23/010.

The Consolidated Financial Statements comprise financial statements of “SBI Funds Management Limited” (‘the Holding Company’) and its subsidiary (Collectively referred to as “the Group”)

#### **1.1 Statement of compliance**

The Consolidated Financial statements of SBI Funds Management Limited (‘the Company’) and its subsidiary & associate 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 Limited (‘the Company’) and its subsidiaries and associate. The consolidated financial statements have been prepared on the following basis:



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

- 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.
- Profits or losses resulting from intra-group transactions are eliminated in full.
- In case of foreign subsidiary, 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.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Non-Controlling Interest's share of profit / loss of consolidated subsidiary 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.
- 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.
- Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

### Disclosure relating to entities considered in the Consolidated Financial Statements

#### Subsidiaries considered for consolidation

| No | Name of Subsidiary  | Country of Incorporation | Proportion of ownership interest |             |
|----|---|--------------------------|----------------------------------|-------------|
|    |   |                          | 31 Mar 2023                      | 31 Mar 2022 |
| 1  | SBI Funds Management (International) Private Limited        | Mauritius                | 100%                             | 100%        |
| 2  | SBI Funds Management Limited – Employee Welfare Trust (EWT) | India                    | Controlled Trust                 | N.A.        |

#### Foreign operations

The Foreign Subsidiary of the Company has been classified as a Non-Integral Foreign Operation.

- 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.
- Income and expenditure of non-integral foreign operations are translated at the average rates prevailing during the year.
- 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.
- 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.
- 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.

#### Controlled Trust

Pursuant to the amended ESOP-2018 Scheme and approval of the Board of Directors & Shareholders upon recommendation of the Nomination and Remuneration Committee ("NRC"), the Company has set up the SBI Funds Management Limited – Employee Welfare Trust ("EWT").



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

The EWT has been treated as a subsidiary for consolidation purposes as per Control criteria defined under IND-AS 110. The adjustments in relation to equity shares held by the EWT have been presented as a deduction from total equity, until they are cancelled, sold or re-issued.

### Associate considered for consolidation

| No | Name of Associates                | Country of Incorporation | Proportion of ownership interest |             |
|----|-----------------------------------|--------------------------|----------------------------------|-------------|
|    |                                   |                          | 31 Mar 2023                      | 31 Mar 2022 |
| 1  | SBI Pension Funds Private Limited | India                    | 20%                              | 20%         |

Investment in Associates are accounted for using the equity method as per Ind AS 28 Investments in Associates and Joint 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.

### 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

### 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



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

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 – Fair values, risk management and impairment of financial assets.
- Estimates of useful lives and residual value of property, plant and equipment, and other intangible assets.
- Obligation relating to employee benefits related to actuarial assumptions and share based payments.
- Recognition and measurement of provisions and contingencies; key assumptions related to the likelihood and magnitude of an outflow of resources, if any
- Recognition of deferred tax assets/liabilities.
- Determination of lease term and discount rate for lease liabilities
- Impairment test of non-financial assets:

key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets

### 1.5 **Investments in subsidiary and associate**

Investments in subsidiary and associate 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.

### 1.6 **Revenue recognition**

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115 to determine when to recognize revenue and at what amount. The Company applies for the five - step approach for recognition of revenue.

- Identification of contract(s) with customer
- Identification of separate performance obligation in the contract
- Determination of transaction price
- Allocation of transaction price to the separate performance obligation, and
- Recognition of revenue when (or as) each performance obligation is satisfied.

#### 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.

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

##### a. **Management Fees:**

The Company receives management fees from the mutual fund which is charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The maximum amount of management fee that can be charged is subject to applicable SEBI regulations. In case of AIF Scheme management fees is recognised as defined into offer document on accrual basis.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### b. Portfolio Management and Advisory Services :

Portfolio Management Fees and Advisory Fees are recognised on an accrual basis as per the terms of the contract with the customers.

These contracts include a single performance obligation (series of distinct services) that is satisfied over time and the management fees and/or advisory fees earned are considered as variable consideration.

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

### 1.6.2 Other Income:

#### a. Dividend income:

Dividend income from investments is recognised when the right to receive payment has been 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 other income in the statement of profit and loss.

### 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 along with guidelines by Association of Mutual Funds in India (AMFI) issued from time to time.

Expenses of schemes of SBI Mutual Fund, in excess of the stipulated rates (if any), 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. In case of PMS/AIF scheme, based on the contract, expenses if any, are charged to the Statement of Profit and Loss.

- b. Brokerage: in case of open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs), brokerage paid of future period up to 21st October 2018 are amortized over a period of 36 months and in other cases 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



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

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. 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 incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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.

### 1.9 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 statement of profit and loss 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 statement of profit and loss, respectively).



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### 1.10 Employee benefits

#### a. Defined Contribution Plan:

##### i. 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.

##### ii. 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.

##### iii. National Pension Scheme/Scheme (NPS)

NPS is a defined contribution scheme. In case employee opts for NPS, the Company contributes a sum not exceeding 10% of basic salary plus dearness pay of the eligible employees' salary to the NPS. 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 statement of profit and 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 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.



**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS****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 end of reporting period.

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 subsidiary and associate, 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 Company 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.

**1.12 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 is as under:



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

| 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.

**c. Capital work in progress**

Projects under which property plant and equipment are not ready for their intended use are carried at cost less accumulated impairment losses, comprising direct cost, inclusive of taxes, duties, freight, and other incidental expenses.

**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.

**Intangible assets under development**

The intangible assets under development includes cost of intangible assets that are not ready for their intended use less accumulated impairment losses (if any).



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### 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 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.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Capital commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/development of assets and other commitment represent the amounts pertaining to investments which have been committed but not called for.

Provisions, contingent assets contingent liabilities and commitments are reviewed at each balance sheet date.

### 1.16 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 using effective interest rate.

##### ***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.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### *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)

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.

### **Offsetting of financial instruments**

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

### **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.



**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS****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 Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**1.20 Impairment of Non- Financial Assets**

The carrying amounts of non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated impaired when the carrying cost of an asset or cash-generating unit's (CGU) exceeds its recoverable value.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The recoverable amount is the greater of the assets' or CGU's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss, if any, is charged to Statement of Profit and Loss Account in the year in which an asset is identified as impaired. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**1.21 Standards Issued/Amended but not Effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12- Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 2. CASH AND CASH EQUIVALENTS (₹ in Lakhs)

| Particulars             | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|-------------------------|----------------------|----------------------|
| a. Cash on hand         | 0.41                 | 0.29                 |
| b. Balance with banks * |                      |                      |
| in Current accounts     | 200.29               | 410.78               |
| <b>Total</b>            | <b>200.70</b>        | <b>411.07</b>        |

(\*Refer Note No 41 for Related Party Disclosures)

## 3. OTHER BANK BALANCES \*

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| a. Current account earmarked for unpaid dividend #       | 2.44                 | -                    |
| b. Earmarked for CSR                                     | 365.75               | 458.95               |
| c. Balances with banks**<br>(Including interest accrued) | 2,539.91             | 2,413.04             |
| <b>Total</b>   | <b>2,908.10</b>      | <b>2,871.99</b>      |

(\*Refer Note No 41 for Related Party Disclosures)

# ₹ 2.30 lakh earmarked for unpaid dividend)

(\*\* includes (i) AED 50,000 (₹11.59 lakh) [previous year AED 50,000 (₹ 10.28 lakh)] towards lien created in favour of Ministry of Economy, Dubai, UAE, for operation of representative office at Dubai; (ii) ₹ 2,145 lakh [previous year ₹ 2,145 lakh] towards lien created for PMS activities for providing the Performance Guarantee)

## 4. TRADE RECEIVABLES\*

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| a. Receivables considered good - Secured;                      | -                    | -                    |
| b. Receivables considered good - Unsecured;                    |                      |                      |
| i. Management Fees Receivable                                  | 3,037.87             | 2,723.83             |
| ii. Portfolio Management & Advisory Fees Receivable            | 2,617.43             | 2,095.78             |
| c. Receivables which have significant increase in credit risk; | -                    | -                    |
| d. Receivables – credit impaired                               | -                    | -                    |
| <b>Total</b>   | <b>5,655.30</b>      | <b>4,819.61</b>      |

## LOSS ALLOWANCE

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| a. Receivables considered good - Secured;                      | -                    | -                    |
| b. Receivables considered good - Unsecured;                    |                      |                      |
| i. Management Fees Receivable                                  | -                    | -                    |
| ii. Portfolio Management & Advisory Fees Receivable            | -                    | -                    |
| c. Receivables which have significant increase in credit risk; | -                    | -                    |
| d. Receivables – credit impaired                               | -                    | -                    |
| <b>Total</b>   | <b>-</b>             | <b>-</b>             |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## NET AMOUNT (TRADE RECEIVABLE) (₹ in Lakhs)

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| a. Receivables considered good - Secured;                      | -                    | -                    |
| b. Receivables considered good - Unsecured;                    |                      |                      |
| i. Management Fees Receivable                                  | 3,037.87             | 2,723.83             |
| ii. Portfolio Management & Advisory Fees Receivable            | 2,617.43             | 2,095.78             |
| c. Receivables which have significant increase in credit risk; | -                    | -                    |
| d. Receivables – credit impaired                               | -                    | -                    |
| <b>Total</b>   | <b>5,655.30</b>      | <b>4,819.61</b>      |

## RECEIVABLES CONSIDERED GOOD - UNSECURED;

| Particulars    | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|----------------|----------------------|----------------------|
| Undisputed     |                      |                      |
| - Unbilled     | 591.02               | 547.94               |
| - Bill not due | -                    | -                    |
| - Bill and due | 5,064.28             | 4,271.67             |
| Disputed       | -                    | -                    |
| <b>Total</b>   | <b>5,655.30</b>      | <b>4,819.61</b>      |

## TRADE RECEIVABLES - AGEING SCHEDULE

| Particulars                             | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------------------|----------------------|
| Unsecured, considered good & undisputed |                      |                      |
| - Unbilled                              | 591.02               | 547.94               |
| - Billed and due                        |                      |                      |
| - Less than 6 Months                    | 4,807.40             | 3,988.48             |
| - 6 months - 1 year                     | 255.73               | 259.25               |
| - 1-2 years                             | 1.15                 | 23.94                |
| Disputed                                | -                    | -                    |
| <b>Total</b>                            | <b>5,655.30</b>      | <b>4,819.61</b>      |

(\*Refer Note No 41 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

## 5. LOANS\*

(₹ in Lakhs)

| Particulars   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------------------|----------------------|
| Staff Loans   |                      |                      |
| a. Loans receivables considered good - Secured;#                    | 22.20                | 41.82                |
| b. Loans receivables considered good – Unsecured                    | 10.27                | 10.98                |
| c. Loans receivables which have significant increase in credit risk | -                    | -                    |
| d. Loans receivables which credit impaired                          | -                    | -                    |
| <b>Total</b>  | <b>32.47</b>         | <b>52.80</b>         |

(\*Refer Note No 41 for Related Party Disclosures)

(# Staff loans includes housing loans and vehicles loans which are secured against the respective assets and are based in India).

## 6. INVESTMENTS

| Particulars                         | As at 31 Mar 2023  |              |  |                    |                 | Total              |
|-------------------------------------|--------------------|--------------|--|--------------------|-----------------|--------------------|
|                                     | At Fair Value      |              |  |                    | Others          |                    |
|                                     | 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                   | -                  | -            | 2,73,985.85                                | 2,73,985.85        | -               | 2,73,985.85        |
| Alternative investment funds        | -                  | -            | 3,861.57                                   | 3,861.57           | -               | 3,861.57           |
| Debt Securities                     | 1,78,014.33        | -            | -  | -                  | -               | 1,78,014.33        |
| Investment in Associates*           | -                  | -            | -  | -                  | 3,006.95        | 3,006.95           |
| Investment in Equity Shares         | -                  | -            | 2,020.41                                   | 2,020.41           | 0.10            | 2,020.51           |
| Investment in Preference Shares     | 23.37              | -            | -  | -                  | -               | 23.37              |
| <b>Total – Gross (A)</b>            | <b>1,78,037.70</b> | <b>-</b>     | <b>2,79,867.83</b>                         | <b>2,79,867.83</b> | <b>3,007.05</b> | <b>4,60,912.58</b> |
| i. Overseas Investments             | -                  | -            | -  | -                  | -               | -                  |
| ii. Investments in India            | 1,78,037.70        | -            | 2,79,867.83                                | 2,79,867.83        | 3,007.05        | 4,60,912.59        |
| <b>Total (B)</b>                    | <b>1,78,037.70</b> | <b>-</b>     | <b>2,79,867.83</b>                         | <b>2,79,867.83</b> | <b>3,007.05</b> | <b>4,60,912.58</b> |
| Less: Impairment loss allowance (C) | -                  | -            | -  | -                  | -               | -                  |
| <b>Total – Net (D) = (A)-(C)</b>    | <b>1,78,037.70</b> | <b>-</b>     | <b>2,79,867.83</b>                         | <b>2,79,867.83</b> | <b>3,007.05</b> | <b>4,60,912.58</b> |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

| As at 31 Mar 2022                          |                  |              |  |                    |                 |                    |
|--|------------------|--------------|--|--------------------|-----------------|--------------------|
| Particulars                                | 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                          | -                | -            | 2,78,822.19                                | 2,78,822.19        | -               | 2,78,822.19        |
| Alternative investment funds               | -                | -            | 2,098.94                                   | 2,098.94           | -               | 2,098.94           |
| Debt Securities                            | 54,645.37        | -            | -  | -                  | -               | 54,645.37          |
| Investment in Associates*                  | -                | -            | -  | -                  | 1,936.84        | 1,936.84           |
| Investment in Equity Shares                | -                | -            | 2,001.07                                   | 2,001.07           | 0.10            | 2,001.17           |
| Investment in Preference Shares            | 23.64            | -            | -  | -                  | -               | 23.64              |
| <b>Total – Gross (A)</b>                   | <b>54,669.01</b> | <b>-</b>     | <b>2,82,922.20</b>                         | <b>2,82,922.20</b> | <b>1,936.94</b> | <b>3,39,528.15</b> |
| i. Overseas Investments                    | -                | -            | -  | -                  | -               | -                  |
| ii. Investments in India                   | 54,669.01        | -            | 2,82,922.20                                | 2,82,922.20        | 1,936.94        | 3,39,528.15        |
| <b>Total (B)</b>                           | <b>54,669.01</b> | <b>-</b>     | <b>2,82,922.20</b>                         | <b>2,82,922.20</b> | <b>1,936.94</b> | <b>3,39,528.15</b> |
| <b>Less: Impairment loss allowance (C)</b> | <b>-</b>         | <b>-</b>     | <b>-</b>                                   | <b>-</b>           | <b>-</b>        | <b>-</b>           |
| <b>Total – Net (D) = (A)-(C)</b>           | <b>54,669.01</b> | <b>-</b>     | <b>2,82,922.20</b>                         | <b>2,82,922.20</b> | <b>1,936.94</b> | <b>3,39,528.15</b> |

# Other Comprehensive Income)

(\* Investment in Subsidiary and Associate are carried at cost)

## 7. OTHER FINANCIAL ASSETS\*

| Particulars  | As at 31 Mar 2023 | As at 31 Mar 2022 |
|--|-------------------|-------------------|
| Deposit under Application Supported by Blocked Amount (ASBA)** | -                 | 4,999.18          |
| Investment pending allotment                                   | 50.53             | -                 |
| Security deposits (Unsecured considered good)                  | 791.80            | 741.65            |
| Others   | 14.17             | 1.18              |
| <b>Total</b>   | <b>856.50</b>     | <b>5,742.01</b>   |

(\*Refer Note No 41 for Related Party Disclosures)

(\*\*Date of Allotment -5th April 2022)

## 8. DEFERRED TAX

| Particulars                             | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|-------------------|-------------------|
| Deferred Tax Assets                     | (1,310.45)        | (1,073.15)        |
| Deferred Tax Liabilities                | 2,355.49          | 1,774.97          |
| <b>Deferred Tax Liabilities (net)\$</b> | <b>1,045.04</b>   | <b>701.82</b>     |

(\$ refer note no 25 for disclosure)



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 9. PROPERTY PLANT AND EQUIPMENT

(₹ in Lakhs)

## 9.1 PROPERTY, PLANT AND EQUIPMENT - AS AT 31 MAR 2023

| Particulars   | Gross Block (At Cost) |                        |                                       |                  | Accumulated Depreciation |                   |                                       |                  | Net Block        |
|---|-----------------------|------------------------|---------------------------------------|------------------|--------------------------|-------------------|---------------------------------------|------------------|------------------|
|   | As at 01.04.2022      | Additions for the year | Deductions/ Adjustments/ for the year | As at 31.03.2023 | Upto 01.04.2022          | For the Year (\$) | Deductions/ Adjustments/ for the year | Upto 31.03.2023  | As at 31.03.2023 |
| Building (refer note i )                                    | 15,018.24             | -                      | -                                     | 15,018.24        | 1,335.25                 | 267.05            | -                                     | 1,602.30         | 13,415.94        |
| Electrical Fittings (including Building Management Systems) | 82.53                 | 6.54                   | 0.02                                  | 89.05            | 81.53                    | 6.75              | 0.02                                  | 88.26            | 0.79             |
| Furniture and Fixtures                                      | 833.39                | 87.36                  | 12.58                                 | 908.17           | 533.16                   | 119.45            | 10.78                                 | 641.83           | 266.34           |
| Vehicles  | 44.47                 | -                      | -                                     | 44.47            | 33.52                    | 3.44              | -                                     | 36.96            | 7.51             |
| Office Equipment  | 855.80                | 290.05                 | 12.72                                 | 1,133.13         | 500.75                   | 170.62            | 12.38                                 | 658.99           | 474.14           |
| Right to use asset #  | 11,161.72             | 3,134.79               | 603.04                                | 13,693.47        | 4,523.21                 | 2,027.37          | 388.72                                | 6,161.86         | 7,531.61         |
| Computers   | 2,924.37              | 56.03                  | 156.96                                | 2,823.44         | 2,451.00                 | 237.86            | 156.57                                | 2,532.29         | 291.15           |
| Leasehold Improvements                                      | 1,449.02              | 474.19                 | 16.07                                 | 1,907.14         | 881.20                   | 300.81            | 16.00                                 | 1,166.01         | 741.13           |
| <b>Total Tangible Assets</b>                                | <b>32,369.54</b>      | <b>4,048.96</b>        | <b>801.39</b>                         | <b>35,617.11</b> | <b>10,339.62</b>         | <b>3,133.35</b>   | <b>584.47</b>                         | <b>12,888.50</b> | <b>22,728.61</b> |

## 9.2 PROPERTY, PLANT AND EQUIPMENT - AS AT 31 MAR 2022

| Particulars   | Gross Block (At Cost) |                        |                                       |                  | Accumulated Depreciation |                   |                                       |                  | Net Block        |
|---|-----------------------|------------------------|---------------------------------------|------------------|--------------------------|-------------------|---------------------------------------|------------------|------------------|
|   | As at 01.04.2021      | Additions for the year | Deductions/ Adjustments/ for the year | As at 31.03.2022 | Upto 01.04.2021          | For the Year (\$) | Deductions/ Adjustments/ for the year | Upto 31.03.2022  | As at 31.03.2022 |
| Building (refer note i )                                    | 15,018.24             | -                      | -                                     | 15,018.24        | 1,068.20                 | 267.05            | -                                     | 1,335.25         | 13,682.99        |
| Electrical Fittings (including Building Management Systems) | 77.29                 | 5.24                   | -                                     | 82.53            | 77.29                    | 4.24              | -                                     | 81.53            | 1.00             |
| Furniture and Fixtures                                      | 739.34                | 101.30                 | 7.25                                  | 833.39           | 430.67                   | 109.52            | 7.03                                  | 533.16           | 300.23           |
| Vehicles  | 53.64                 | -                      | 9.17                                  | 44.47            | 34.80                    | 6.84              | 8.12                                  | 33.52            | 10.95            |
| Office Equipment  | 708.62                | 150.30                 | 3.12                                  | 855.80           | 369.89                   | 133.97            | 3.11                                  | 500.75           | 355.05           |
| Right to use asset #  | 8,887.09              | 2,598.20               | 323.57                                | 11,161.72        | 2,881.62                 | 1,805.39          | 163.81                                | 4,523.20         | 6,638.52         |
| Computers   | 2,753.41              | 177.86                 | 6.90                                  | 2,924.37         | 2,016.03                 | 441.75            | 6.78                                  | 2,451.00         | 473.37           |
| Leasehold Improvements                                      | 1,229.28              | 219.79                 | 0.05                                  | 1,449.02         | 629.55                   | 251.70            | 0.05                                  | 881.20           | 567.82           |
| <b>Total Tangible Assets</b>                                | <b>29,466.91</b>      | <b>3,252.69</b>        | <b>350.06</b>                         | <b>32,369.54</b> | <b>7,508.05</b>          | <b>3,020.46</b>   | <b>188.90</b>                         | <b>10,339.61</b> | <b>22,029.93</b> |

Note i : On long term assignment basis



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## # RIGHT TO USE ASSET - AS AT 31 MAR 2023

(₹ in Lakhs)

| Particulars        | Gross Block (At Cost) |                        |                                       |                  | Accumulated Depreciation |                   |                                       |                 | Net Block        |
|--------------------|-----------------------|------------------------|---------------------------------------|------------------|--------------------------|-------------------|---------------------------------------|-----------------|------------------|
|                    | As at 01.04.2022      | Additions for the year | Deductions/ Adjustments/ for the year | As at 31.03.2023 | Upto 01.04.2022          | For the Year (\$) | Deductions/ Adjustments/ for the year | Upto 31.03.2023 | As at 31.03.2023 |
| Building           | 10,329.95             | 3,082.59               | 603.04                                | 12,809.50        | 4,209.99                 | 1,751.28          | 388.72                                | 5,572.55        | 7,236.95         |
| Computers          | 724.33                | 52.20                  | -                                     | 776.53           | 274.19                   | 243.90            | -                                     | 518.09          | 258.44           |
| Vehicle            | 107.44                | -                      | -                                     | 107.44           | 39.03                    | 32.19             | -                                     | 71.22           | 36.22            |
| <b>Grand Total</b> | <b>11,161.72</b>      | <b>3,134.79</b>        | <b>603.04</b>                         | <b>13,693.47</b> | <b>4,523.21</b>          | <b>2,027.37</b>   | <b>388.72</b>                         | <b>6,161.86</b> | <b>7,531.61</b>  |

## # RIGHT TO USE ASSET - AS AT 31 MAR 2022

| Particulars        | Gross Block (At Cost) |                        |                                       |                  | Accumulated Depreciation |                   |                                       |                 | Net Block        |
|--------------------|-----------------------|------------------------|---------------------------------------|------------------|--------------------------|-------------------|---------------------------------------|-----------------|------------------|
|                    | As at 01.04.2021      | Additions for the year | Deductions/ Adjustments/ for the year | As at 31.03.2022 | Upto 01.04.2021          | For the Year (\$) | Deductions/ Adjustments/ for the year | Upto 31.03.2022 | As at 31.03.2022 |
| Building           | 8,411.25              | 2,242.27               | 323.57                                | 10,329.95        | 2,788.40                 | 1,585.38          | 163.81                                | 4,209.97        | 6,119.98         |
| Computers          | 415.27                | 309.06                 | -                                     | 724.33           | 76.54                    | 197.65            | -                                     | 274.19          | 450.14           |
| Vehicle            | 60.57                 | 46.87                  | -                                     | 107.44           | 16.68                    | 22.36             | -                                     | 39.04           | 68.40            |
| <b>Grand Total</b> | <b>8,887.09</b>       | <b>2,598.20</b>        | <b>323.57</b>                         | <b>11,161.72</b> | <b>2,881.62</b>          | <b>1,805.39</b>   | <b>163.81</b>                         | <b>4,523.20</b> | <b>6,638.52</b>  |

## 10. INTANGIBLE ASSET UNDER DEVELOPMENT

| Particulars                        | As at 31 Mar 2023 | As at 31 Mar 2022 |
|------------------------------------|-------------------|-------------------|
| Intangible asset under development | 187.90            | 282.54            |

## 10.1 INTANGIBLE ASSET UNDER DEVELOPMENT - AGEING SCHEDULE

| Intangible assets under development | Amount of intangible assets under development for a period of |        |                   |        |
|-------------------------------------|---|--------|-------------------|--------|
|                                     | As at 31 Mar 2023   |        | As at 31 Mar 2022 |        |
|                                     | Less than 1 year  | Total  | Less than 1 year  | Total  |
| Projects in Progress                | 187.90  | 187.90 | 282.54            | 282.54 |
| Projects temporarily suspended      | -   | -      | -                 | -      |

Intangible assets under development completion schedule for overdue projects/ assets from above : Nil

## 11. INTANGIBLE ASSETS

## 11.1 INTANGIBLE ASSETS - AS AT 31 MAR 2023

| Particulars                    | Gross Block (At Cost) |                        |                                       |                  | Accumulated Depreciation |                   |                                       |                 | Net Block        |
|--------------------------------|-----------------------|------------------------|---------------------------------------|------------------|--------------------------|-------------------|---------------------------------------|-----------------|------------------|
|                                | As at 01.04.2022      | Additions for the year | Deductions/ Adjustments/ for the year | As at 31.03.2023 | Upto 01.04.2022          | For the Year (\$) | Deductions/ Adjustments/ for the year | Upto 31.03.2023 | As at 31.03.2023 |
| Computer Software              | 2,263.69              | 74.68                  | -                                     | 2,338.37         | 1,951.13                 | 227.02            | -                                     | 2,178.15        | 160.22           |
| Copyright License              | 15.81                 | -                      | -                                     | 15.81            | 15.81                    | -                 | -                                     | 15.81           | -                |
| Website Development Cost       | 70.22                 | 283.17                 | -                                     | 353.39           | 70.22                    | 23.28             | -                                     | 93.50           | 259.89           |
| <b>Total Intangible Assets</b> | <b>2,349.72</b>       | <b>357.85</b>          | <b>-</b>                              | <b>2,707.57</b>  | <b>2,037.16</b>          | <b>250.30</b>     | <b>-</b>                              | <b>2,287.46</b> | <b>420.11</b>    |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 11.2 INTANGIBLE ASSETS - AS AT 31 MAR 2022

(₹ in Lakhs)

| Particulars                    | Gross Block (At Cost) |                        |                                       |                  | Accumulated Depreciation |                   |                                       |                 | Net Block        |
|--------------------------------|-----------------------|------------------------|---------------------------------------|------------------|--------------------------|-------------------|---------------------------------------|-----------------|------------------|
|                                | As at 01.04.2021      | Additions for the year | Deductions/ Adjustments/ for the year | As at 31.03.2022 | Upto 01.04.2021          | For the Year (\$) | Deductions/ Adjustments/ for the year | Upto 31.03.2022 | As at 31.03.2022 |
| Computer Software              | 2,170.25              | 149.37                 | 55.93                                 | 2,263.69         | 1,713.06                 | 294.00            | 55.93                                 | 1,951.13        | 312.56           |
| Copyright License              | 15.81                 | -                      | -                                     | 15.81            | 15.81                    | -                 | -                                     | 15.81           | -                |
| Website Development Cost       | 70.22                 | -                      | -                                     | 70.22            | 66.77                    | 3.47              | 0.02                                  | 70.22           | -                |
| <b>Total Intangible Assets</b> | <b>2,256.28</b>       | <b>149.37</b>          | <b>55.93</b>                          | <b>2,349.72</b>  | <b>1,795.64</b>          | <b>297.47</b>     | <b>55.95</b>                          | <b>2,037.16</b> | <b>312.56</b>    |

## (₹) DEPRECIATION AND AMORTIZATION EXPENSE \*

| Particulars                                   | For the year ended 31 Mar 2023 | For the year ended 31 Mar 2022 |
|---|--------------------------------|--------------------------------|
| Depreciation on Property, Plant and Equipment | 3,133.35                       | 3,020.46                       |
| Amortization of Intangible Assets             | 250.30                         | 297.47                         |
| <b>Total</b>                                  | <b>3,383.65</b>                | <b>3,317.93</b>                |

\* includes ₹23.79 lakh (previous year ₹23.32 lakh) assets costing up to ₹5000

## 12. OTHER NON-FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars             | As at 31 Mar 2023 | As at 31 Mar 2022 |
|-------------------------|-------------------|-------------------|
| Prepayment under leases | 167.94            | 131.37            |
| Prepaid expenses        | 1,500.67          | 1,114.11          |
| Others                  | 614.63            | 145.59            |
| <b>Total</b>            | <b>2,283.24</b>   | <b>1,391.07</b>   |

## 13. TRADE PAYABLES\*

| Particulars  | As at 31 Mar 2023 | As at 31 Mar 2022 |
|--|-------------------|-------------------|
| i. total outstanding dues of micro enterprises and small enterprises **                    | 4.83              | 32.67             |
| ii. total outstanding dues of creditors other than micro enterprises and small enterprises | 1,510.80          | 1,619.78          |
| <b>Total</b>   | <b>1,515.63</b>   | <b>1,652.45</b>   |

(\*Refer Note No.41 for Related Party Disclosures)

(\*\*Refer Note No 42 for disclosure)



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## TRADE PAYABLES - MSME

(₹ in Lakhs)

| Particulars                  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|------------------------------|----------------------|----------------------|
| <b>Undisputed</b>            |                      |                      |
| - Unbilled                   | -                    | -                    |
| - Bill not due for payment   | -                    | -                    |
| - Billed and due for payment | 4.83                 | 32.67                |
| <b>Disputed</b>              | -                    | -                    |
| <b>Total</b>                 | <b>4.83</b>          | <b>32.67</b>         |

## TRADE PAYABLES - OTHERS

| Particulars                  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|------------------------------|----------------------|----------------------|
| <b>Undisputed</b>            |                      |                      |
| - Unbilled                   | 613.00               | 796.63               |
| - Billed not due for payment | -                    | -                    |
| - Billed and due for payment | 897.80               | 823.15               |
| <b>Disputed</b>              | -                    | -                    |
| <b>Total</b>                 | <b>1,510.80</b>      | <b>1,619.78</b>      |

## TRADE PAYABLES - AGEING SCHEDULE

| Particulars              | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--------------------------|----------------------|----------------------|
| <b>Undisputed - MSME</b> |                      |                      |
| - Unbilled               | -                    | -                    |
| <b>Billed and due</b>    |                      |                      |
| - Less than 1 year       | 4.83                 | 32.67                |
| <b>Disputed - MSME</b>   | -                    | -                    |
| <b>Total</b>             | <b>4.83</b>          | <b>32.67</b>         |

## TRADE PAYABLES - AGEING SCHEDULE

| Particulars                | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|----------------------------|----------------------|----------------------|
| <b>Undisputed - Others</b> |                      |                      |
| - Unbilled                 | 613.00               | 796.63               |
| <b>Billed and due</b>      |                      |                      |
| - Less than 1 year         | 897.80               | 823.15               |
| <b>Disputed - Others</b>   | -                    | -                    |
| <b>Total</b>               | <b>1,510.80</b>      | <b>1,619.78</b>      |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 14. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars                            | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| CSR Payable                            | 365.75               | 458.95               |
| <b>Other liabilities</b>               |                      |                      |
| i. Earnest money deposit *             | 2.45                 | 1.97                 |
| ii. Retention money *                  | 35.03                | 23.23                |
| iii. Interim Dividend payable *        | 2.30                 | -                    |
| iv. Creditors for capital expenditure* | 37.02                | 150.10               |
| v. Lease liabilities                   | 8,392.67             | 7,342.66             |
| vi. Expenses payable                   | 38.53                | 93.24                |
| <b>Total</b>                           | <b>8,873.75</b>      | <b>8,070.15</b>      |

(\*Refer note no. 42 for disclosure)

## 15. PROVISIONS

| Particulars                        | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|------------------------------------|----------------------|----------------------|
| a. Provision for Employee Benefits | 10,162.06            | 9,518.42             |
| b. Provision for Contingencies     | 420.00               | 420.00               |
| c. Provision for Expenses          | 463.66               | 305.98               |
| <b>Total</b>                       | <b>11,045.72</b>     | <b>10,244.40</b>     |

## 16. OTHER NON-FINANCIAL LIABILITIES

| Particulars                   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|-------------------------------|----------------------|----------------------|
| <b>Statutory dues payable</b> |                      |                      |
| - Goods and Service Tax       | 452.87               | 351.20               |
| - Withholding taxes           | 315.12               | 102.27               |
| - Others                      | 1.29                 | 1.12                 |
| <b>Total</b>                  | <b>769.28</b>        | <b>454.59</b>        |

## 17. EQUITY SHARE CAPITAL

| Particulars   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------------------|----------------------|
| <b>Authorised</b>   |                      |                      |
| 52,50,00,000 Equity Shares of ₹ 1 each<br>(Previous year 52,50,00,000 Equity Shares of ₹ 1 each)  | 5,250.00             | 5,250.00             |
| <b>Issued, Subscribed and Paid Up</b>   |                      |                      |
| 50,32,14,191 Equity Shares of ₹ 1 each (fully paid up) [Net off shares held by EWT]<br>(Previous year 50,33,05,156 Equity Shares of ₹ 1 each fully paid up) | 5,032.14             | 5,033.05             |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

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

| Particulars  | As at 31 Mar 2023   |                 | As at 31 Mar 2022   |                 |
|--|---------------------|-----------------|---------------------|-----------------|
|  | No of Shares        | (₹ In Lakhs)    | No of Shares        | (₹ In Lakhs)    |
| <b>Equity (face value of ₹ 1 each)</b>                             |                     |                 |                     |                 |
| Outstanding at the beginning of the year                           | 50,33,05,156        | 5,033.05        | 50,09,24,692        | 5,009.25        |
| Add: Shares issued during the year                                 | 4,18,641            | 4.19            | 23,80,464           | 23.80           |
| Less: Shares held by EWT   | -5,09,606           | -5.10           | -                   | -               |
| <b>Outstanding at the end of the year (face value of ₹ 1 each)</b> | <b>50,32,14,191</b> | <b>5,032.14</b> | <b>50,33,05,156</b> | <b>5,033.05</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. The dividend proposed by the Board of Directors is subject to the approval of 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.

## 17.2 DETAILS OF SHARES HELD BY HOLDING/PROMOTOR COMPANY

| Particulars         | As at 31 Mar 2023 |              | As at 31 Mar 2022 |              |
|---------------------|-------------------|--------------|-------------------|--------------|
|                     | 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     |

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

| Particulars   | As at 31 Mar 2023 |              | As at 31 Mar 2022 |              |
|---|-------------------|--------------|-------------------|--------------|
|   | No of Shares      | % of Holding | No of Shares      | % of Holding |
| State Bank of India                                       | 31,50,00,000      | 62.53%       | 31,50,00,000      | 62.59%       |
| Amundi India Holding, a wholly owned subsidiary of Amundi | 18,50,00,000      | 36.73%       | 18,50,00,000      | 36.76%       |

61,02,287 (Previous Year: 57,86,647) equity shares at a face value of ₹1 each are reserved for issuance towards outstanding ESOPs (Refer note no. 28)

During the current year, 4,18,641 nos. of equity shares (Previous Year 23,80,464 nos.) at a face value of ₹1 each have been allotted to employees on exercise of ESOPs.

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% (on the date of transfer) 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.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 18. OTHER EQUITY

(₹ in Lakhs)

| Particulars  | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| <b>(A) General Reserve</b>   |                      |                      |
| Balance at the beginning of the year                                       | 11,760.09            | 11,260.09            |
| Add: Transfer from Retained Earnings                                       | 500.00               | 500.00               |
| <b>Sub-total (A)</b>   | <b>12,260.09</b>     | <b>11,760.09</b>     |
| <b>(B) Share application Amount</b>  |                      |                      |
| Balance at the beginning of the year                                       | -                    | -                    |
| Add: During the year   | 1,365.12             | 5,223.82             |
| Less: transferred to :   |                      |                      |
| - Paid up Capital  | (4.19)               | (23.81)              |
| - Securities Premium account   | (1,360.93)           | (5,200.01)           |
| <b>Sub-total (B)</b>   | <b>-</b>             | <b>-</b>             |
| <b>(C) Securities Premium</b>  |                      |                      |
| Balance at the beginning of the year                                       | 8,492.47             | 1,925.08             |
| Add: Transfer from Share Application account                               | 1,360.93             | 5,200.01             |
| Add: Transfer from ESOP Outstanding account                                | 362.92               | 1,367.38             |
| Less: Adjustment in relation to shares held by the EWT*                    | (4,253.69)           |                      |
| <b>Sub-total (C)</b>   | <b>5,962.63</b>      | <b>8,492.47</b>      |
| <b>(D) Retained Earnings</b>   |                      |                      |
| Balance at the beginning of the year                                       | 3,30,456.88          | 2,37,804.32          |
| Add: Profit for the year   | 1,33,971.42          | 1,08,236.84          |
| Add: Fair Valuation of shares held by EWT (net of Deferred Tax Liability)* | 78.43                |                      |
| Add: Transfer from ESOP Outstanding account #                              | 15.19                | 4.28                 |
| Less: Transfer to general reserve  | (500.00)             | (500.00)             |
| Less: Interim dividend (net off dividend on shares held by EWT)*           | (17,612.49)          | (15,088.56)          |
| <b>Sub-total (D)</b>   | <b>4,46,409.43</b>   | <b>3,30,456.88</b>   |
| <b>(E) Foreign currency translation reserve</b>                            |                      |                      |
| Balance at the beginning of the year (Net)                                 | 61.03                | 52.40                |
| Add: Movement during the year  | 28.90                | 8.63                 |
| <b>Sub-total (E)</b>   | <b>89.93</b>         | <b>61.03</b>         |
| <b>(F) Share option outstanding account (Employee stock options)</b>       |                      |                      |
| Balance at the beginning of the year                                       | 3,314.84             | 2,353.31             |
| Additions during the year  | 2,897.49             | 2,333.19             |
| Less: Transfer to Securities Premium account                               | (362.92)             | (1,367.38)           |
| Less: Transfer to Retained Earnings #                                      | (15.19)              | (4.28)               |
| <b>Sub-total (F)</b>   | <b>5,834.22</b>      | <b>3,314.84</b>      |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

| Particulars                                | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| <b>(G) Other Comprehensive Income</b>      |                      |                      |
| Balance at the beginning of the year (Net) | (447.43)             | (550.36)             |
| Add: Movement during the year              | (2.53)               | 102.93               |
| <b>Sub-total (G)</b>                       | <b>(449.96)</b>      | <b>(447.43)</b>      |
| <b>Total (A+B+C+D+E+F+G)</b>               | <b>4,70,106.34</b>   | <b>3,53,637.88</b>   |

\* Adjustments in relation to 5,09,606 equity shares held by SBI Funds Management Limited – Employee Welfare Trust (“EWT”). Refer Note no. 28 for details on EWT.

# On account of cancellation of vested ESOP Options.

#### General Reserve :

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

#### Share Option Outstanding Account (Employee Stock Options)

The grant date fair value of equity-settled share-based payment transactions with employees are recognised in the Statement of Profit and Loss with the corresponding credit to this account over the vesting period. The amounts recorded in Share Options Outstanding Account are transferred to Securities Premium upon exercise of stock options by the employees.

#### Securities Premium :

The Securities Premium is used to record premium (amount received in excess of Face Value of Equity Shares) on issue of shares and also includes amount transferred from Share Option Outstanding Account upon exercise of options by employees.

#### Retained Earnings:

Retained earnings represents the amount of accumulated earnings of the Company.

The Company paid interim dividend of ₹ 3.50/- per equity share during the year.

#### Other Comprehensive Income :

It consist of remeasurement of net defined benefit liability/asset of employee benefits.

#### 19. ASSET MANAGEMENT FEE

| Particulars                                | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|--|-----------------------------------|-----------------------------------|
| Management Fees                            | 2,10,962.07                       | 1,79,123.20                       |
| Portfolio Management & Other Advisory Fees | 5,196.52                          | 4,562.50                          |
| <b>Total</b>                               | <b>2,16,158.59</b>                | <b>1,83,685.70</b>                |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 20. NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakhs)

| Particulars   | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| Net gain / (loss) on financial instruments at fair value through profit or loss | 14,169.72                         | 12,112.05                         |
| <b>Total net gain on fair value changes</b>                                     | <b>14,169.72</b>                  | <b>12,112.05</b>                  |
| <b>Fair value changes</b>   |                                   |                                   |
| Realised  | 8,151.46                          | 13,139.86                         |
| Unrealised  | 6,018.26                          | (1,027.81)                        |
| <b>Total net gain on fair value changes</b>                                     | <b>14,169.72</b>                  | <b>12,112.05</b>                  |

## 21. OTHER INCOME

| Particulars  | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|--|-----------------------------------|-----------------------------------|
| <u>Dividend income</u>   |                                   |                                   |
| - Preference shares (Financial Assets classified at amortised cost)                    | 1.61                              | -                                 |
| <u>Interest</u>  |                                   |                                   |
| - Fixed Deposits*  | 139.87                            | 128.54                            |
| - Staff Loans  | 1.37                              | 1.86                              |
| - Security Deposits  | 45.24                             | 40.36                             |
| - Investments Bonds (Financial Assets classified at Amortised Cost )                   | 9,727.17                          | 2,147.38                          |
| - Investments Bonds (Financial Assets classified at fair value through profit or loss) | -                                 | 54.10                             |
| - Investments AIF (Financial Assets classified at fair value through profit or loss)   | 219.96                            | 287.00                            |
| <b>Dividend and interest income (A)</b>  | <b>10,135.22</b>                  | <b>2,659.24</b>                   |
| Net gain on sale of Property, Plant and Equipment                                      | 9.72                              | 3.13                              |
| Net gain on foreign currency transactions and translations                             | 15.25                             | -                                 |
| Miscellaneous Income   | 768.91                            | 1,554.27                          |
| <b>Other income (B)</b>  | <b>793.88</b>                     | <b>1,557.40</b>                   |
| <b>Total (A+B)</b>   | <b>10,929.10</b>                  | <b>4,216.64</b>                   |

(\*Refer Note No 41 for Related Party Disclosures)

## 22. EMPLOYEE BENEFIT EXPENSE

| Particulars                               | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| <b>Salaries and allowances*</b>           | 26,837.02                         | 24,422.78                         |
| Contribution to provident and other funds | 1,591.52                          | 1,117.16                          |
| Employee Stock Option Expenses            | 2,897.49                          | 2,333.19                          |
| Staff welfare expenses                    | 1,288.14                          | 992.05                            |
| <b>Total</b>                              | <b>32,614.17</b>                  | <b>28,865.18</b>                  |

(\*Refer Note No 41 for Related Party Disclosures)



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 23. OTHER EXPENSES\*

(₹ in Lakhs)

| Particulars   | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| Rent, Taxes and Energy Cost #   | 590.44                            | 454.42                            |
| Software and IT cost  | 3,763.68                          | 2,676.04                          |
| Insurance   | 107.38                            | 58.96                             |
| Travelling and Conveyance   | 1,953.64                          | 781.90                            |
| Recruitment and Training  | 213.77                            | 178.45                            |
| Printing and Stationery   | 166.48                            | 143.48                            |
| Postage and Courier   | 106.87                            | 118.35                            |
| Communication Cost  | 722.43                            | 660.47                            |
| Advertising, Publicity and Business Promotion                         | 4,403.59                          | 3,556.74                          |
| Outsource Manpower Services   | 3,596.52                          | 3,450.89                          |
| Legal and Professional Fees   | 2,825.81                          | 2,076.82                          |
| <b>Auditor's remuneration:</b>  |                                   |                                   |
| - Audit fees  | 33.37                             | 27.42                             |
| - Certification fee & other assurance fees( including reimbursements) | 14.78                             | 14.78                             |
| Directors' Sitting Fees   | 47.66                             | 47.57                             |
| Royalty to SBI for Logo   | 2,141.30                          | 1,720.81                          |
| Corporate Social Responsibility (Refer note no. 31)                   | 2,156.91                          | 1,611.24                          |
| Repairs and Maintenance   | 470.66                            | 308.98                            |
| Net loss on foreign currency transactions and translations            | -                                 | 32.82                             |
| Membership and Subscription   | 886.55                            | 746.14                            |
| Miscellaneous Expenses  | 432.78                            | 475.15                            |
| <b>Total</b>  | <b>24,634.62</b>                  | <b>19,141.43</b>                  |

(\*Refer Note No 41 for Related Party Disclosures)

# Refer Note No 40)

## 24. TAX EXPENSES

## (A) Amount recognised in the Statement of Profit and loss

| Particulars                             | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| <b>Current tax</b>                      |                                   |                                   |
| In respect of the current year          | 43,865.99                         | 36,547.51                         |
| Adjustments relating to earlier periods | -                                 | 300.00                            |
| Deferred Tax                            | 319.41                            | (1,134.43)                        |
| <b>Income tax expense for the year</b>  | <b>44,185.40</b>                  | <b>35,713.08</b>                  |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## (B) Amount recognised in Other Comprehensive Income

(₹ in Lakhs)

| Particulars  | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|--|-----------------------------------|-----------------------------------|
| Tax on remeasurements of the defined benefit plans | 0.85                              | (34.62)                           |

## (C) Reconciliation of Effective Tax Rate

| Particulars                                   | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| <b>Profit before tax</b>                      | <b>1,77,086.71</b>                | <b>1,42,910.38</b>                |
| Applicable Tax Rate*                          | 25.17%                            | 25.17%                            |
| Computed Tax Expenses                         | 44,569.18                         | 35,967.68                         |
| <b>Tax Effect of:-</b>                        |                                   |                                   |
| Effect of Items taxable at different rates    | (1,358.37)                        | (1,307.52)                        |
| Net expense non-deductible                    | 1,275.00                          | 650.61                            |
| Tax exempt income & others                    | (336.22)                          | 100.07                            |
| Tax Rate Differential of Subsidiary **        | 35.80                             | 2.24                              |
| <b>Total</b>                                  | <b>(383.78)</b>                   | <b>(554.60)</b>                   |
| <b>Tax Adjustments of earlier years</b>       | <b>-</b>                          | <b>300.00</b>                     |
| <b>Tax expense recognised during the year</b> | <b>44,185.40</b>                  | <b>35,713.08</b>                  |
| <b>Effective Tax Rate</b>                     | <b>24.95%</b>                     | <b>24.99%</b>                     |

\* Company has opted for Concessional Tax Rate under section 115BAA of Income Tax Act, 1961.

\*\* Income of SBI Funds Management (International) Private Limited is taxable at 15% as per the applicable tax rules of Mauritius.

## 25. DEFERRED TAX BALANCES

The following is the analysis of Deferred Tax Assets/(Liabilities) presented in the Balance Sheet:

| Particulars              | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--------------------------|----------------------|----------------------|
| Deferred Tax Assets      | 1,310.45             | 1,073.15             |
| Deferred Tax Liabilities | (2,355.49)           | (1,774.97)           |
| <b>Net</b>               | <b>(1,045.04)</b>    | <b>(701.82)</b>      |

## CURRENT YEAR ( 2022-23)

| Particulars   | Opening<br>Balance | Recognised<br>in Profit or<br>Loss | Recognised<br>in OCI | Recognised<br>directly in<br>Equity | Reclassified<br>from Equity<br>to Profit or<br>Loss | Closing<br>Balance |
|---|--------------------|------------------------------------|----------------------|-------------------------------------|---|--------------------|
| <b>Deferred Tax (Liabilities)/Assets in relation to:</b>    |                    |                                    |                      |                                     |   |                    |
| Depreciation/Amortization on Tangible/<br>Intangible Assets | 163.02             | 81.31                              | -                    | -                                   | -   | 244.33             |
| Fair Valuation of Investments                               | (1,774.97)         | (555.86)                           | -                    | (24.66)                             | -   | (2,355.49)         |
| Provision for Leave Encashment                              | 568.81             | 41.02                              | -                    | -                                   | -   | 609.83             |
| Provision for Gratuity                                      | 50.82              | 77.09                              | 0.85                 | -                                   | -   | 128.76             |
| Others [including 40(a) and 43B]                            | 107.86             | -                                  | -                    | -                                   | -   | 107.86             |
| Right to Use Assets   | 179.90             | 37.19                              | -                    | -                                   | -   | 217.09             |
| Fair Value of Security Deposit                              | 2.74               | (0.16)                             | -                    | -                                   | -   | 2.58               |
| <b>Total</b>  | <b>(701.82)</b>    | <b>(319.41)</b>                    | <b>0.85</b>          | <b>(24.66)</b>                      | <b>-</b>  | <b>(1,045.04)</b>  |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

PREVIOUS YEAR ( 2021-22)

(₹ in Lakhs)

| 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> |                   |                              |                   |                               |  |                 |
| Depreciation/Amortization on Tangible/ Intangible Assets | 56.30             | 106.72                       | -                 | -                             | -  | 163.02          |
| Fair Valuation of Investments                            | (3,378.19)        | 1,603.22                     | -                 | -                             | -  | (1,774.97)      |
| Provision for Leave Encashment                           | 613.24            | (44.43)                      | -                 | -                             | -  | 568.81          |
| Provision for Gratuity                                   | 75.67             | 9.77                         | (34.62)           | -                             | -  | 50.82           |
| Others [including 40(a) and 43B]                         | 702.40            | (594.54)                     | -                 | -                             | -  | 107.86          |
| Right to Use Assets                                      | 126.49            | 53.41                        | -                 | -                             | -  | 179.90          |
| Fair Value of Security Deposit                           | 2.46              | 0.28                         | -                 | -                             | -  | 2.74            |
| <b>Total</b>   | <b>(1,801.63)</b> | <b>1,134.43</b>              | <b>(34.62)</b>    | <b>-</b>                      | <b>-</b>                                   | <b>(701.82)</b> |

## 26. EARNINGS PER SHARE (EPS)

| Particulars  | For the year ended 31 Mar 2023 | For the year ended 31 Mar 2022 |
|--|--------------------------------|--------------------------------|
| a. Nominal Value of an Equity Share (₹)  | 1.00                           | 1.00                           |
| b. Net Profit available to Equity Shareholders (₹ in Lakh)                               | 1,33,971.42                    | 1,08,236.84                    |
| c. Number of Shares Outstanding  | 50,37,23,797                   | 50,33,05,156                   |
| d. Weighted Average Number of Shares Outstanding   | 50,33,26,948                   | 50,20,28,282                   |
| e. Effect of Potential Equity Shares for Stock Outstanding                               | 22,28,677                      | 24,05,420                      |
| f. Weighted Average Number of Equity Shares used for computing Diluted Earning Per Share | 50,55,55,625                   | 50,44,33,702                   |
| <b>g. Basic EPS (₹) = (b)/(d)</b>  | <b>26.62</b>                   | <b>21.56</b>                   |
| <b>h. Diluted EPS (₹) = (b)/(f)</b>  | <b>26.50</b>                   | <b>21.46</b>                   |

## 27. CONTINGENT LIABILITIES &amp; CAPITAL COMMITMENTS

| Particulars  | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| <b>A. Contingent Liabilities</b>                         |                     |                     |
| Claims Against the Company Not Acknowledged as Debts     | 254.08              | 259.34              |
| <b>Subtotal (A)</b>                                      | <b>254.08</b>       | <b>259.34</b>       |
| <b>B. Capital &amp; Other Commitments</b>                |                     |                     |
| i. Contracts remaining to be executed on capital account | 216.32              | 396.82              |
| ii. Capital Commitment for AIF Scheme                    | 1,522.09            | 2,653.75            |
| <b>Subtotal (B)</b>                                      | <b>1,738.41</b>     | <b>3,050.57</b>     |
| <b>Total (A+B)</b>                                       | <b>1,992.49</b>     | <b>3,309.91</b>     |

## 28. ACCOUNTING FOR SHARE BASED PAYMENTS (ESOP)

The Company has instituted the Employee Stock Option Plan 2018 ("ESOP-2018" or "Scheme") for eligible employees of the Company, duly approved by the Board of Directors at its meeting held on 20th January 2018 and the shareholders at the EGM held on 31st January 2018. The Scheme was amended with approval of the Board of Directors at its meeting held on 25th January 2023 and the shareholders at the EGM held on 17th February 2023 (by way of a special resolution) to enable the Company to implement the ESOP-2018 and future ESOP plans through: (a) Direct route, (b) Trust route and (c) a combination of the Direct & Trust route.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

The amended Scheme categorizes options as Type I, Type II and Type III options with multiple vesting periods. The options can be exercised over a period of seven (7) years from the grant date. Each option carries with it the right to acquire one equity share of the Company at the exercise price determined by the Company at the time of grant.

Pursuant to the amended Scheme and approval of the Board of Directors & Shareholders upon recommendation of the Nomination and Remuneration Committee ("NRC"), the Company has set up the SBI Funds Management Limited – Employee Welfare Trust ("EWT"). In terms of the amended Scheme and Trust Deed, the Company has advanced funds to the EWT during the year to enable the EWT to acquire 5,09,606 shares of the Company from employees/legal heirs.

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

During the financial year 2017-18 Company 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 follows:**

| Particulars   | 2022-23  | 2021-22   |
|---|----------|-----------|
|   | Nos.     | Nos.      |
| Opening Outstanding                                       | 2,08,960 | 14,40,966 |
| Granted During the year                                   | -        | -         |
| Exercised   | 55,151   | 12,31,071 |
| Forfeited   | -        | -         |
| Lapsed  | 8,107    | 935       |
| Closing Outstanding ESOPs                                 | 1,45,702 | 2,08,960  |
| Vested Options as at the year end                         | 1,45,702 | 2,08,960  |
| Weighted average exercise price per share (₹)             | 155.00   | 155.00    |
| Weighted Average remaining contractual life (No of years) | 2.80     | 3.80      |

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated 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 ₹ 43.94/- per option.

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

During the financial year 2019-20 Company 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 follows:**

| Particulars   | 2022-23   | 2021-22   |
|---|-----------|-----------|
|   | Nos.      | Nos.      |
| Opening Outstanding                                       | 12,66,039 | 20,52,744 |
| Granted During the year                                   | -         | -         |
| Exercised   | 1,73,367  | 7,49,460  |
| Forfeited   | -         | -         |
| Lapsed  | 10,838    | 37,245    |
| Closing Outstanding ESOPs                                 | 10,81,834 | 12,66,039 |
| Vested Options as at the year end                         | 10,81,834 | 5,97,236  |
| Weighted average exercise price per share (₹)             | 250.30    | 250.30    |
| Weighted Average remaining contractual life (No of years) | 3.50      | 4.50      |

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated 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 ₹62.87/- per option.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### Employee Stock Option Plan 2018 (ESOP-2018)-III

During the financial year 2020-21, Company granted 22,69,700 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 360.00

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

| Particulars   | 2022-23   | 2021-22   |
|---|-----------|-----------|
|   | Nos       | Nos       |
| Opening Outstanding                                       | 15,28,048 | 19,92,370 |
| Granted During the year                                   | -         | -         |
| Exercised   | 1,09,447  | 3,99,933  |
| Forfeited   | -         | -         |
| Lapsed  | 21,889    | 64,389    |
| Closing Outstanding ESOPs                                 | 13,96,712 | 15,28,048 |
| Vested Options as at the year end                         | 7,62,967  | 2,55,398  |
| Weighted average exercise price per share (₹)             | 360.00    | 360.00    |
| Weighted Average remaining contractual life (No of years) | 4.34      | 5.34      |

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated 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: 5.6% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 21.30% and (d) dividend yield of around : 0.9% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 95.39/- per option.

### Employee Stock Option Plan 2018 (ESOP-2018)-IV

During the financial year 2021-22, Company granted 27,89,100 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 559.90

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

| Particulars   | 2022-23   | 2021-22   |
|---|-----------|-----------|
|   | Nos       | Nos       |
| Opening Outstanding                                       | 27,83,600 | -         |
| Granted During the year                                   | -         | 27,89,100 |
| Exercised   | 80,676    | -         |
| Forfeited   | -         | -         |
| Lapsed  | 50,885    | 5,500     |
| Closing Outstanding ESOPs                                 | 26,52,039 | 27,83,600 |
| Vested Options as at the year end                         | 8,24,882  | -         |
| Weighted average exercise price per share (₹)             | 559.90    | 559.90    |
| Weighted Average remaining contractual life (No of years) | 5.50      | 6.50      |

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated 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: 5.69% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 24.93% and (d) dividend yield of around : 0.83% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 165.807/- per option.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### Employee Stock Option Plan 2018 (ESOP-2018)-V

During the current year Company granted 8,31,000 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 727.70

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

| Particulars   | 2022-23  |
|---|----------|
|   | Nos      |
| Opening Outstanding                                       | -        |
| Granted During the year                                   | 8,31,000 |
| Exercised   | -        |
| Forfeited   | -        |
| Lapsed  | 5,000    |
| Closing Outstanding ESOPs                                 | 8,26,000 |
| Vested Options as at the year end                         | -        |
| Weighted average exercise price per share (₹)             | 727.70   |
| Weighted Average remaining contractual life (No of years) | 6.50     |

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated 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: 6.02% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 27.2% and (d) dividend yield of around : 0.77% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 223.227/- per option.

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes Model is the annualised standard deviation of the continuously compounded expected rates of return over a period of time.

### Amount charged to Statement of Profit and Loss as ESOP expense:

| Particulars  | 31-Mar-23 | 31-Mar-22 |
|--|-----------|-----------|
| ESOP expense charged to statement of profit and loss | 2,897.49  | 2,333.19  |

### 29.PROVISIONS

Movement in Provision for contingency is as under :

(₹ In Lakh)

| Particulars                                      | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|--|----------------------|----------------------|
| Carrying amount as at the beginning of the year  | 420.00               | 420.00               |
| Additions during the year                        | -                    | -                    |
| Utilised   | -                    | -                    |
| Reversed during the year                         | -                    | -                    |
| <b>Carrying amount as at the end of the year</b> | <b>420.00</b>        | <b>420.00</b>        |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 30. DIVIDEND REMITTANCES TO NON-RESIDENT SHAREHOLDERS:\*

(₹ In Lakh)

| Particulars                                 | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| Number of non-resident shareholders         | 5.00                              | 1.00                              |
| Number of equity shares held by them        | 18,50,05,890                      | 18,50,00,000                      |
| Amount of final dividend paid (₹ in Lakh)   | -                                 | 5,550.00                          |
| Year to which dividend relates              | -                                 | 2020-21                           |
| Amount of interim dividend paid (₹ in Lakh) | 6,475.21                          | 5,550.00                          |
| Year to which interim dividend relates      | 2022-23                           | 2021-22                           |

\* on payment basis during the period

## 31. CORPORATE SOCIAL RESPONSIBILITY (CSR)

| Particulars  | For the year ended<br>31 Mar 2023  | For the year ended<br>31 Mar 2022   |
|--|--|---|
| a. Gross amount required to be spent by the Company during the year (under Section 135 of the Companies Act, 2013) | 2,156.90   | 1,611.24  |
| b. Amount of expenditure incurred  | 2,156.90   | 1,611.24  |
| c. Shortfall at the end of the period/year   | -  | -   |
| d. Reason for shortfall  | -  | -   |
| e. Unutilised/ unspent CSR amount in separate CSR account  | 333.90   | 137.61  |
| Amount yet to be spent   | 333.90   | 137.61  |
| Nature of CSR activities   |  |   |
| i. Construction/ acquisition of any asset  | -  | -   |
| On purposes other than (i) above   | 1,823.00   | 1,473.63  |
| Purpose/ Nature of activities  | Health, Education,<br>PM Relief<br>Fund, Medical<br>and Livelihood<br>enhancements | Health, Education,<br>PM Relief Fund,<br>Swachh Bharat and<br>Clean Ganga |
| <b>Total</b>   | <b>2,156.90</b>  | <b>1,611.24</b>   |

## Details of related party transactions in relation to CSR expenditure as relevant accounting standard (Net of refund)

|                  |        |        |
|------------------|--------|--------|
| SBI Foundation * | 228.42 | 185.00 |
|------------------|--------|--------|

\* Refer Note 41 for related party transactions



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### 32. 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 Lakh)

| Particulars  | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|--|-----------------------------------|-----------------------------------|
| Employer's Contribution to Provident Fund, Superannuation Fund and National Pension Scheme | 1,119.53                          | 929.29                            |

#### DETAILS OF PROVISION FOR LEAVE ENCASHMENT

(₹ In Lakh)

| Particulars   | For the year ended<br>31 Mar 2023 | For the year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| Provision for Leave encashment (based on actuarial valuation) | 163.02                            | (176.35)                          |

#### Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is for employees, which requires contributions to be made to a separately administered fund (through insurer managed scheme). 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.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## Assumptions (Current Period)

(₹ in Lakhs)

| Particulars                      | Valuation as at  |  |
|----------------------------------|--|--|
|                                  | 31 Mar 2023  | 31 Mar 2022  |
| Expected Return on Plan Assets   | 7.48%  | 7.27%  |
| Rate of Discounting              | 7.48%  | 7.27%  |
| Rate of Salary Increase          | 9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year | 9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year |
| Rate of Employee Turnover        | 3.00% p.a. for all service groups.   | 3.00% p.a. for all service groups.   |
| Mortality Rate During Employment | Indian Assured Lives Mortality 2012-14 (Urban)                                     | Indian Assured Lives Mortality 2012-14 (Urban)                                     |

## Assumptions (Previous Period)

| Particulars                      | Valuation as at  |  |
|----------------------------------|--|--|
|                                  | 31 Mar 2022  | 31 Mar 2021  |
| Expected Return on Plan Assets   | 7.27%  | 6.87%  |
| Rate of Discounting              | 7.27%  | 6.87%  |
| Rate of Salary Increase          | 9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year | 9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year |
| Rate of Employee Turnover        | 3.00% p.a. for all service groups.   | 3.00% p.a. for all service groups.   |
| Mortality Rate During Employment | Indian Assured Lives Mortality 2012-14 (Urban)                                     | Indian Assured Lives Mortality (2006-08) Ultimate                                  |

## Table Showing Change in the Present Value of Defined Benefit Obligation

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| <b>Present Value of Benefit Obligation at the beginning</b>                        | <b>2,353.64</b>           | <b>2,208.75</b>           |
| Interest Cost  | 171.11                    | 151.74                    |
| Current Service Cost   | 225.49                    | 223.09                    |
| (Benefit Paid From the Fund)   | (190.41)                  | (119.12)                  |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions | -                         | (1.60)                    |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions   | (5.82)                    | (46.50)                   |
| Actuarial (Gains)/Losses on Obligations - Due to Experience adjustments            | (8.62)                    | (62.72)                   |
| <b>Present Value of Benefit Obligation at the end</b>                              | <b>2,545.39</b>           | <b>2,353.64</b>           |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Table Showing Change in the Fair Value of Plan Assets

(₹ in Lakhs)

| Particulars                                      | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| Fair Value of Plan Assets at the beginning       | 2,163.48                  | 1,908.13                  |
| Interest Income                                  | 157.29                    | 131.09                    |
| Contributions by the Employer                    | 162.32                    | 216.65                    |
| Benefit Paid from the Fund                       | (190.41)                  | (119.12)                  |
| Return on Plan Assets, Excluding Interest Income | (17.82)                   | 26.73                     |
| <b>Fair Value of Plan Assets at the end</b>      | <b>2,274.86</b>           | <b>2,163.48</b>           |

## Amount Recognized in the Balance Sheet

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| (Present Value of Benefit Obligation at the end of the Period) | (2,545.39)                | (2,353.64)                |
| Fair Value of Plan Assets at the end of the Period             | 2,274.86                  | 2,163.48                  |
| Funded Status (Surplus/ (Deficit))                             | (270.53)                  | (190.16)                  |
| <b>Net (Liability)/Asset Recognized in the Balance Sheet</b>   | <b>(270.53)</b>           | <b>(190.16)</b>           |

## Net Interest Cost

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| Present Value of Benefit Obligation at the Beginning of the Period | 2,353.64                  | 2,208.75                  |
| (Fair Value of Plan Assets at the Beginning of the Period)         | (2,163.48)                | (1,908.13)                |
| Net Liability/(Asset) at the Beginning                             | 190.16                    | 300.62                    |
| Interest Cost  | 171.11                    | 151.74                    |
| Interest Income  | (157.29)                  | (131.09)                  |
| <b>Net Interest Cost</b>   | <b>13.82</b>              | <b>20.65</b>              |

## Expenses recognised in the Statement of Profit or Loss

| Particulars                | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|----------------------------|---------------------------|---------------------------|
| Current Service Cost       | 225.49                    | 223.09                    |
| Net Interest Cost          | 13.82                     | 20.65                     |
| <b>Expenses recognised</b> | <b>239.31</b>             | <b>243.74</b>             |

## Expenses recognised in the Other Comprehensive Income (OCI)

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| Actuarial (Gains)/Losses on Obligation For the Period        | (14.44)                   | (110.82)                  |
| Return on Plan Assets, Excluding Interest Income             | 17.82                     | (26.73)                   |
| <b>Net (Income)/Expense For the Period Recognized in OCI</b> | <b>3.38</b>               | <b>(137.55)</b>           |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## Balance Sheet Reconciliation

(₹ in Lakhs)

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| <b>Opening Net Liability</b>                       | <b>190.16</b>             | <b>300.65</b>             |
| Expenses Recognized in Statement of Profit or Loss | 239.31                    | 243.74                    |
| Expenses Recognized in OCI                         | 3.38                      | (137.55)                  |
| Employer's Contribution                            | (162.32)                  | (216.65)                  |
| <b>Closing liability/(asset)</b>                   | <b>270.53</b>             | <b>190.19</b>             |

## Category of Assets

| Particulars                       | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|-----------------------------------|---------------------------|---------------------------|
| <b>Government of India Assets</b> | -                         | -                         |
| State Government Securities       | -                         | -                         |
| Special Deposits Scheme           | -                         | -                         |
| Debt Instruments                  | -                         | -                         |
| Corporate Bonds                   | -                         | -                         |
| Cash And Cash Equivalents         | -                         | -                         |
| Insurance fund                    | 2,274.86                  | 2,163.48                  |
| Asset-Backed Securities           | -                         | -                         |
| Structured Debt                   | -                         | -                         |
| Other                             | -                         | -                         |

## Other Details

| Particulars   | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|---|---------------------------|---------------------------|
| No. of Members in Service                                   | 1,332.00                  | 1,236.00                  |
| Per Month Salary For Members in Service                     | 656.27                    | 594.94                    |
| Weighted Average Duration of the Defined Benefit Obligation | 10.00                     | 11.00                     |
| Average Expected Future Service                             | 15.00                     | 15.00                     |
| Defined Benefit Obligation (PBO) - Total                    | 2,545.39                  | 2,353.64                  |
| Defined Benefit Obligation (PBO) - Due but Not Paid         | -                         | -                         |
| Expected Contribution in the Next Year                      | 512.01                    | 415.65                    |

## Maturity Analysis of the Benefit Payments

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| <b>Projected Benefits Payable in Future Years From the Date of Reporting</b> |                           |                           |
| 1st Following Year   | 170.65                    | 145.02                    |
| 2nd Following Year   | 114.55                    | 145.85                    |
| 3rd Following Year   | 170.19                    | 113.14                    |
| 4th Following Year   | 220.69                    | 143.85                    |
| 5th Following Year   | 134.86                    | 206.47                    |
| Sum of Years 6 To 10   | 1,129.75                  | 1,000.35                  |
| Sum of Years 11 and above  | 3,672.66                  | 3,454.69                  |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## Sensitivity Analysis

(₹ in Lakhs)

| Particulars  | Year ended<br>31 Mar 2023 | Year ended<br>31 Mar 2022 |
|--|---------------------------|---------------------------|
| <b>Projected Benefit Obligation on Current Assumptions</b> | <b>2,545.40</b>           | <b>2,353.65</b>           |
| Delta Effect of +1% Change in Rate of Discounting          | (206.27)                  | (197.60)                  |
| Delta Effect of -1% Change in Rate of Discounting          | 236.89                    | 227.85                    |
| Delta Effect of +1% Change in Rate of Salary Increase      | 164.52                    | 161.63                    |
| Delta Effect of -1% Change in Rate of Salary Increase      | (156.24)                  | (152.39)                  |
| Delta Effect of +1% Change in Rate of Employee Turnover    | 39.52                     | 33.58                     |
| Delta Effect of -1% Change in Rate of Employee Turnover    | (44.28)                   | (37.88)                   |

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 defined 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 defined 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.

## 33. DETAILS OF SUBSIDIARY

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

| Name of subsidiary                                    | Principal activity             | Place of incorporation / establishment and operation | Proportion of ownership interest and voting power held by the company |             |
|---|--------------------------------|--|---|-------------|
|   |                                |  | 31 Mar 2023   | 31 Mar 2022 |
| SBI Funds Management (International) Pvt Ltd          | Investment Management Services | Mauritius  | 100%  | 100%        |
| SBI Funds Management Limited - Employee Welfare Trust | ESOP Trust                     | India  | Controlled Trust  | N.A.        |

## 34. DETAILS OF ASSOCIATE

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

| Name of Associates                | Country of Incorporation | Proportion of ownership interest |             |
|-----------------------------------|--------------------------|----------------------------------|-------------|
|                                   |                          | 31 Mar 2023                      | 31 Mar 2022 |
| SBI Pension Funds Private Limited | India                    | 20%                              | 20%         |

## B. Summarised financial information of associate

Summarised financial information of material associate :

Summarised financial information in respect of the Company's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements.

| Particulars               | (₹ in Lakhs)         |                      |
|---------------------------|----------------------|----------------------|
|                           | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
| Financial Assets          | 15,260.31            | 9,878.67             |
| Non Financial Assets      | 1,542.58             | 241.99               |
| Financial Liabilities     | 1,411.06             | 60.43                |
| Non Financial Liabilities | 432.26               | 451.22               |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

| Particulars   | For the Year ended<br>31 Mar 2023 | For the Year ended<br>31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| Revenue   | 13,506.59                         | 11,648.13                         |
| Profit/(loss) from continuing operations              | 5,350.56                          | 5,197.69                          |
| Post-tax profit (loss) from discontinued operations   | -                                 | -                                 |
| Profit/(loss) for the year                            | 5,350.56                          | 5,197.69                          |
| Other comprehensive income for the year               | -                                 | -                                 |
| Total comprehensive income for the year               | 5,350.56                          | 5,197.69                          |
| Dividends received from the associate during the year | -                                 | -                                 |

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

| Particulars   | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|---|----------------------|----------------------|
| Net worth of SBI Pension Funds Private Limited (₹ In Lakh)  | 14,959.57            | 9,609.01             |
| Proportion of the Company's ownership interest in SBI Pension Funds Private Limited               | 20%                  | 20%                  |
| Goodwill (₹In Lakh)   | 15.04                | 15.04                |
| Other adjustments   | -                    | -                    |
| <b>Carrying amount of the Company's interest in SBI Pension Funds Private Limited (₹ In Lakh)</b> | <b>3,006.95</b>      | <b>1,936.84</b>      |

**35. SEGMENTAL REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company.

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

There is only one customer contributing in excess of 10% of the total revenue of the Company.

The amounts for the same are as follows:

(₹ in Lakhs)

| Particulars                  | 31 Mar 2023 | 31 Mar 2022 |
|------------------------------|-------------|-------------|
| Revenue from SBI Mutual Fund | 2,09,808.03 | 1,77,946.76 |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### 36. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

(₹ in Lakhs)

| Particulars   | As at 31 Mar 2023 |                    |                    | As at 31 Mar 2022 |                    |                    |
|---|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
|   | Within 12 months  | After 12 months    | Total              | Within 12 months  | After 12 months    | Total              |
| <b>ASSETS</b>   |                   |                    |                    |                   |                    |                    |
| <b>1. Financial Assets</b>  |                   |                    |                    |                   |                    |                    |
| a. Cash & Cash equivalents  | 200.70            | -                  | 200.70             | 411.07            | -                  | 411.07             |
| b. Bank Balance other than (a) above  | 2,908.10          | -                  | 2,908.10           | 458.95            | 2,413.04           | 2,871.99           |
| c. Receivables  |                   |                    |                    |                   |                    |                    |
| (i) Trade Receivables   | 5,655.30          | -                  | 5,655.30           | 4,819.61          | -                  | 4,819.61           |
| d. Loans  | 14.73             | 17.74              | 32.47              | 19.05             | 33.75              | 52.80              |
| e. Investments  | 13,263.49         | 4,47,649.09        | 4,60,912.58        | 11,058.54         | 3,28,469.61        | 3,39,528.15        |
| f. Other Financial assets   | 218.83            | 637.67             | 856.50             | 5,347.36          | 394.65             | 5,742.01           |
| <b>Sub-total - Financial Assets</b>   | <b>22,261.15</b>  | <b>4,48,304.50</b> | <b>4,70,565.65</b> | <b>22,114.58</b>  | <b>3,31,311.05</b> | <b>3,53,425.63</b> |
| <b>2. Non Financial Assets</b>  |                   |                    |                    |                   |                    |                    |
| a. Current Tax assets ( Net)  | -                 | 2,202.39           | 2,202.39           | -                 | 2,352.61           | 2,352.61           |
| b. Property, Plant and Equipment  | -                 | 22,728.61          | 22,728.61          | -                 | 22,029.93          | 22,029.93          |
| c. Intangible asset under Development   | -                 | 187.90             | 187.90             | -                 | 282.54             | 282.54             |
| d. Other Intangible assets  | -                 | 420.11             | 420.11             | -                 | 312.56             | 312.56             |
| e. Other Non- financial assets  | 1,922.79          | 360.45             | 2,283.24           | 1,178.60          | 212.47             | 1,391.07           |
| <b>Sub-total - Non- Financial Assets</b>  | <b>1,922.79</b>   | <b>25,899.46</b>   | <b>27,822.25</b>   | <b>1,178.60</b>   | <b>25,190.11</b>   | <b>26,368.71</b>   |
| <b>Total Assets</b>   | <b>24,183.94</b>  | <b>4,74,203.96</b> | <b>4,98,387.90</b> | <b>23,293.18</b>  | <b>3,56,501.16</b> | <b>3,79,794.34</b> |
| <b>1 Financial Liabilities</b>  |                   |                    |                    |                   |                    |                    |
| a. (i) total outstanding dues of micro enterprises and small enterprises                    | 4.83              | -                  | 4.83               | 32.67             | -                  | 32.67              |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1,510.80          | -                  | 1,510.80           | 1,619.78          | -                  | 1,619.78           |
| b. Other financial liabilities  | 2,016.65          | 6,857.10           | 8,873.75           | 2,445.72          | 5,624.43           | 8,070.15           |
| <b>Sub-total - Financial Liabilities</b>  | <b>3,532.28</b>   | <b>6,857.10</b>    | <b>10,389.38</b>   | <b>4,098.17</b>   | <b>5,624.43</b>    | <b>9,722.60</b>    |
| <b>2. Non Financial Liabilities</b>   |                   |                    |                    |                   |                    |                    |
| a. Provision  | 8,103.32          | 2,942.40           | 11,045.72          | 8,119.05          | 2,125.35           | 10,244.40          |
| b. Other non-financial liabilities  | 769.28            | -                  | 769.28             | 454.59            | -                  | 454.59             |
| c. Deferred tax liabilities (Net)   | -                 | 1,045.04           | 1,045.04           | -                 | 701.82             | 701.82             |
| <b>Sub-total - Non Financial Liabilities</b>  | <b>8,872.60</b>   | <b>3,987.44</b>    | <b>12,860.04</b>   | <b>8,573.64</b>   | <b>2,827.17</b>    | <b>11,400.81</b>   |
| <b>Total Liabilities</b>  | <b>12,404.88</b>  | <b>10,844.54</b>   | <b>23,249.42</b>   | <b>12,671.81</b>  | <b>8,451.60</b>    | <b>21,123.41</b>   |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## 37. REVENUE

(₹ in Lakhs)

| Note No. | Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|----------|---|-----------------------------|-----------------------------|
| 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   | 2,10,962.07                 | 1,79,123.20                 |
|          | • Portfolio Management & Other Advisory Fees  | 5,196.52                    | 4,562.50                    |
|          | <b>Total</b>  | <b>2,16,158.59</b>          | <b>1,83,685.70</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 . 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>   |                             |                             |
|          | In India  | 2,13,948.06                 | 1,80,570.59                 |
|          | Outside India   | 2,210.53                    | 3,115.11                    |
|          | <b>Total</b>  | <b>2,16,158.59</b>          | <b>1,83,685.70</b>          |

## 38. FINANCIAL INSTRUMENTS

## A. Fair value measurements

## Accounting classification and fair value

(₹ in Lakhs)

| As at 31 March 2023  | Carrying Amount    |                    |                    | Fair Value         |                    |                 |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|--------------------|
|  | FVTPL              | Amortised Cost     | Total              | Level 1            | Level 2            | Level 3         | Total              |
| <b>Financial Assets</b>  |                    |                    |                    |                    |                    |                 |                    |
| Cash & Cash equivalents #  | -                  | 200.70             | 200.70             | -                  | -                  | -               | -                  |
| Other Bank Balances #  | -                  | 2,908.10           | 2,908.10           | -                  | -                  | -               | -                  |
| Trade Receivables #  | -                  | 5,655.30           | 5,655.30           | -                  | -                  | -               | -                  |
| Loan   | -                  | 32.47              | 32.47              | -                  | -                  | -               | -                  |
| <u>Investments (excluding investment in Subsidiary and Associates)</u> |                    |                    |                    |                    |                    |                 |                    |
| - Mutual funds   | 2,73,985.85        | -                  | 2,73,985.85        | 2,73,985.85        | -                  | -               | 2,73,985.85        |
| - Alternative investment funds   | 3,861.57           | -                  | 3,861.57           | -                  | -                  | 3,861.57        | 3,861.57           |
| - Debt securities  | -                  | 1,78,014.33        | 1,78,014.33        | -                  | 1,78,261.34        | -               | 1,78,261.34        |
| - Equity investments   | 2,020.41           | -                  | 2,020.41           | -                  | -                  | 2,020.41        | 2,020.41           |
| - Preference Shares  | -                  | 23.64              | 23.64              | -                  | -                  | 23.64           | 23.64              |
| Other Financial Assets #   | -                  | 856.50             | 856.50             | -                  | -                  | -               | -                  |
| <b>Total</b>   | <b>2,79,867.83</b> | <b>1,87,691.04</b> | <b>4,67,558.87</b> | <b>2,73,985.85</b> | <b>1,78,261.34</b> | <b>5,905.62</b> | <b>4,58,152.81</b> |
| <b>Financial Liabilities</b>   |                    |                    |                    |                    |                    |                 |                    |
| Trade payables #   | -                  | 1,515.63           | 1,515.63           | -                  | -                  | -               | -                  |
| Other Financial Liabilities #  | -                  | 8,873.75           | 8,873.75           | -                  | -                  | -               | -                  |
| <b>Total</b>   | <b>-</b>           | <b>10,389.38</b>   | <b>10,389.38</b>   | <b>-</b>           | <b>-</b>           | <b>-</b>        | <b>-</b>           |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### Valuation inputs and relationship to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement.

| Financial instruments        | Significant unobservable inputs | Probability weights/ range | Sensitivity of inputs to fair value measurement   |
|------------------------------|---------------------------------|----------------------------|---|
| Alternative Investment Funds | Net Asset Value (NAV)           | 0.90X -1.10X               | A 10% increase in the NAV would increase the carrying value of investment by ₹ 386.16 Lakh. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 386.16 Lakh. |

### Fair Value Measurement using significant unobservable inputs (level 3)

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

(₹ in Lakh)

| Particulars   | Debt Securities | Alternate Investment Funds | Equity share in Others |
|---|-----------------|----------------------------|------------------------|
| Opening balance   | -               | 2,098.94                   | 2,001.07               |
| Net gain/(losses) on Financial Instruments recognised in the Statement of Profit and Loss | -               | (70.99)                    | 19.34                  |
| Purchases of financial instruments  | -               | 2,201.70                   | -                      |
| Sale of financial instruments   | -               | 368.09                     | -                      |
| <b>Closing balance</b>  | -               | <b>3,861.56</b>            | <b>2,020.41</b>        |

(₹ in Lakhs)

| As at 31 Mar 2022   | Carrying Amount    |                  |                    | Fair Value         |                  |                 |                    |
|---|--------------------|------------------|--------------------|--------------------|------------------|-----------------|--------------------|
|   | FVTPL              | Amortised Cost   | Total              | Level 1            | Level 2          | Level 3         | Total              |
| <b>Financial Assets</b>   |                    |                  |                    |                    |                  |                 |                    |
| Cash & Cash equivalents #                                       | -                  | 411.07           | <b>411.07</b>      | -                  | -                | -               | -                  |
| Other Bank Balances #   | -                  | 2,871.99         | <b>2,871.99</b>    | -                  | -                | -               | -                  |
| Trade Receivables #   | -                  | 4,819.61         | <b>4,819.61</b>    | -                  | -                | -               | -                  |
| Loan  | -                  | 52.80            | <b>52.80</b>       | -                  | -                | -               | -                  |
| Investments (excluding investment in Subsidiary and Associates) |                    |                  |                    |                    |                  |                 |                    |
| - Mutual funds  | 2,78,822.19        | -                | <b>2,78,822.19</b> | 2,78,822.19        | -                | -               | <b>2,78,822.19</b> |
| - Alternative investment funds                                  | 2,098.94           | -                | <b>2,098.94</b>    | -                  | -                | 2,098.94        | <b>2,098.94</b>    |
| - Debt securities   | -                  | 54,645.37        | <b>54,645.37</b>   | -                  | 54,591.89        | -               | <b>54,591.89</b>   |
| - Equity investments  | 2,001.07           | -                | <b>2,001.07</b>    | -                  | -                | 2,001.07        | <b>2,001.07</b>    |
| - Preference Shares   | -                  | 23.64            | <b>23.64</b>       | -                  | -                | 23.64           | <b>23.64</b>       |
| Other Financial Assets #  | -                  | 5,742.01         | <b>5,742.01</b>    | -                  | -                | -               | -                  |
| <b>Total</b>  | <b>2,82,922.20</b> | <b>68,566.49</b> | <b>3,51,488.69</b> | <b>2,78,822.19</b> | <b>54,591.89</b> | <b>4,123.65</b> | <b>3,37,537.73</b> |
| <b>Financial Liabilities</b>                                    |                    |                  |                    |                    |                  |                 |                    |
| Trade payables #  | -                  | 1,652.45         | <b>1,652.45</b>    | -                  | -                | -               | -                  |
| Other Financial Liabilities #                                   | -                  | 8,070.15         | <b>8,070.15</b>    | -                  | -                | -               | -                  |
| <b>Total</b>  | -                  | <b>9,722.60</b>  | <b>9,722.60</b>    | -                  | -                | -               | -                  |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### Valuation inputs and relationship to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement.

| Financial instruments        | Significant unobservable inputs | Probability weights/ range | Sensitivity of inputs to fair value measurement   |
|------------------------------|---------------------------------|----------------------------|---|
| Alternative Investment Funds | Net Asset Value (NAV)           | 0.90X -1.10X               | A 10% increase in the NAV would increase the carrying value of investment by ₹ 209.89 Lakh. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 209.89 Lakh. |

### Fair Value Measurement using significant unobservable inputs (level 3) For the year ended 31 Mar 2022

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

(₹ in Lakh)

| Particulars   | Debt Securities | Alternate Investment Funds | Equity share in Others |
|---|-----------------|----------------------------|------------------------|
| Opening balance   | 1,171.00        | 4,389.86                   | 5.00                   |
| Net gain/(losses) on Financial Instruments recognised in the Statement of Profit and Loss | (3.50)          | 357.37                     | -                      |
| Purchases of financial instruments  | -               | -                          | 1,996.07               |
| Sale of financial instruments   | 1,167.50        | 2648.29                    | -                      |
| <b>Closing balance</b>  | <b>0.00</b>     | <b>2,098.94</b>            | <b>2,001.07</b>        |

# Fair value of cash and cash equivalents, bank balances, trade & other receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to current maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

For the purpose of disclosure, price provided by valuation agency is considered as the fair value of financial assets that are measured at amortised cost.

The hierarchy used is as follows:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

| Financial instruments         | Valuation techniques   |
|-------------------------------|--|
| Mutual funds/ AIF investments | On the basis of latest NAV/Market price available  |
| Debt securities               | The price provided by valuation agency is considered as the fair value of financial assets |
| Equity investments            | The investment is recognised   |

In order to assess Level 3 valuations, the management reviews the performance of the Alternative Investment Funds on a regular basis by tracking their latest available financial statements/financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### B. Financial Risk Management

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives. 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.

The different types of risks the company is exposed to arising from Financial Instruments are as follows:

| Exposure arising from  | Risk                                |
|--|-------------------------------------|
| Cash and cash equivalents, trade & other receivables, financial assets measured at amortised cost        | Credit Risk                         |
| Financial liabilities  | Liquidity Risk                      |
| Recognised financial assets not denominated in ₹   | Market Risk - Foreign Exchange Risk |
| Investments in debt securities   | Market Risk - Interest Rate Risk    |
| Investments in equity securities, units of mutual funds, Alternative Investment Funds, measured at FVTPL | Market Risk - Price Risk            |

#### 1. Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has adopted a policy of managing assets with due consideration to liquidity and monitoring future cash flows and liquidity on a regular basis. The Company has developed internal control processes for managing liquidity risk. The Company maintains sufficient bank balance and highly marketable securities such as liquid/ultra-short duration and other debt funds. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

The tables below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 Mar 2023

(₹ in Lakhs)

| Particulars                   | Carrying Amount | Contractual Cash Flow |              |                  |
|-------------------------------|-----------------|-----------------------|--------------|------------------|
|                               |                 | Total                 | Up to 1 year | More than 1 year |
| <b>Financial Liabilities</b>  |                 |                       |              |                  |
| - Trade Payables              | 1,515.63        | 1,515.63              | 1,515.63     | -                |
| - Lease liabilities           | 8,392.67        | 10,267.28             | 2,041.53     | 8,225.75         |
| - Other financial liabilities | 481.08          | 481.08                | 481.08       | -                |

As at 31 Mar 2022

(₹ in Lakhs)

| Particulars                   | Carrying Amount | Contractual Cash Flow |              |                  |
|-------------------------------|-----------------|-----------------------|--------------|------------------|
|                               |                 | Total                 | Up to 1 year | More than 1 year |
| <b>Financial Liabilities</b>  |                 |                       |              |                  |
| - Trade Payables              | 1,652.45        | 1,652.45              | 1,652.45     | -                |
| - Lease liabilities           | 7,342.66        | 8,713.36              | 2,151.43     | 6,561.93         |
| - Other financial liabilities | 727.49          | 727.49                | 727.49       | -                |



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### 2. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables, cash and cash equivalents, and financial assets measured at amortised cost. Exposure to credit risk is mitigated through regular monitoring of collections and counterparty's creditworthiness and diversification in exposure. 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 as high/moderate etc.

#### Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, bank balance, trade and other receivables and financial assets measured at amortised cost.

(₹ in Lakhs)

| Particulars                     | 31 Mar 2023 | 31 Mar 2022 |
|---------------------------------|-------------|-------------|
| Maximum Exposure to Credit Risk | 76,823.77   | 39,526.62   |

Further, refer note 3 for Trade receivables ageing analysis schedule.

#### Expected Credit Loss (ECL) on 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)

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. The Company has determined based on historical experience and expectations that the ECL on its trade receivables is insignificant and was not recorded. 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.

The Company has three types of financial assets that are subject to the expected credit loss:

- Cash and Cash equivalent
- Trade & other receivables
- Investment in debt securities measured at amortised cost

#### Trade and Other Receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as control over preponderant amount of such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 1 year (mainly dues from GOI/ GOI undertakings /PSUs) are still collectible in full, based on historical payment behaviour.

#### Cash and Cash Equivalents

The Company holds cash and cash equivalents and other bank balances as per note 2 and 3. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.



**Investment in Debt Securities measured at amortised cost**

The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. Investment in debt securities being at amortised cost include (i) GC Strips which do not carry any risk being sovereign in nature and (ii) bonds of highly rated public sector banks. Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

**3. Market Risk:**

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to Price risk, Currency risk, and Interest rate risk.

**i. Price risk management:**

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market.

The Company's exposure to price risk arises from investments in equity securities, debt securities, units of mutual funds, and Alternative Investment Funds which are classified as financial assets at Fair Value Through Profit and Loss. The following is the Company's exposure to price risk:

(₹ in Lakhs)

| Particulars                       | 31 Mar 2023 | 31 Mar 2022 |
|-----------------------------------|-------------|-------------|
| Investment exposure to price risk | 2,79,867.83 | 2,82,922.30 |

To manage its price risk from investments in equity securities, debt securities, units of mutual funds, and Alternative Investment Funds, the Company diversifies its portfolio.

**Price sensitivity analysis:**

The table below sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening in prices/ market value by 5% :

(₹ in Lakhs)

| Particulars                     | 31 Mar 2023 | 31 Mar 2022 |
|---------------------------------|-------------|-------------|
| <u>Effect on Profit or Loss</u> |             |             |
| 5% decrease in prices           | (13,993.39) | (14,146.12) |
| 5% increase in prices           | 13,993.39   | 14,146.12   |

**ii. Foreign currency risk management:**

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. 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<br>31 March 2023 | As at<br>31 March 2022 | As at<br>31 March 2023 | As at<br>31 March 2022 |
| AED      | -                      | -                      | 15.03                  | 17.23                  |
| USD      | -                      | 3.64                   | 283.88                 | 286.06                 |
| BHD      | 13.16                  | 18.65                  | -                      | -                      |
| AUD      | -                      | -                      | 4.59                   | 4.11                   |
| JPY      | -                      | -                      | 91.67                  | 75.67                  |
| SGD      | -                      | -                      | 102.89                 | 83.05                  |
| EURO     | -                      | -                      | 105.57                 | 110.49                 |



**Foreign currency sensitivity analysis:**

The following table details the Company's sensitivity to a 10% increase and decrease in ₹ 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 ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ 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 2023                   | As at 31 March 2022 | As at 31 March 2023  | As at 31 March 2022 |
| AED Currency impact  | 1.50                                  | 1.72                | 1.12   | 1.29                |
| USD Currency impact  | 28.39                                 | 28.24               | 21.24  | 21.13               |
| BHD Currency impact  | (1.32)                                | (1.87)              | (0.98)   | (1.40)              |
| AUD Currency impact  | 0.46                                  | 0.41                | 0.34   | 0.31                |
| JPY Currency impact  | 9.17                                  | 7.57                | 6.86   | 5.66                |
| SGD Currency impact  | 10.29                                 | 8.31                | 7.70   | 6.21                |
| EURO Currency impact | 10.56                                 | 11.05               | 7.90   | 8.27                |

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.

**iii. Interest rate risk management:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest instruments. Accordingly, the exposure to interest rate risk is insignificant.

**39. CAPITAL MANAGEMENT :**

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create and maximise value for its shareholders. The same is done through equity. The funding requirements are met through operating cash flows and other equity. The Management monitors the return on capital and the Board of Directors monitors the level of dividends paid to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**40. LEASES (AS A LESSEE)****(i) Amounts recognised in the balance sheet**

The following shows the changes to carrying value relating to right-to-use assets:

(₹ in Lakhs)

| Particulars  | 31 Mar 2023     | 31 Mar 2022     |
|--|-----------------|-----------------|
| Opening balance of Right-of-use assets               | 6,638.52        | 6,005.48        |
| Add: Additions during the year                       | 3,134.79        | 2,598.20        |
| Less: Deletion during the year                       | (214.33)        | (159.77)        |
| Less: Depreciation during the year                   | (2,027.37)      | (1,805.39)      |
| Add/Less: Adjustments for Ind AS 116 during the year | -               | -               |
| <b>Closing balance of Right-of-use assets</b>        | <b>7,531.61</b> | <b>6,638.52</b> |



The following shows the movement to lease liabilities during the year:

(₹ in Lakhs)

| Particulars                            | 31 Mar 2023     | 31 Mar 2022     |
|--|-----------------|-----------------|
| Balance at the beginning               | 7,342.66        | 6,487.26        |
| Add: New Lease arrangements            | 3,134.79        | 2,598.20        |
| Less: Deletion                         | (243.29)        | (167.50)        |
| Add/Less: Adjustment due to Ind AS 116 | -               | -               |
| Add: Finance cost accrued              | 525.46          | 444.16          |
| Less: Payment of Lease liabilities     | (2,366.95)      | (2,019.46)      |
| Less: Rent concessions                 | -               | -               |
| <b>Balance at the end</b>              | <b>8,392.67</b> | <b>7,342.66</b> |

The following is the break up of current and non-current lease liabilities

(₹ in Lakhs)

| Particulars  | 31 Mar 2023     | 31 Mar 2022     |
|--------------|-----------------|-----------------|
| Current      | 1,535.57        | 1,743.03        |
| Non-current  | 6,857.10        | 5,599.63        |
| <b>Total</b> | <b>8,392.67</b> | <b>7,342.66</b> |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Lakhs)

| Particulars          | 31 Mar 2023      | 31 Mar 2022     |
|----------------------|------------------|-----------------|
| Less than one year   | 2,041.53         | 2,151.43        |
| One to five years    | 5,944.45         | 4,967.12        |
| More than five years | 2,281.30         | 1,594.81        |
| <b>Total</b>         | <b>10,267.28</b> | <b>8,713.36</b> |

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

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

(₹ in Lakhs)

| Particulars  | 31 Mar 2023 | 31 Mar 2022 |
|--|-------------|-------------|
| Depreciation charge on right-of-use assets   | 2,027.37    | 1,805.39    |
| Interest expense (included in finance cost)  | 525.46      | 444.16      |
| Expense relating to short-term leases (included in administrative expenses)  | 102.93      | 62.29       |
| 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)                | -           | -           |
| Rent concession  | -           | -           |



## 41. 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 62.53% of the share capital  |
| Enterprise having significant influence | Amundi India Holding, a wholly owned subsidiary of Amundi holds 36.73% of the share capital  |
| Subsidiary                              | SBI Funds Management (International) Private Limited (100% subsidiary)   |
| Controlled Trust                        | SBI Funds Management Employee Welfare Trust  |
| Associates                              | SBI Pension Funds Private Limited  |
| Other Related Party                     | C Edge Technologies Ltd. (Joint Venture of State Bank of India)<br>The Clearing Corporation of India Limited<br>IQ EQ Fund Services (Mauritius) Limited<br><b>RRBs (Associates of State Bank of India):</b><br>Arunachal Pradesh Rural Bank<br>Ellaquai Dehati Bank<br>Mizoram Rural Bank<br>Nagaland Rural Bank<br>Rajasthan Marudhara Gramin Bank<br>Saurashtra Gramin Bank<br>Uttarakhand Gramin Bank<br>Chhattisgarh Rajya Gramin Bank<br>Jharkhand Rajya Gramin Bank<br>Meghalaya Rural Bank<br>Telangana Grameena Bank<br>Utkal Grameen Bank<br>Andhra Pradesh Grameena Vikas Bank<br>Madhyanchal Gramin Bank  |
| Key Management Personnel                | Mr. Shamsher Singh (Managing Director & Chief Executive Officer) from December 6, 2022<br>Mr. Vinay M. Tonse (Managing Director & Chief Executive Officer) upto December 5, 2022<br>Mr. Denys de Campigneulles (Deputy Chief Executive Officer)<br>Mr. Dinesh Kumar Khara (Chairman)<br>Mr. Fathi Jerfel (Associate Director)<br>Mr. Ashwini Kumar Tewari (Associate Director) upto July 14, 2022<br>Mr. Swaminathan Janakiraman (Associate Director) from July 21, 2022<br>Mr. Jean Yves Glain (Associate Director) upto December 09, 2022<br>Mr. C. N. Ram (Independent Director)<br>Mr. Om Prakash Gahrotra (Independent Director) upto October 21, 2022<br>Mr. Moiz Miyajiwala (Independent Director)<br>Mrs. Sudha Krishnan (Independent Director) from June 25, 2021<br>Mr. Shekhar Bhatnagar (Independent Director) from March 21, 2022<br>Mr. T.T. Ram Mohan (Independent Director) from December 05, 2022 |



|                                     |  |
|-------------------------------------|--|
| <b>Other Related parties:-</b>      |  |
| i) Fellow Subsidiaries              | SBI Life Insurance Company Limited<br>SBI General Insurance Limited<br>SBI Mutual Fund Trustee Company Private Limited<br>SBI-SG Global Securities Services Private Limited<br>SBICAP Securities Limited<br>SBI Capital Markets Limited<br>SBI Foundation<br>SBI CAP Trustee Company Private Limited<br>SBI DFHI Limited |
| ii) Enterprise under common control | <b>Subsidiary/Associate of Amundi:</b><br>Amundi Singapore Limited (100%)<br>Amundi Hong Kong Limited (100%)<br>Amundi Asset Management, Paris (100%)<br>Amundi UK Ltd. (100%)<br>NH-Amundi Asset Management Co. Ltd. (30%)  |

## i) Details of transactions with Related Parties during the year 2022-23

(₹ In Lakh)

| Particulars                                       | Holding Company (State Bank of India) | Enterprise Having Significant Influence | Fellow Subsidiaries * | Enterprise under Common control* | KMP/ Relative* | Subsidiary | Others | Associates |
|---|---------------------------------------|---|-----------------------|----------------------------------|----------------|------------|--------|------------|
| PMS Advisory & Other fees                         | 144.61                                | -                                       | -                     | 1,528.62                         | -              | -          | 452.48 | -          |
| Interest Income                                   | 139.29                                | -                                       | -                     | -                                | -              | -          | -      | -          |
| Fund Accounting and Custodial Charges             | -                                     | -                                       | 2,346.19              | -                                | -              | -          | -      | -          |
| Rent paid/( Recovered)                            | 48.40                                 | -                                       | (2.03)                | -                                | -              | -          | -      | -          |
| Brokerage - PMS & AIF                             | 295.68                                | -                                       | -                     | -                                | -              | -          | -      | -          |
| Demat Charges & Brokerage                         | -                                     | -                                       | 4.87                  | -                                | -              | -          | -      | -          |
| CSR Activities (#)                                | -                                     | -                                       | 228.42                | -                                | -              | -          | -      | -          |
| Data Processing charges & Scheme related expenses | -                                     | -                                       | -                     | -                                | -              | -          | -      | -          |
| Bank charges                                      | 24.69                                 | -                                       | -                     | -                                | -              | -          | -      | -          |
| Royalty   | 2,141.30                              | -                                       | -                     | -                                | -              | -          | -      | -          |
| Processing Fee                                    | -                                     | -                                       | -                     | -                                | -              | -          | -      | -          |
| Electricity/Generator Charges                     | 0.32                                  | -                                       | -                     | -                                | -              | -          | -      | -          |
| Repairs & Maintenance                             | -                                     | -                                       | -                     | -                                | -              | -          | -      | -          |
| Business Promotion                                | 60.12                                 | -                                       | -                     | -                                | -              | -          | -      | -          |
| Training  | 9.16                                  | -                                       | -                     | -                                | -              | -          | -      | -          |
| Scheme Related Expenses                           | -                                     | -                                       | 0.30                  | -                                | -              | -          | -      | -          |
| Reimbursement/Recovery of Expenses                | 28.90                                 | -                                       | (0.13)                | -                                | -              | -          | -      | -          |
| Transaction charges                               | -                                     | -                                       | -                     | -                                | -              | -          | 60.94  | -          |
| Software Support                                  | -                                     | -                                       | -                     | -                                | -              | -          | 33.83  | -          |
| Initial settlement amount                         | -                                     | -                                       | -                     | -                                | -              | -          | -      | -          |
| Insurance Premium                                 | -                                     | -                                       | 584.23                | -                                | -              | -          | -      | -          |
| Purchase of 8.07% Andhra Pradesh SDL 2036         | -                                     | -                                       | 5,029.24              | -                                | -              | -          | -      | -          |



(₹ in Lakhs)

| Particulars   | Holding Company (State Bank of India) | Enterprise Having Significant Influence | Fellow Subsidiaries * | Enterprise under Common control* | KMP/ Relative* | Subsidiary | Others | Associates |
|---|---------------------------------------|---|-----------------------|----------------------------------|----------------|------------|--------|------------|
| Investment  | -                                     | -                                       | -                     | -                                | -              | -          | -      | -          |
| Interim Dividend Paid/ Payable                          | 11,025.00                             | 6,475.00                                | -                     | -                                | -              | -          | -      | -          |
| Final Dividend Paid                                     | -                                     | -                                       | -                     | -                                | -              | -          | -      | -          |
| Reimbursement of salaries of deputed employees from SBI | 305.56                                | -                                       | -                     | -                                | -              | -          | -      | -          |
| Recovery of salaries of deputed employees to SBI        | 123.29                                | -                                       | -                     | -                                | -              | -          | -      | -          |
| Recovery of Admin Expenses                              | -                                     | -                                       | 30.00                 | -                                | -              | -          | -      | -          |
| Administrator & Directorship Fees                       | -                                     | -                                       | -                     | -                                | -              | -          | 1.01   | -          |
| Payment to KMP/Relative                                 | -                                     | -                                       | -                     | -                                | 45.20          | -          | -      | -          |
| <b>Balances Outstanding as at 31 Mar 2023</b>           |                                       |   |                       |                                  |                |            |        |            |
| Receivable/(Payable)                                    | 97.96                                 | -                                       | (164.13)              | 389.37                           | -              | -          | 296.98 | -          |
| Balance in Current Accounts                             | 396.40                                | -                                       | -                     | -                                | -              | -          | -      | -          |
| Term Deposit  | 2,528.16                              | -                                       | -                     | -                                | -              | -          | -      | -          |

\* Refer Annexure

# Refer Note 31

**Remuneration to Key Managerial Personnel**

The remuneration of key management personnel during the year was as follows:

(₹ in Lakhs)

| Particulars                   | 2022-23 |
|-------------------------------|---------|
| i. Short Term Benefits        | 192.45  |
| ii. Post Employment Benefits  | -       |
| iii. Other long term benefits | -       |
| iv. Share based payments      | -       |
| v. Termination Benefits       | -       |

Note:

(i) Banking/Credit Card transactions in normal course of business with related parties have not been considered.

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

**ii) Details of transactions with Related Parties during the year 2021-22**

(₹ In Lakh)

| Particulars                                       | Holding Company (State Bank of India) | Enterprise Having Significant Influence | Fellow Subsidiaries * | Enterprise under Common control* | KMP/ Relative* | Subsidiary | Others | Associates |
|---|---------------------------------------|---|-----------------------|----------------------------------|----------------|------------|--------|------------|
| PMS Advisory & Other fees                         | 378.36                                | -                                       | (0.85)                | 1,948.76                         | -              | -          | -      | -          |
| Interest Income                                   | 128.31                                | -                                       | -                     | -                                | -              | -          | -      | -          |
| Fund Accounting and Custodial Charges             | -                                     | -                                       | 1,522.52              | -                                | -              | -          | -      | -          |
| Rent paid/( Recovered)                            | 65.33                                 | -                                       | (2.29)                | -                                | -              | -          | -      | -          |
| Brokerage - PMS                                   | 64.05                                 | -                                       | -                     | -                                | -              | -          | -      | -          |
| Demat Charges                                     | -                                     | -                                       | -                     | -                                | -              | -          | -      | -          |
| CSR Activities (#)                                | -                                     | -                                       | 185.00                | -                                | -              | -          | -      | -          |
| Data Processing charges & Scheme related expenses | -                                     | -                                       | -                     | -                                | -              | -          | -      | -          |



(₹ in Lakhs)

| Particulars   | Holding Company (State Bank of India) | Enterprise Having Significant Influence | Fellow Subsidiaries * | Enterprise under Common control* | KMP/Relative* | Subsidiary | Others | Associates |
|---|---------------------------------------|---|-----------------------|----------------------------------|---------------|------------|--------|------------|
| Bank charges  | 53.05                                 | -                                       | -                     | -                                | -             | -          | -      | -          |
| Royalty   | 1,720.81                              | -                                       | -                     | -                                | -             | -          | -      | -          |
| Processing Fee  | 50.00                                 | -                                       | -                     | -                                | -             | -          | -      | -          |
| Electricity/Generator Charges                           | 3.14                                  | -                                       | -                     | -                                | -             | -          | -      | -          |
| Repairs & Maintenance                                   | -                                     | -                                       | -                     | -                                | -             | -          | -      | -          |
| Business Promotion                                      | 74.71                                 | -                                       | -                     | -                                | -             | -          | -      | -          |
| Training  | 0.34                                  | -                                       | -                     | -                                | -             | -          | -      | -          |
| Scheme Related Expenses                                 | -                                     | -                                       | 0.90                  | -                                | -             | -          | -      | -          |
| Reimbursement of Expenses                               | -                                     | -                                       | 3.89                  | -                                | -             | -          | -      | 7.00       |
| Transaction charges                                     | -                                     | -                                       | -                     | -                                | -             | -          | 64.18  | -          |
| Software Support  | -                                     | -                                       | -                     | -                                | -             | -          | 79.80  | -          |
| Insurance Premium                                       | -                                     | -                                       | 715.89                | -                                | -             | -          | -      | -          |
| Investment  | -                                     | -                                       | -                     | -                                | -             | -          | -      | -          |
| Interim Dividend Paid/ Payable                          | 9,450.00                              | 5,550.00                                | -                     | -                                | -             | -          | -      | -          |
| Final Dividend Paid                                     | -                                     | -                                       | -                     | -                                | -             | -          | -      | -          |
| Reimbursement of salaries of deputed employees from SBI | 351.01                                | -                                       | -                     | -                                | -             | -          | -      | -          |
| Recovery of salaries of deputed employees to SBI        | 121.11                                | -                                       | -                     | -                                | -             | -          | -      | -          |
| Recovery of Admin Expenses                              | -                                     | -                                       | 30.00                 | -                                | -             | -          | -      | -          |
| Administrator & Directorship Fees                       | -                                     | -                                       | -                     | -                                | -             | -          | 0.93   | -          |
| Payment to KMP/Relative                                 | -                                     | -                                       | -                     | -                                | 44.70         | -          | -      | -          |
| <b>Balances Outstanding as at 31 Mar 2022</b>           |                                       |   |                       |                                  |               |            |        |            |
| Receivable/(Payable)                                    | 304.03                                | -                                       | (65.55)               | 384.99                           | -             | -          | (0.24) | -          |
| Balance in Current Accounts                             | 623.99                                | -                                       | -                     | -                                | -             | -          | -      | -          |
| Term Deposit  | 2,402.40                              | -                                       | -                     | -                                | -             | -          | -      | -          |

\* Refer Annexure

# Refer Note 31

**Remuneration to Key Managerial Personnel**

The remuneration of key management personnel during the year was as follows:

(₹ in Lakhs)

| Particulars                   | 2021-22 |
|-------------------------------|---------|
| i. Short Term Benefits        | 169.26  |
| ii. Post Employment Benefits  | -       |
| iii. Other long term benefits | -       |
| iv. Share based payments      | -       |
| v. Termination Benefits       | -       |

Note:

(i) Banking/Credit Card transactions in normal course of business with related parties have not been considered.

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



(₹ in Lakh)

| Particulars                                       | Classification                               | 2022-23  | 2021-22  |
|---|--|----------|----------|
| <b>Fellow Subsidiaries</b>                        |  |          |          |
| SBI Mutual Fund Trustee Company Private Limited   | Other Income                                 | (30.13)  | 33.89    |
| SBI-SG Global Securities Services Private Limited | Professional Fees                            | 2,346.18 | 1,522.52 |
| SBI Life Insurance Company Limited                | Insurance Premium                            | 144.54   | 296.00   |
| SBI General Insurance Limited                     | Insurance Premium                            | 439.69   | 419.89   |
| SBI CAP Trustee Company Private Limited           | Scheme Expenses                              | 0.30     | 0.90     |
| SBICAP Securities Limited                         | Demat & Demat Brokerage Charges              | 4.87     | -        |
| SBI Foundation (#)                                | CSR Activities                               | 228.42   | 185.00   |
| SBI Capital Markets Limited                       | Other Income                                 | (2.03)   | (3.13)   |
| SBI DFHI Ltd                                      | Purchase of 8.07% Andhra Pradesh<br>SDL 2036 | 5,029.24 | -        |

| Particulars               | Classification | 2022-23 | 2021-22 |
|---------------------------|----------------|---------|---------|
| <b>KMP/Relative</b>       |                |         |         |
| Dr. Prafulla Agnihotri    | Sitting Fee    | -       | 2.20    |
| O.P. Gahrotra             | Sitting Fee    | 8.10    | 13.90   |
| C.N.Ram                   | Sitting Fee    | 7.70    | 10.40   |
| Moiz Miyajiwala           | Sitting Fee    | 10.50   | 10.30   |
| Sudha Krishnan            | Sitting Fee    | 9.00    | 6.50    |
| Shekhar Jitendra Bhatngar | Sitting Fee    | 7.40    | 1.40    |
| Dr. T.T.Ram Mohan         | Sitting Fee    | 2.50    | -       |

| Particulars                            | Classification            | 2022-23  | 2021-22  |
|--|---------------------------|----------|----------|
| <b>Enterprise under Common control</b> |                           |          |          |
| Amundi Singapore Limited               | PMS Advisory & Other fees | 28.87    | 33.66    |
| Amundi Hong Kong Limited               | PMS Advisory & Other fees | 1,080.87 | 1,508.50 |
| NH - Amundi Asset Management Co. Ltd   | PMS Advisory & Other fees | 6.84     | 8.60     |
| Amundi Asset Management - Paris        | PMS Advisory & Other fees | 388.66   | 371.69   |
| Amundi UK Limited                      | PMS Advisory & Other fees | 23.38    | 26.30    |

| Particulars                               | Classification                    | 2022-23 | 2021-22 |
|---|-----------------------------------|---------|---------|
| <b>Other Related Party</b>                |                                   |         |         |
| C-Edge Technologies Ltd                   | Software Support (Expense)        | 33.83   | 79.80   |
| The Clearing Corporation of India Limited | Transaction charges               | 60.94   | 64.18   |
| RRBs                                      | PMS Advisory & Other fees         | 452.48  | -       |
| IQ EQ Fund Services (Mauritius) Limited   | Administrator & Directorship Fees | 1.01    | 0.93    |

| Particulars                       | Classification            | 2022-23 | 2021-22 |
|-----------------------------------|---------------------------|---------|---------|
| <b>Associates</b>                 |                           |         |         |
| SBI Pension Funds Private Limited | Reimbursement of Expenses | -       | 7.00    |



(₹ in Lakhs)

| Particulars   | Classification | 2022-23 | 2021-22 |
|---|----------------|---------|---------|
| <b>Receivable / (Payable) - Enterprise Under Common Control</b> |                |         |         |
| Amundi Hong Kong Equity India                                   | Receivable     | 270.05  | 269.84  |
| Amundi India Bond Fund  | Receivable     | 6.22    | 7.27    |
| NH-Amundi Asset Management Co. Ltd.                             | Receivable     | 1.03    | 1.53    |
| Amundi Asset Management Paris                                   | Receivable     | 105.57  | 99.01   |
| UK Amundi Ltd   | Receivable     | 6.49    | 7.35    |

| Particulars   | Classification | 2022-23  | 2021-22 |
|---|----------------|----------|---------|
| <b>Receivable / (Payable) - Fellow Subsidiaries</b> |                |          |         |
| SBI-SG Global Securities Services Private Limited   | Payable        | (192.21) | (87.71) |
| SBI Mutual Fund Trustee Company Private Limited     | Receivable     | -        | 0.15    |
| SBI Capital Markets Limited                         | Receivable     | -        | -       |
| SBI Life Insurance Company Limited                  | Receivable     | 18.25    | 15.17   |
| SBI General Insurance Limited                       | Receivable     | 9.83     | 6.84    |

| Particulars                            | Classification | 2022-23 | 2021-22 |
|--|----------------|---------|---------|
| <b>Receivable / (Payable) - Others</b> |                |         |         |
| C-Edge Technologies Ltd                | Payable        | (8.12)  | -       |
| The Clearing Corporation of India Ltd  | Payable        | -       | (0.24)  |
| RRBs                                   | Receivable     | 305.10  | (0.24)  |

# Refer Note 31

**42. 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 2023  | 31 Mar 2022  |
|---|--------------|--------------|
| Principal amount remaining unpaid to any supplier as at the year end *  | 11.65        | 66.07        |
| 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          |
| *Breakup of above is as under :-  |              |              |
| Trade Payables  | 4.83         | 32.67        |
| Creditors for capital expenses  | -            | 30.19        |
| Retention   | 6.42         | 2.39         |
| Earnest Deposit   | 0.40         | 0.82         |
| <b>Total</b>  | <b>11.65</b> | <b>66.07</b> |



## 43. Expenditure in Foreign Currency

(₹ in Lakhs)

| Particulars                        | 31 Mar 2023   | 31 Mar 2022   |
|------------------------------------|---------------|---------------|
| Travelling Expenses                | 43.60         | 4.04          |
| Business Promotion & Advertisement | 103.34        | 11.54         |
| Salary                             | 329.40        | 311.13        |
| Rent and Subscription              | 240.83        | 172.66        |
| Professional Fees and others       | 132.36        | 160.09        |
| <b>Total</b>                       | <b>849.53</b> | <b>659.46</b> |

44. The Hon'ble Supreme Court Vide orders dated February 2, 2021 February 9, 2021 and February 12, 2021 in the SLP Nos. 14288- 14291/2020 in Franklin Templeton (FT) Vs. Amruta Garg & OR's., appointed SBI Funds Management Ltd ('SBIFML') erstwhile SBI Funds Management Pvt Ltd, to undertake the exercise of distribution and winding up, which includes liquidation of the holdings/assets/portfolio and distribution/ payment to the unitholders of the six schemes of Franklin Templeton Mutual Fund ('FTMF'). SBIFML received cash amounting to ₹ 9,122 crores for initial disbursement and balance securities amounting to ₹ 17,682 crores for liquidation and subsequent disbursement.

SBIFML based on its standard operating procedure application filed with the Hon'ble Supreme Court has liquidated securities of appx. 98% of securities received under liquidation. The proceeds from liquidation have been received from selling the securities, maturity proceeds, expense reversals and collections from coupons. As on March 31st, 2023, the securities amounting to ₹ 17867 crores have been liquidated, out of which ₹ 659 crores have been liquidated in FY23. The total disbursements made by SBIFML to FT unitholders is ₹26932 crores which include ₹ 833 crores disbursed in FY23, ₹ 16,977 crores disbursed in FY22 in addition to the ₹ 9,122 crores of the initial disbursement in FY21.

SBIFML has filed interim updates with the Hon'ble Supreme Court regarding progressive status of disbursement and liquidation on 15th March 2021, 17th January 2022 and 5th April 2022. The Hon'ble Supreme Court had vide its order dated April 12, 2022, directed that no further distribution of the available fund/money shall be made by SBIFML without prior permission/approval of this Court, which was subsequently vacated by orders dated 3rd August 2022 and 12th August 2022, by the Hon'ble Supreme Court, wherein the court allowed disbursement of certain amounts to the unitholders of various schemes.

45. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity (if any). The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

46. Disclosures with regard to the new amendments under "Division III of Schedule III" under "Part I – Balance Sheet - General Instructions for preparation of Balance Sheet" in relation to the following clauses WA, WB (i),(ii),(iii), (iv),(v), (vi),(viii), (ix),(x), (xi),(xii), (xiii),(xv), (xiv) and (xvi) are as under:

- The Company does not have any borrowings from Banks/Financial institutions.
- The Company does not have any borrowings from Banks/Financial institutions..
- The Company does not have immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.
- The Company does not have investment property in terms IND AS 40.
- The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- The Company has not revalued any of its Intangible assets during the year.
- The Company has not granted any loans or advances in the nature of loans to Promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013).
- The Company does not have any capital work in progress.
- The details of Intangible assets under development are given in Note 11.
- There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company does not have any borrowings from Banks or Financial Institutions on the basis of security of current assets.



- The Company has not been declared a Wilful Defaulter by any Bank or Financial Institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
  - The Company has not entered into any transaction with Companies struck off under section 248 of the Companies Act 2013.
  - The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.
  - The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
  - There are no ratios which are applicable with regard to new amendments under "Division III of Schedule III" under "Part I – Balance Sheet - General Instructions for preparation of Balance Sheet."
  - The Company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.
  - The Company has neither advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) nor received any funds to/ from any other person(s) or entity(ies), including foreign entities (Intermediaries) for lending or investing or providing guarantees to/ on behalf of the ultimate beneficiary during the financial year .
47. Disclosure with regard to the new amendments under "Division III of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss" in relation to the following clauses 11(v), 11(vi) and 11(vii) are as under:
- The details of Corporate Social Responsibility (CSR) has been disclosed in note 31.
  - The Company does not have transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during financial year in the tax assessments under the Income Tax Act, 1961.
  - The Company has not traded or invested in Crypto currency or Virtual Currency during any financial year .

**48. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ASSOCIATE:**

As at 31 Mar 2023

(₹ 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 profit or loss | Amount      | As % of consolidated other Comprehensive income | Amount  | As % of consolidated total Comprehensive income | Amount      |
| <b>I. Parent :</b>                                    |  |             |                                     |             |   |         |   |             |
| SBI Funds Management Limited                          | 99.35%   | 4,72,054.60 | 98.95%                              | 1,32,565.20 | 100.00%   | (2.53 ) | 98.95%  | 1,32,562.67 |
| <b>II. Subsidiary</b>                                 |  |             |                                     |             |   |         |   |             |
| <b>A. Foreign</b>                                     |  |             |                                     |             |   |         |   |             |
| SBI Funds Management (International) Private Limited  | 0.01%  | 63.80       | 0.25%                               | 340.57      | -   | -       | 0.25%   | 340.57      |
| <b>B. Indian</b>                                      |  |             |                                     |             |   |         |   |             |
| SBI Funds Management Limited - Employee Welfare Trust | 0.00%  | 13.13       | 0.00%                               | (4.46)      | -   | -       | 0.00%   | (4.46)      |
| <b>III. Associates</b>                                |  |             |                                     |             |   |         |   |             |
| <b>A. Indian</b>                                      |  |             |                                     |             |   |         |   |             |
| SBI Pension Funds Private Limited                     | 0.63%  | 3,006.95    | 0.80%                               | 1,070.11    | -   | -       | 0.80%   | 1,070.11    |



As at 31 Mar 2022

(₹ 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 other Comprehensive income | Amount | As % of consolidated total Comprehensive income | Amount      |
| <b>I. Parent :</b>                                   |  |             |                                 |             |   |        |   |             |
| SBI Funds Management Limited                         | 99.39%   | 3,56,491.81 | 98.81%                          | 1,06,950.05 | 100.00%   | 102.93 | 98.81%  | 1,07,052.98 |
| <b>II. Subsidiary</b>                                |  |             |                                 |             |   |        |   |             |
| <b>A. Foreign</b>                                    |  |             |                                 |             |   |        |   |             |
| SBI Funds Management (International) Private Limited | 0.07%  | 242.28      | 0.23%                           | 247.25      | -   | -      | 0.23%   | 247.25      |
| <b>III. Associates</b>                               |  |             |                                 |             |   |        |   |             |
| <b>A. Indian</b>                                     |  |             |                                 |             |   |        |   |             |
| SBI Pension Funds Private Limited                    | 0.54%  | 1,936.84    | 0.96%                           | 1,039.54    | -   | -      | 0.96%   | 1,039.54    |

49. The financial statements were approved by the Board of Directors on 27 April 2023.

50. Previous years figures have regrouped/reclassified in line with current year.

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No: 101569W

Sd/-  
**Devang Vaghani**  
Partner  
Membership No: 109386

Place: Mumbai  
Date : 27 April 2023

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

Sd/-  
**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

Sd/-  
**DENYS CHARLES JEAN MARIE FOUGEROUX DE C**  
(Denys De Campigneulles)  
Director  
DIN 08716335

Place: Mumbai  
Date : 27 April 2023

Sd/-  
**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

Sd/-  
**Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Sd/-  
**Inderjeet Ghuliani**  
Chief Financial Officer



# SBI Funds Management Limited

## Top Management Team

(As on June 19, 2023)



**Mr. Shamsheer Singh**  
Managing Director and CEO  
(Associate Director)



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



**Mr. D. P. Singh**  
Deputy Managing Director &  
Chief Business Officer



**Mr. Srinivas Jain**  
Chief of Strategy,  
Digital & Technology



**Ms. Aparna Nirgude**  
Chief Risk Officer



**R Srinivasan**  
Chief Investment Officer  
- Equity



**Rajeev Radhakrishnan**  
Chief Investment Officer  
- Fixed Income



**Mr. Gaurav Mehta**  
Chief Investment Officer  
- Alternatives



**Mr. Ganesan S**  
Chief Operating Officer



**Ms. Vinaya Datar**  
Chief Compliance Officer &  
Company Secretary



**Mr. Inderjeet Ghuliani**  
Chief Financial Officer



**Registered Office Address:**

**SBI Funds Management Limited**

(A Joint Venture between SBI & AMUNDI),

(CIN: U65990MH1992PLC065289),

9th Floor, Crescenzo, C-38 & 39, G-Block,

Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

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