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# **SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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

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**HELPING GROW  
YOUR WEALTH  
EVERY MOMENT  
SINCE 1987.**

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**26th Annual Report  
2017- 2018**

## Board of Directors of SBI Funds Management Private Limited

(As on June 30, 2018)



**Mr. Dinesh Kumar Khara**

Director



**Mr. Fathi Jerfel**

Director



**Mrs. Anuradha Rao**

Managing Director & CEO



**Mr. Jashvant Raval**

Director



**Mr. O. P. Gahrotra**

Director



**Mr. Jean-Yves Glain**

Director



**Mr. Shishir Joshipura**

Director



**Dr. Prafulla Agnihotri**

Director



**Mr. Nicolas Simon**

Alternate Director to  
Mr. Fathi Jerfel

## Auditors

### **C N K & Associates LLP**

Chartered Accountants

Narain Chambers, 5th Floor,

Vile Parle (E)

Mumbai - 400 057

## 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 have pleasure in presenting the 26<sup>th</sup> Annual Report together with the audited accounts of SBI Funds Management Private Limited for the year ended March 31, 2018.

### **I. FINANCIAL RESULTS:**

The highlights of the Consolidated Financial results and the Standalone Financial results of SBI Funds Management Private Limited are as under:

(₹ in lakh)

Particulars	Consolidated		Standalone	
	Year under Report	Previous year	Year under Report	Previous year
	2017-18	2016-17	2017-18	2016-17
Total Income	127,309	77,812	127,202	77,787
Profit before depreciation	51,823	34,228	51,826	34,250
Less : Depreciation	1,503	1,261	1,503	1,261
Profit before tax	50,320	32,967	50,323	32,990
Less : Provision for tax	17,220	10,558	17,220	10,558
Profit after tax	33,100	22,409	33,103	22,432
Add: Net share of profit from associates	28	21	-	-
Balance brought forward from previous year (net)	62,994	49,489	62,838	49,331
Balance carried forward to the Balance sheet	96,122	62,994	95,941	628,38

### **II. DIVIDEND:**

An interim dividend of ₹1.40 per Equity Share, subject to tax, was declared on March 26, 2018 on the paid-up equity share capital of the Company, involving a total outgo of ₹8,425 lakh on account of dividend inclusive of dividend distribution tax. The Directors recommend that the interim dividend paid during the year, be declared as the final dividend for the year 2017-18.

### **III. TRANSFER TO RESERVES:**

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

### **IV. CAPITAL**

The Company has not made any fresh issue of capital during the year. However, due to the restructuring of the authorised capital of the company, the number of Equity shares has been increased to 52,50,00,000 Equity Shares from previous year 5,000,000 Equity Shares, pursuant to the splitting of the Face Value of the Equity Shares of the Company in ratio 100:1, resulting in the change in face value of Equity Shares from ₹ 100 per Equity Share to ₹ 1 per Equity Share.

The net worth of the Company increased to ₹ 1017.76 lakh as at the end of March 31, 2018 from ₹ 77097.84 lakh as at the end of March 31, 2017.

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

**i) SUBSIDIARY:**

As on March 31, 2018, the Company had one wholly owned subsidiary, namely SBI Funds Management (International) Private Limited. The subsidiary of the Company provides investment management services to the SBI Resurgent India Opportunities Fund. In accordance with the provisions of Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statement including requisite details of the subsidiary, which was adopted by the Board of Directors.

Further, a statement containing the salient features of the financial statement and details of performance and financial positions of the Subsidiary in the format AOC-I is appended in Annexure I.

The performance and financial position of the Subsidiary for the year ended March 31, 2018 is as under:

**(Figures in lakh)**

Particulars	Year under Report	Previous Year	Year under Report	Previous Year
	\$ 2017-18	\$ 2016-17	₹ 2017-18	₹ 2016-17
Total Income	1.65	0.37	107.32	23.99
Profit before depreciation	(0.03)	(0.33)	(3.25)	(21.40)
Less: Depreciation	Nil	Nil	Nil	Nil
Profit before tax	(0.03)	(0.33)	(3.25)	(21.40)
Less: Provision for tax	(0.00)	(0.00)	(0.00)	(0.00)
Profit after tax	(0.03)	(0.33)	(3.25)	(21.40)
Balance brought forward from previous year	0.78	1.11	55.76	66.72
Amount available for Appropriation	0.81	0.78	52.51	45.32

[USD Conversion Rate Source: RBI website]

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

**ii) ASSOCIATE COMPANY:**

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

The performance and financial situation of the Associate for the year ended March 31, 2018 is as under:

**(₹ in lakh)**

Particulars	Year under Report	Previous Year
	2017-18	2016-17
Total Income	1047	823
Profit before depreciation	203	158
Less : Depreciation	8	6
Profit before tax	195	152
Less : Provision for tax	56	49
Profit after tax	139	103
Balance brought forward from previous year	511	408
Amount available for Appropriation	650	511

**iii) JOINT VENTURE:**

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

**VI. BUSINESS ENVIRONMENT:**

Global growth finally shaped up as we head into the tenth anniversary of global financial crisis. Global growth is likely to be the strongest since 2011 (IMF projects 3.6% in 2017) and is expected to edge up further in 2018. Unemployment rate fell to new lows (in US, Eurozone, China, Japan and UK) but failed to spiral wage growth momentum. Thus, inflation across most economies fell short of the set targets. That said, as the signs of financial market exuberance became more evident and central banks fathomed the inefficacy of loose monetary policy to spur any further growth, some of them- the likes of Korea, Canada, and England- joined the US in raising rates. ECB announced it tapering program. The US succeeded in passing its tax reform.

2017-18 proved good for equities with MSCI-world index delivering 11.5% returns. Indian equity markets, too, delivered 10.3% returns in local currency terms and 10% in US\$ terms.

In India, demonetization, RERA and GST disrupted the traditional modus operandi of Indian businesses during 1H of FY18. Hence, while the financial markets (particularly equity and currency) participated in the global rally, the Indian growth could not keep pace with strength in the global growth. In line with the weak growth, earnings belied market expectations, yet again.

Looking ahead...

As we head into 2018-19, global geopolitics has come back to the fore. These risks were overlooked by markets and were also masked by ample liquidity. Now, with global central banks gradually closing their QE tap, cheap money is no more a given.

Trade negotiators of major economies have increased nationalistic orientation. The country has imposed higher import/anti-dumping duties on host of items (solar cells, washing machine, steel, aluminium, is seeking re-negotiations in the NAFTA, has withdrawn from Trans-Pacific Partnership and has filed 90+ cases against its trade partners at WTO. The US is tilting towards trade reciprocity where the guiding principle is the quantum of trade deficit being run with its partners. If EU and China retaliates, the prospects may not be good for overall global trade and growth. The spill-over effect of geo-politics on commodities and financial markets cannot be ruled out.

Brent has hit a four-year high with US\$ 74 per barrel. Prices have risen due to strong compliance in OPEC/ non-OPEC supply cut agreement, excess inventory levels being worked off, and continued strength in oil demand

The combination of trade friction and sanctions could lead to higher prices for not only oil and metals, but at some stage other goods that are hit with tariffs too. Foreign investor's position in emerging market (EM) assets has turned more guarded and consequently, EM currencies in general are witnessing pressure.

In India, as we head into FY19, growth is starting to shape-up. Disruptions pertaining to reforms measures are phasing out as we progress through 2018 and leading to some growth recovery on the back of revival in consumer sentiment and pick-up in business manufacturing activity. Some green-shoots of increased capacity additions can be seen in the Cement, Steel and Oil & Gas space, but a broad based strength in private investment is lacking.

While the growth may recover, the rising crude price challenges the stable macro of Indian economy. Some of the familiar problems, namely budget shortfalls, high inflation, current-account deficits and pressure on rupee could make an unwelcome return. The downward trend in CPI inflation has also likely ended thus leading the RBI to maintain status-quo on rates.

Looking ahead, we expect a volatile bond and equity market in FY19. From the equity market perspective, weakening macro vs. strengthening micro (growth and profits), lower FII flows vs. strong domestic flows and global and domestic political development will lend noise to the market. In the bond market space, the unfolding fiscal dynamics, MSP announcements, bank credit demand and global developments remain important variables where considerable uncertainties persist. Given the mix of attractive valuations and prospects of favourable demand-supply in second half (we expect OMO purchase) but concerning fundamentals, the year will yield select opportunities to take tactical duration call.

**The year that was:**

Marked by continuous flow of assets, Indian Mutual Fund Industry witnessed an overall positive growth of approximately 26%\* in terms of Quarterly AAUM from an amount of Rs. 18,29,443 Crores\* (March 31, 2017) to Rs. 23,05,212 Crores\* (March 31, 2018) The number of new SIP registrations saw an uptick during the year and was around 11 million.

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Our Fund House had registered the fastest growth in the Industry marked by approximately 39.61%\* growth in assets during the year, with Quarterly AAUM of Rs 2,17,649 Crores\* (March 31, 2018). The growth in assets was observed not only under Mutual Funds, but was also seen in PMS, AIF and Offshore strategies, accounting to total assets of Rs 2,53,165 Crores (March 31, 2018).

\*Source-AMFI, #Source-MFI Explorer

### MUTUAL FUND INDUSTRY

During the year following Key SEBI Regulations and Guidelines were issued for the Mutual Fund Industry:

1. SEBI modified the provisions regarding the disclosure of Executive Remuneration by AMCs/Mutual Funds.
2. SEBI issued guidelines for extending Instant Access Facility in liquid schemes for credit of redemption proceeds on the same day of redemption request and use of e-wallets for investment in the Mutual Fund schemes.
3. SEBI has modified the norms for participation in derivatives by Mutual Funds.
4. SEBI issued guidelines regarding categorization and rationalization of Mutual Fund Schemes in order to ensure that different schemes launched by a Mutual Fund are clearly distinct in terms of asset allocation, investment strategy etc. and to bring uniformity in the characteristics of similar type of schemes launched by different Mutual Funds and to standardize the scheme categories and characteristics of each category.
5. In order to strengthen the governance structure for Mutual Funds, SEBI has specified for the tenure of Independent Trustees and Independent Directors of AMC and the Auditor of a Mutual Fund.
6. SEBI specified norms for benchmarking of scheme's performance to Total Return Index (TRI) instead of Price Return variant of an Index (PRI) as TRI is more appropriate as a benchmark to compare the performance of mutual fund schemes.
7. SEBI clarified that AMCs shall not be eligible to charge the additional expenses as per Regulation 52 (6A), incurred towards different heads mentioned under Regulation 52 (2) and Regulation 52 (4), not exceeding 0.20 per cent of daily net assets for such schemes including close ended schemes, wherein exit load is not levied / not applicable.
8. SEBI specified that additional TER of upto 30 basis points as per Regulation 52 (6A)(b) would be allowed for inflows beyond top 30 cities instead of beyond top 15 cities.
9. SEBI modified the norms for disclosure of Total Expense Ratio (TER) to the investors.
10. SEBI issued SEBI (Mutual Funds) (Amendment) Regulation, 2018 by inserting new Regulation 7B pertaining to norms for shareholding and governance in Mutual Funds.
11. SEBI has issued new policy measures for filing and redressal of investor grievances using SCORES.

### MUTUAL FUND INDUSTRY DATA

(₹ in Crore)

Particulars	Year under Report 2017-18	Previous Year 2016-17
Total Assets mobilized	2,09,98,652	1,76,15,549
Total Redemptions/ Repurchases	2,07,26,855	1,72,72,500
Net Inflows	2,71,797	3,43,049
Average Assets Under Management (year ended quarter)	23,05,212	18,29,584

### PERFORMANCE REVIEW

Our Fund House has achieved a growth of 38.61% in terms of average AUM over year on year basis in 2017-18 which is the highest in the industry. The market share gain in terms of the average AUM was 0.86% over the year the highest in the industry.

The House has emerged as the largest ETF Asset Manager in India, with AUM of ₹ 41,990 Crore with market share of 50% as on 31<sup>st</sup> March, 2018 from AUM of Rs. 23,816 with market share of 47.43% at the end of 31<sup>st</sup> March, 2017 and have also

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crossed 3.0 Million Systematic Investment Plan investors during the financial year ended 31st March, 2018. Monthly SIP book size also showed a steep growth of 74% year-on-year (from Rs. 455 Crs to Rs. 790 Crs).

The Fund House has been continuously striving to evolve the investment management capabilities including developing a digital channel as mode of transaction and building new investment portfolios for clients.

During the year, the Fund House launched ten funds under SBI Debt Fund Series. In addition, we also launched six SBI Dual Advantage Funds and one SBI Long Term Advantage Fund which mobilized 14,515 Crore with more than 4 Lakh applications.

The value of assets under Portfolio Management/Advisory Services went up by 34.80% during the financial year 2017-18 with ₹ 45,983 Crore as on 31<sup>st</sup> March, 2018 as against ₹ 34,111 Crore as on 31<sup>st</sup> March, 2017.

The value of Assets Under Management in SBI Resurgent India Opportunities Fund, the off-shore fund managed increased to ₹ 135 Crore as on 31<sup>st</sup> March, 2018 from ₹ 31 Crore as on 31<sup>st</sup> March, 2017.

The Company has also started portfolio management services under HNI retail category and has closed the year with assets of ₹ 72 Crore.

The various business performance indicators are as under:

Particulars	Year under Report ₹ in Crore	Previous Year ₹ in Crore
Average Assets Under Management*	2,17,649	1,57,025
Inflows / Purchase	15,08,069	13,15,708
Redemptions/ Repurchase	14,67,667	12,75,615
Net Inflows (net of dividend payout)	40,402	40,093
AAUM Market Share*	9.44%	8.58%
Ranking in terms of AAUM*	5	5
Systematic Investment Plan(SIPs) market share	14.3%	11.2%

\*For the year-end quarter

As on March 31, 2018, under the one year category:

- 78% of our equity assets and 52% of our debt funds were in the top two quartiles.
- Most of our equity funds like SBI Blue Chip Fund, SBI Magnum Global Fund, SBI Emerging Businesses Fund (presently known as SBI Focused Equity Fund), SBI Small and Mid-cap Fund (presently known as SBI Small Cap Fund), SBI Banking & Financial Services Fund, SBI Magnum Balanced Fund (presently known as SBI Equity Hybrid Fund), SBI Dynamic Asset Allocation Fund and SBI Arbitrage Opportunities Fund were in the top quartile.
- In the fixed income category, SBI Magnum Children Benefit Plan (presently known as SBI Magnum Children Benefit Fund), SBI Regular Savings Fund (presently known as SBI Magnum Medium Duration Fund) and SBI Magnum Insta Cash Fund were in the top quartile

## Awards and Recognition

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

- SBI Small and Midcap Fund (presently known as SBI Small Cap Fund) is the winner in the **Best Small / Mid-Cap Equity Fund Category** by Morningstar
- SBI Magnum Gilt Fund-Short Term-Growth (presently known as SBI Magnum Constant Maturity Fund) won the Best Bond Award in **Bond Indian Rupee – Government (3 Years)**
- SBI Small & Midcap Fund (presently known as SBI Small Cap Fund) – Growth won the Best Equity Award in the **Equity India Category (3 & 5 Years)**
- SBI Magnum Children's Benefit Plan- Growth (presently known as SBI Magnum Children Benefit Fund) won the Best Mixed Asset Class Award in **Mixed Asset INR Conservative (3 & 5 Years)**

## **SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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5. SBI Magnum Gilt Fund–Long Term-Growth (presently known as SBI Magnum Gilt Fund) won the Best Bond Award in the **Bond Indian Rupee – Government (5 Years)**
6. SBIFM was honoured as the **Mutual Fund House of the Year** and was awarded for the **Best Marketing Campaign** by CMO Asia
7. SBIFM won Brand Excellence Awards in Mutual Funds by ABP News
8. SBIFM has been awarded as the “Best Fund House” and “Best Debt Fund House by Outlook Money Awards
9. SBIFM bagged the “Mutual Funds House of the Year” and “Most Investor Friendly House of the Year” by ET NOW
10. SBIFM won Bronze at IAMAI’s 8th India Digital Awards
11. SBIFM has won a Group Award for the Mixed Asset Classes for year 2018 by Thomson Reuters Lipper Fund Award – Best Mixed Asset House
12. SBIFM has won a Group Award for the Bond for year 2018 by Thomson Reuters Lipper Fund Award – Best Bond House
13. SBIFM has won Overall Group Award for year 2018 by Thomson Reuters Lipper Fund Award – Best Overall House

### **DISTRIBUTION NETWORK**

The Fund House had 63,380 AMFI certified Agents as on 31st March, 2018 as against 57,004 AMFI certificates Agents as on 31st March, 2017. The number of Employee Unique Identification Number holders in the State Bank Group also increased to 19,021 as on 31st March, 2018 from 11,655 as on 31st March, 2017.

As on 31st March, 2018, we had 170 branches spread all over India and 1 overseas Point of Presence.

### **INVESTOR EDUCATION**

SBI Mutual Fund remains committed to reaching out to investors in the farthest corners of the country and bring about awareness of mutual funds to a larger population in the country. With our investor education initiatives this year, in addition to promoting concepts like ELSS, SIP and comparing Debt Funds vis-à-vis traditional investments, we continue to take a different route from the industry. i.e. promoting concept of Systematic Withdrawal Plan (SWP) which could be used to generate a regular income flow for an investor from his/her existing mutual fund investment. The major investor awareness activities undertaken by us during the year are mentioned as under:

1. Development and Dissemination of Investor education material using Audio, Radio, Cinema, Visual Media, etc. The Company worked with the content partners to develop articles on mutual funds for millennial investors, equity savings funds as the first fund for new investors and gold funds as the alternative asset class. The content was disseminated by online emailers and WhatsApp and is also circulated by business / finance publications which are read by the investors and distributors alike.
2. Events – we partnered with WIRC/ICAI International Conference, St. Andrew’s College of Arts, Commerce & Science, Rekhta Foundation, Antarchakshu and Rotary Club of Madras to help in dissemination of materials on concepts of financial literacy and how mutual funds work were provided. Students and working professionals were part of these financial outreach initiatives of financial literacy among students, professionals and young entrepreneurs.
3. Online Investor awareness Campaigns on personal finance websites, mass sites, Google search, emailers, articles, infographs, were used extensively for investment awareness. We promoted concepts like ELSS, SIP, SWP and start investing in mutual funds on sites like Economic Times, Moneycontrol, Morningstar, Advisorkhoj, Value Research, and NDTV etc., supplemented with online landing pages which talk in detail about the campaign messages. The Social Media (Facebook, LinkedIn, YouTube and Twitter) was also used extensively to promote Investment awareness messages.
4. Public Relations/Media – Our efforts continued to reach out to key media (publications, TV) to disseminate investment awareness messages. Large format authored articles, Q&A with spokespersons and TV interactions were done on a sustained basis to highlight importance of Mutual Funds in financial planning and its benefits.

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5. Television & On-ground events - Our association with CNBC Awaaz, a leading Hindi business channel from the TV-18 network, for their 3rd season of 'Pehla Kadam', a holistic investor education initiative across India, continued with a mix of on-ground events, in-studio shows and online communications. We had ground events (in metros and tier B cities) to engage with first investors, home-makers, youths, retail investors, entrepreneur community, retirees, on various topics including mutual funds like equities, commodities and other financial instruments.
6. One of our major 360-degree campaigns during the year was promoting a little-known but very useful facility called Systematic Withdrawal Plan (SWP) which can be used by investors to get regular income flow from their existing mutual fund investments. The concept was promoted across India using multiple media like Outdoor, Print and Radio in multiple languages. Additionally, the Online Campaign consisted of promoting the concept and leading investors to a custom landing page to showcase how the facility works.
7. We conducted 582 Investor Education meets covering 29,787 participants during the year.

### **NEW INITIATIVES**

1. During the current year, SBI MF crossed the historic milestone of INR 2 Trillion AUM mark.
2. SBI Funds Management continued its market leadership position in ETFs with more than 50% market share. We believe that passive investing will continue to grow at a higher rate. To continue with our leadership position in this segment we will continue to offer simple as well as innovative products to cater to the clients across segments.
3. We have increased our focus on Alternatives and PMS as we believe there is a huge scope for growth in these product segments. We launched 1 additional AIF fund during the year and our Retail PMS strategy also witnessed a sharp pick-up in the AUM during the year.
4. During the year Advisory mandates of Amundi Strategies based funds on Indian Equities and Bonds have crossed USD 1 Billion AUM mark and has the potential to grow significantly higher in coming years.
5. For digital initiatives, last year witnessed an array of new initiatives like personal finance blog, an Artificial Intelligence powered chat assistant, relaunch of our flagship investor app, and a bouquet of initiatives for our partner community which included a revamped partner portal and mobile app with some very interesting analytics powered insights, along with a unique API stack called InvesTack which will enable partners integrate with SBIMF to onboard investors and sell SBIMF products through their websites or mobile applications.
6. The amount of gross sales through our digital platforms crossed INR 10,000 Crores during the year.

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

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

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2017-18 and the date of this report.

### **IX. FUTURE PLANS**

We expect the Industry to grow at its medium term average growth rate of 15-18%.

1. Increased financialization of assets and continued investor education initiatives are the key factors which are expected to keep the growth momentum going.
2. We will look to increase our penetration and market share in B30 locations. Most of our new branches in the coming years will be opened in these locations.

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3. With SEBI's initiatives of standardization of scheme categorization, our approach will slowly shift from product-based to solutions-based.
4. We continue to believe that the Digital channels/initiatives will play a major role in the growth story in coming years and therefore we will continue to invest in further building our digital franchise.

### X. CORPORATE SOCIAL RESPONSIBILITY

We, at SBI Funds Management Private Limited, understand our responsibilities to all stakeholders including the society at large. Every year, the company spends a portion of its earnings for contribution towards appropriate social causes and activities for community service and environment.

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

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

June 07, 2017, November 03, 2017 & March 20, 2018.

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

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. O. P. Gahrotra	00936696	Independent	3
Mrs. Anuradha Rao	07597195	Associate	3
Mr. Fathi Jerfel*	05225974	Associate	0
Mr. Nicolas Simon*	07332820	Alternate Director to Mr. Fathi Jerfel	3
Mr. C. N. Ram **	00211906	Independent	

\* Mr. Nicolas Simon has been appointed as an Alternate Director to Mr. Fathi Jerfel and attended the CSR Committee meetings during the period of absence of Mr. Fathi Jerfel

\*\* Mr. C. N. Ram was appointed as a member of the Committee w.e.f. October 23, 2017.

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

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

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

Since the Company does not own any manufacturing facility, the disclosure under this head is not applicable.

#### 2) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year under review, the Company earned 1,481.38 lakh in foreign exchange as portfolio management fee. The foreign exchange outgo on account of Salary, business promotion and other administrative expenses was 590.21 lakh. An amount of ₹2,590 lakh was remitted to non-resident shareholder (AMUNDI) on account of dividend declared during the year under review.

#### 3) RISK MANAGEMENT SYSTEM

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

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### 4) RISK MANAGEMENT COMMITTEE

During the year under review, four meetings of the Risk Management Committee of the Board were held on April 24, 2017, July 25, 2017, October 23, 2017 and March 20, 2018.

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

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Jashvant Raval	00171896	Independent	4
Mr. O. P. Gahrotra	00936696	Independent	3
Mrs. Anuradha Rao	07597195	Associate	4
Mr. Fathi Jerfel*	05225974	Associate	0
Mr. Nicolas Simon*	07332820	Alternate Director to Mr. Fathi Jerfel	4
Mr. C. N. Ram **	00211906	Independent Director	1

\* Mr. Nicolas Simon has been appointed as an Alternate Director to Mr. Fathi Jerfel and attended the Risk Management Committee meetings during the period of absence of Mr. Fathi Jerfel

\*\* Mr. C. N. Ram was appointed as a member of the Committee w.e.f. October 23, 2017.

### 5) INTERNAL FINANCIAL CONTROLS

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

### 6) LOANS, GUARANTEES OR INVESTMENTS

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

### 7) DEPOSITS

The Company has neither accepted deposit 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.

### 8) RELATED PARTY TRANSACTIONS

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

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

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has framed and implemented a detailed and comprehensive Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), to provide safe and conducive work environment for the women employees, to work without fear and prejudice, gender bias and sexual harassments. 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 Complaints Committee which looks into the complaints and cases falling under the above Act and is uploaded on our Company website. There was no case reported during the year 2017-18.

## SBI FUNDS MANAGEMENT PRIVATE LIMITED

### 10) EXTRACT OF ANNUAL RETURN

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

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

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

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

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

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

There are no instances of fraud reported by auditors under section 143(12) of the Companies Act, 2013.

## XII. DIRECTORS:

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

- 1) Mr. C. N. Ram (DIN 00211906) was appointed as an Independent Director with effect from September 07, 2017.
- 2) Mrs. Arundhati Bhattacharya (DIN 02011213) ceased to be an Associate Director with effect from October 07, 2017.
- 3) Mr. Shishir Joshipura (DIN 00574970) ceased to be an Independent Director with effect from November 11, 2017.

The Board places on record its appreciation of the valuable contributions made by Chairman, Mrs. Arundhati Bhattacharya and Mr. Shishir Joshipura, Director during their tenure and extended warm welcome to Mr. C. N. Ram, Director who joined the Board of the Company.

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

## XIII. BOARD MEETINGS:

Seven Board meetings were held during the financial year under review on following dates: April 25, 2017; June 7, 2017; July 25, 2017; October 23, 2017; December 05, 2017; January 20, 2018 and March 26, 2018.

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
Mrs. Arundhati Bhattacharya, Chairman *	02011213	Associate	1
Mr. Dinesh Kumar Khara	06737041	Associate	7
Mr. Fathi Jerfel	05225974	Associate	2
Mrs. Anuradha Rao, Managing Director & CEO	07597195	Associate	7
Mr. Shishir Joshipura *	00574970	Independent	3
Mr. Jashvant Raval	00171896	Independent	6
Mr. O. P. Gahrotra	00936696	Independent	6
Dr. Prafulla Agnihotri	07238278	Independent	6
Mr. Jean- Yves Glain	07761090	Associate	4
Mr. C.N. Ram **	00211906	Independent	4
Mr. Nicolas Simon	07332820	Alternate Director to Mr. Fathi Jerfel	5
<b>Total No. of Board Meetings held</b>			<b>7</b>

\* Resigned/ ceased during the period under review as specified in Para XII

\*\* Appointed during the period under review as specified in Para XII.

**SBI FUNDS MANAGEMENT PRIVATE LIMITED****XIV. AUDIT COMMITTEE OF DIRECTORS:**

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

April 24, 2017; June 7, 2017; July 25, 2017; August 23, 2017; October 23, 2017; December 05, 2017; January 18, 2018 and March 20, 2018

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

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

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Jashvant Raval	00171896	Independent	8
Mr. O. P. Gahrotra	00936696	Independent	7
Dr. Prafulla Agnihotri	07238278	Independent	8
Mr. Fathi Jerfel	05225974	Associate	1

**XV. COMMITTEE OF DIRECTORS:**

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

April 24, 2017; July 25, 2017; November 03, 2017; March 20, 2018

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

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. O. P. Gahrotra	00936696	Independent	4
Mrs. Anuradha Rao	07597195	Associate	4
Mr. Fathi Jerfel#	05225974	Associate	0
Mr. C. N. Ram *	00211906	Independent	2
Mr. Nicolas Simon#	07332820	Alternate Director to Mr. Fathi Jerfel	4

# Mr. Nicolas Simon has been appointed as an Alternate Director to Mr. Fathi Jerfel and attended the Committee of Directors meetings during the period of absence of Mr. Fathi Jerfel

\* Mr. C. N. Ram was appointed as a member of the Committee w.e.f. October 23, 2017.

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

During the year, two meetings of the HR Sub-Committee of Directors were held on April 24, 2017 and June 7, 2017. The HR Sub-committee was renamed as Share Allotment & HR Sub Committee of Directors w.e.f. 20.01.2018.

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. Dinesh Kumar Khara	06737041	Associate	2
Mr. O. P. Gahrotra	00936696	Independent	2
Mrs. Anuradha Rao	07597195	Associate	2
Mr. Fathi Jerfel *	05225974	Associate	N.A.
Mr. Nicolas Simon	07332820	Dy. Chief Executive Officer	2

\* The Committee was reconstituted by inducting Mr. Fathi Jerfel as a member w.e.f. January 20, 2018. Mr. Nicolas Simon attends the meeting in absence of Mr. Fathi Jerfel in capacity of an Alternate Director.

## **XVII. ISSUE OF EMPLOYEE STOCK OPTION**

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

In line with the disclosure requirement under the Companies Act 2013, the various components of the Scheme including options granted during the financial year 2017-18, are set out in Annexure IV. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise

## **XVIII. MODEL CODE OF CONDUCT:**

The Directors confirm that all Board members and Senior Management have affirmed compliance with the Company's Code of Conduct for the financial year 2017-18.

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

The Directors confirm that all Board members and Senior Management have affirmed compliance with the Company's code of conduct for the financial year 2017-18.

The Directors hereby confirm that:

1. In the preparation of the annual accounts of the Company for the year ended March 31, 2018, the applicable accounting standards have been followed;
2. Reasonable and prudent accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as the end of the financial year and the profit or loss of the Company for that period;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis; and
5. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **XX. 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.

## **XXI. AUDITORS**

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

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

## **XXII. COMPLIANCE OF SECRETARIAL STANDARDS**

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

**XXIII. ACKNOWLEDGEMENTS**

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

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

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

**Mumbai**

Dated: July 24, 2018

**DINESH KUMAR KHARA  
CHAIRPERSON  
DIN: 06737041**

## Form AOC-1

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

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

## Part A: Subsidiaries

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

S.No	Particulars	Details	USD	Rs. In Lakhs
1.	Name of the subsidiary	<b>SBI Funds Management (International) Private Limited</b>		
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as holding company's reporting period		
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Reporting currency - USD & Exchange Rate Rs. 65.1750 closing rate as per RALOO Rate as on 28.03.2018 for monetary assets and liabilities and Rs. 64.4568 average rate as per RALOO Rate		
4.	Share capital		50,000	32.23
5.	Reserves and surplus		80,750	52.04
6.	Total assets		2,74,802	179.10
7.	Total Liabilities		1,44,052	93.88
8.	Investments		2	0.001
9.	Turnover		1,64,851	106.25
10.	Profit before taxation		3,448	2.22
11.	Provision for taxation		(140)	(0.09)
12.	Profit after taxation		3,308	2.13
13.	Proposed Dividend		-	-
14.	Extent of shareholding (in percentage)		100	100

## Part B: Associate and Joint Ventures

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

	Name of Associates or Joint Ventures	SBI Pension Funds Private Limited
1.	<b>Latest audited Balance Sheet Date</b>	31/03/2018
2.	<b>Shares of Associate or Joint Ventures held by the company on the year end : Numbers</b>	60 Lakh shares of Rs. 10 each
3.	Amount of Investment in Associates or Joint Venture (Rs. in Lakhs)	600.00
4.	Extent of Holding (in percentage)	20%
5.	<b>Description of how there is significant influence</b>	As per Accounting Standard 23
6.	<b>Reason why the associate/joint venture is not consolidated</b>	Not Applicable
7.	<b>Net-worth attributable to shareholding as per latest audited Balance Sheet (Rs. in Lakhs)</b>	730.01
8.	<b>Profit or Loss for the year (Rs. in Lakhs)</b>	139.37
	i. Considered in Consolidation	27.87
	ii. Not Considered in Consolidation	111.50

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES  
FOR FY 2017-18**

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

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

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

**2. The Composition of the CSR Committee**

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

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

Name of the Director	Director Identification Number (DIN)	Category of Director
Mr. O. P. Gahrotra	00936696	Independent
Mrs. Anuradha Rao	07597195	Associate
Mr. Fathi Jerfel*	05225974	Associate
Mr. C. N. Ram **	00211906	Independent

\* Mr. Nicolas Simon has been appointed as an Alternate Director to Mr. Fathi Jerfel and attended the CSR Committee meetings during the period of absence of Mr. Fathi Jerfel.

\*\* Mr. C. N. Ram was appointed as a member of the Committee w.e.f. October 23, 2017.

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

Sr. No.	Financial Year	Profit Before Tax (Rs. in Lakhs)
1	2014-15*	24116
2	2015-16	25146
3	2016-17	32989
	<b>Average Net Profit</b>	<b>27417</b>

\* Profit before tax for FY 2014-15 is after adjusting CSR of Rs. 193 lakhs in reserves.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **Rs. 548.34 Lakh**

5. Details of CSR spent during the financial year: **Rs. 552.03 Lakh**

(a) Total amount to be spent for the financial year: **Rs. 548.34 lakhs**

(b) Amount unspent, if any ; Nil

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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

(Rs in lakhs)

Sr no	CSR Projects identified	Sector in which the project is covered	State and district of Project coverage	Project wise outlay	Amt Spent		Cumulative Expenditure up to the reporting period	Direct Or through agency
					Direct Expenses	Over-heads		
1	Deepsikha - Trust for Cancer Patients Care	Healthcare	Assam	12.52	12.52	-		Direct
2	Bhagvaan Mahaveer Viklang Sahayata Samiti - Provides mobility aids to Differently Abled	Healthcare	Jaipur, Ahmedabad and States other than Gujarat like Junagadh, Ujjain and Palitana	76.00	75.20	-		Direct
3	Akshay Patra Foundation - Mid-day meal services at government schools across India	Healthcare	Karnataka, Hyderabad and Ajmer	91.00	91.00	-		Direct
4	ISKCON Food Relief Foundation - Mid-day meal services at government schools across India	Healthcare	Maharashtra	83.00	83.00	-		Direct
5	Agastya International Foundation - Runs mobile vans as practical labs across government schools	Education	Kuppam (Andhra Pradesh)	87.00	87.00	-		Direct
6	KK Child Trust Hospital	Healthcare services to children	Chennai	29.00	29.00	-		Direct
7	Rotary Club Mumbai Ghatkopar	Healthcare	Mumbai	35.00	35.00	-		Direct
8	Tata Medical Centre	Healthcare	Kolkata	34.00	33.50	-		Direct
9	WOTR	Healthcare	Maharashtra	44.00	44.00	-		Direct

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

10	Shushrusha Citizens' Co-operative Hospital Ltd.	Healthcare	Mumbai	32.00	32.00	-		Direct
11	Purkal Youth Development Society	Healthcare and Education	Dehradun	29.00	29.00			
12	Cancer Foundation	Health Care	Mumbai	0.81	0.81			Through agency
	<b>Total</b>			<b>553.33</b>	<b>552.03</b>	<b>-</b>		

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

Not applicable

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

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

**For SBI Funds Management Private Limited**

**Anuradha Rao**  
**Managing Director & CEO**

**O. P. Gahotra**  
**Chairman**  
**Corporate Social Responsibility Committee of**  
**Board of Directors**

**Place: Mumbai**

**Date: July 24, 2018**

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Investment Manager	66301	98.39

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

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	SBI Funds Management (International) Private Limited	--	Subsidiary	100%	2(87)
2	SBI Pension Funds Private Limited	U66020MH2007GOI176787	Associate	20%	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Shareholding**

Category of Shareholders	No. of shares held at the beginning of the year April 01, 2017				No. of shares held at the end of the year March 31, 2018#				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual* / HUF	-	20	20	0.0004	-	2000	2000	0.0004	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Bank / FI	3149980	-	3149980	62.9996	314998000	-	314998000	62.9996	NIL
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>3149980</b>	<b>20</b>	<b>3150000</b>	<b>63.00</b>	<b>314998000</b>	<b>2000</b>	<b>315000000</b>	<b>63.00</b>	<b>NIL</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Shareholding of Promoter <b>(A) = (A)(1) + (A)(2)</b>	<b>3149980</b>	<b>20</b>	<b>3150000</b>	<b>63.00</b>	<b>314998000</b>	<b>2000</b>	<b>315000000</b>	<b>63.00</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Amundi India Holding, a wholly owned subsidiary of Amundi Asset Management	1850000	-	1850000	37.00	185000000	-	185000000	37.00	<b>NIL</b>
<b>Sub- total (B) (1)</b>	<b>1850000</b>	<b>-</b>	<b>1850000</b>	<b>37.00</b>	<b>185000000</b>	<b>-</b>	<b>185000000</b>	<b>37.00</b>	<b>NIL</b>

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

Category of Shareholders	No. of shares held at the beginning of the year April 01, 2017				No. of shares held at the end of the year March 31, 2018#				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>2.Non-Institutions</b>									
a)Bodies Corp.	-	-	-	-	-	-	-	-	-
i)Indian	-	-	-	-	-	-	-	-	-
ii)Overseas	-	-	-	-	-	-	-	-	-
b)Individuals	-	-	-	-	-	-	-	-	-
i)Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c)Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	1850000	-	1850000	37.00	185000000	-	185000000	37.00	<b>NIL</b>
<b>C. Shares held by Custodian for GDR's &amp; ADR's</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4999980</b>	<b>20</b>	<b>5000000</b>	<b>100.00</b>	<b>499998000</b>	<b>2000</b>	<b>500000000</b>	<b>100.00</b>	<b>NIL</b>

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

# Each equity share having a face value of Rs. 100/- each is sub-divided with a face value of Re. 1/- each at the Extra-Ordinary General Meeting held on December 19, 2017.

**ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	State Bank of India	3149980	62.9996	NA	314998000	62.9996	NA	NIL
2	Mrs. Anuradha Rao	10*	0.0002	NA	1000*	0.0002	NA	NIL
3	Shri R. N. Sahay	10*	0.0002	NA	1000*	0.0002	NA	NIL
	<b>Total</b>	<b>3150000</b>	<b>63.00</b>	<b>NA</b>	<b>315000000</b>	<b>63.00</b>	<b>NA</b>	<b>NIL</b>

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

**SBI FUNDS MANAGEMENT PRIVATE LIMITED****iii) Change in Promoters' Shareholding**

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

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

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

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

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mrs. Anuradha Rao	10*	0.0002	1000*	0.0002

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

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

S. No	Particulars of Remuneration	Name of Managing Director	Total Amount (Rs in lakh)
		Mrs. Anuradha Rao	
<b>1</b>	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	44.07	44.07
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.85	5.85
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
<b>2</b>	Stock Option	--	--
<b>3</b>	Sweat Equity	--	--
<b>4</b>	Commission :- as % of profit - others, specify..	Nil	Nil
<b>5</b>	Others, please specify	--	--
	Total (A)	49.92	49.92
	Ceiling as per the Act	NA	NA

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

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rs in Lakh)
		Mr. Jashvant Raval	Mr. Shishir Joshipura*	Mr. O. P. Gahrotra	Dr. Prafulla Agnihotri	Mr. C. N. Ram§	
1	Fee for attending Board / Committee meetings (Rs. in Lakh)	3.30	0.75	4.45	2.70	1.85	13.05
2	Commission	--	--	--	--	--	--
3	Others	--	--	--	--	--	--
	<b>Total (1)</b>	<b>3.30</b>	<b>0.75</b>	<b>4.45</b>	<b>2.70</b>	<b>1.85</b>	<b>13.05</b>

\* Mr. Shishir Joshipura ceased to be an Independent Director with effect from November 11, 2017.

§ Mr. C. N. Ram was appointed as an Independent Director with effect from September 07, 2017.

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

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rs in Lakh)
		Mrs. Arundhati Bhattacharya^	Mr. Thierry Mequillet@	Mr. Fathi Jerfel	Mr. Jean-Yves Glain	Mr. Dinesh Kumar Khara	
1	Fee for attending Board / Committee meetings	--	--	--	--	--	--
2	Commission	--	--	--	--	--	--
3	Others	--	--	--	--	--	--
	<b>Total (2)</b>	--	--	--	--	--	--
	<b>Total (B)=(1+2)</b>						<b>13.05</b>
	Total Managerial Remuneration						
	Overall Ceiling as per the Act			--			

^ Mrs. Arundhati Bhattacharya ceased to be Chairman & Associate Director with effect from October 07, 2017.

@ Mr. Thierry Mequillet ceased to be an Associate Director with effect from April 10, 2017.

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

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

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

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

There were no penalties / punishment / compounding of offences during the year ending March 31, 2018.

**DETAILS OF EMPLOYEE STOCK OPTION SCHEME**

In line with the compliance requirement to Section 62 of the Companies Act, 2013 , the various components of the scheme including Options granted during the FY 2017-18, are as under :-

Particulars	Employee Stock Option Scheme -2018
Options Granted	23,30,668
Options Vested	-
Options Exercised	-
The total number of shares arising as a result of exercise of option	-
Options lapsed (as at 31.03.18)	-
Exercise Price	155.00
Variation of terms of options	-
Money realized by exercise of options	-
Total number of options in force (as at 31.03.18)	23,30,668
Employee-wise details of options granted to:	
(i) Key managerial personnel during the year	-
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	-
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	-

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF  
SBI FUNDS MANAGEMENT PRIVATE LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of SBI Funds Management Private Limited ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessments of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018 and its profits and cash flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

## **SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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2. As required by Section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act and rules made thereunder, as applicable;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report; and
  - g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor) 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 financial statements – Refer Note 25 to Standalone financial statements.
    - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii) There were no amounts which were required to be transferred to the account of Investor Education and Protection Fund by the Company.
3. As required by Section 143 (5) of the Act, with respect to reporting under the directions issued by the Comptroller and Auditor-General of India ,we report that :
- (i) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, we report that the company does not have any freehold land. With respect to the premises acquired and purchased by the Company as an Assignee, it has a clear pro-rata undivided leasehold right, title and interest in the land and common areas appurtenant to the acquired and purchased premises.
  - (ii) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, we report that there are no cases of waiver/write off of Debts/loans/interest.
  - (iii) The Company does not hold any inventory and 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 received any assets as gifts/grants from government or other authority.

**For C N K & Associates LLP**

**Chartered Accountants**

Firm Registration No: 101961W / W-100036

**Hiren Shah**

**Partner**

Membership No: 100052

Place: Mumbai

Date: 23 April, 2018

## **ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT**

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of SBI Funds Management Private Limited ("the Company") on the Standalone Financial Statements as of and for the year ended March 31,2018]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
- (b) The company has formulated a phased programme for physical verification of fixed assets, designed to cover all items over a period of three years. According to the programme, the company has during the year , physically verified the relevant assets. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
- (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;
- (ii) Since the Company is a service provider, clause 3(ii) of the Order is not applicable to the Company;
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause 3 (iii)(a) to (c) of the order is not applicable to the Company.
- (iv) The Company has not given any loans, guarantees or securities in respect of provisions of sections 185 and 186 of Companies Act, 2013. Further, in respect of investments made, the Company has complied with the provisions of section 186 of the Companies Act, 2013.
- (v) In our opinion the Company has not accepted deposits within the meaning of sections 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence clause 3 (v) of the order is not applicable to the Company.
- (vi) The Central Government of India has not specified the maintenance of Cost records under section 148(1) of Companies Act, 2013 for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess ,Goods and Service Tax and other statutory dues applicable to the Company with appropriate authorities;  

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and any other material statutory dues applicable to the Company, were outstanding as on the last day of the financial year, for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us, there are no dues outstanding in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which has not been deposited on account of any dispute;
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks, government and has not issued any debentures and hence clause 3 (viii) of the order is not applicable to the Company;
- (ix) The Company has not raised any money by way of initial public offer / further public offer (including debt instruments) and did not obtain any term loans during the year and hence clause 3 (ix) of the Order is not applicable to the Company;
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company, by its officers or employees has been noticed or reported during the year;
- (xi) The Company being a private limited company, the provisions of Section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company and hence clause 3 (xi) of the order is not applicable to the Company;

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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

**For C N K & Associates LLP**

**Chartered Accountants**

Firm Registration No.: 101961W/W-100036

**Hiren Shah**

**Partner**

Membership No.: 100052

Place: Mumbai

Date: 23 April, 2018.

## **ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT**

**[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of SBI Funds Management Private Limited on the Standalone Financial Statements for the year ended March 31,2018]**

### **Report on the Internal Financial Control under Clause (i) of Sub section 3 of section 143 of the Companies Act,2013 ("The Act")**

We have audited the internal financial control over financial reporting of SBI Funds Management Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting based on our audit. We Conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 control system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

- (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 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

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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- (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 financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting.**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by ICAI.

**For C N K & Associates LLP**

**Chartered Accountants**

Firm registration number: 101961W/W-100036

**Hiren Shah**

**Partner**

Membership number: 100052

Place: Mumbai

Date: 23 April, 2018.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI FUNDS MANAGEMENT PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 April 2018.

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

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6) (a) of the Act of the Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2018. 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 Auditor's Report under section 143(6)(b) of the Act.

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

Sd/-

**(Tanuja Mittal)**

Principal Director of Commercial Audit and  
Ex-Officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 20 August, 2018

**BALANCE SHEET AS AT MARCH 31, 2018**

	Notes	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	5,000.00	5,000.00
(b) Reserves and surplus	3	96,880.39	72,097.84
		1,01,880.39	77,097.84
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	4	-	41.46
(b) Other long term liabilities	5	-	8.44
(c) Long-term provisions	6	3,662.70	956.66
		3,662.70	1,006.56
<b>Current liabilities</b>			
(a) Trade payables	7	9,891.28	6,967.71
(b) Other current liabilities	8	344.78	161.27
(c) Short-term provisions	9	13,317.06	13,271.16
		23,553.12	20,400.14
<b>TOTAL</b>		<b>1,29,096.21</b>	<b>98,504.54</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets	10		
(i) Property plant and equipment		16,623.51	16,618.11
(ii) Intangible assets		940.27	1,034.79
(iii) Capital work-in-progress		3.70	7.40
(iv) Intangible assets under development		164.59	216.55
(b) Non-current investments	11	27,597.78	24,827.05
(c) Deferred tax assets (Net)	4	738.32	-
(d) Long-term loans and advances	12	11,331.83	6,757.36
(e) Other non-current assets	13	293.87	574.73
		57,693.87	50,035.99
<b>Current assets</b>			
(a) Current investments	14	33,450.00	24,873.82
(b) Trade receivables	15	9,982.86	2,338.54
(c) Cash and bank balances	16	7,390.99	8,570.07
(d) Short-term loans and advances	17	20,253.15	12,577.15
(e) Other current assets	18	325.34	108.97
		71,402.34	48,468.55
<b>TOTAL</b>		<b>1,29,096.21</b>	<b>98,504.54</b>
Summary of significant accounting policies	1		
Other Notes to Accounts	25-40		
The accompanying notes form an integral part of the financial statements.			

As per our attached report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner

Membership No: 100052

Place: Mumbai

Date : 23 April, 2018

**For and on behalf of the Board of Directors**

SBI Funds Management Private Limited

Sd/-

**Dinesh Kumar Khara**

Director

DIN 6737041

Sd/-

**Nicolas Simon**

Director

DIN 07332820

Place: Mumbai

Date : 23 April, 2018

Sd/-

**Anuradha Rao**

Managing Director &amp; CEO

DIN 7597195

Sd/-

**Vinaya Datar**

Company Secretary

M.No 15527

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	Notes	Year Ended 31-Mar-2018 ₹ (in lacs)	Year Ended 31-Mar-2017 ₹ (in lacs)
Revenue from operations	19	1,23,672.64	73,634.17
Other income	20	3,529.58	4,153.29
<b>Total revenue</b>		<b>1,27,202.22</b>	<b>77,787.46</b>
<b>Expenses:</b>			
Employee benefits expense	21	15,984.94	13,328.12
Depreciation and amortization expense	22	1,503.19	1,260.74
Other expenses	23	59,391.68	30,209.01
<b>Total expenses</b>		<b>76,879.81</b>	<b>44,797.87</b>
<b>Profit before tax</b>		50,322.41	32,989.59
<b>Tax expense:</b>			
- Current tax		18,250.00	10,575.00
- Deferred tax		(779.78)	(1,111.62)
- Adjustment of tax relating to earlier periods		(251.12)	1,094.35
<b>Net profit after tax</b>		<b>33,103.31</b>	<b>22,431.86</b>
Earnings per equity share (Nominal value of share of ₹ 1 each)			
(1) Basic	24	6.62	4.49
(2) Diluted		6.62	4.49
Summary of significant accounting policies	1		
Other Notes to Accounts	25-40		
The accompanying notes form an integral part of the financial statements.			

As per our attached report of even date

**For C N K & Associates LLP**Chartered Accountants  
Firm Registration No: 101961W/W-100036**Sd/-****Hiren Shah**Partner  
Membership No: 100052**For and on behalf of the Board of Directors**

SBI Funds Management Private Limited

**Sd/-****Dinesh Kumar Khara**Director  
DIN 6737041**Sd/-****Nicolas Simon**Director  
DIN 07332820**Sd/-****Anuradha Rao**Managing Director & CEO  
DIN 7597195**Sd/-****Vinaya Datar**Company Secretary  
M.No 15527Place: Mumbai  
Date : 23 April, 2018Place: Mumbai  
Date : 23 April, 2018

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	For Year end 31-Mar-2018 ₹ (in lacs)	For Year end 31-Mar-2017 ₹ (in lacs)
<b>Cash Flow from Operating Activities</b>		
Net profit Before Tax	50,322.41	32,989.59
<b>Adjustments for:</b>		
Depreciation and amortisation	1,503.19	1,260.74
Employee Stock Option Expenses	104.30	-
(Profit) /Loss on sale of fixed assets (Net)	1.10	(1.54)
(Gains) on sale /redemption of current investments	(1,539.31)	(3,050.49)
(Gains) on sale /redemption of non-current investments	(46.10)	(143.34)
Interest income	(81.83)	(318.62)
Dividend income from current investments	(979.80)	(468.95)
Dividend income from non-current investments	(555.97)	(90.55)
Operating profit before working capital changes	48,727.99	30,176.84
Decrease / (Increase) in trade receivables	(7,644.32)	(40.88)
Decrease / (Increase) in long term loans and advances	(4,522.45)	(569.19)
Decrease / (Increase) in other non current assets	-	-
Decrease / (Increase) in Short term loans & advances	(7,676.00)	(3,070.26)
Decrease / (Increase) in other current assets	-	0.19
(Decrease) / Increase in trade payables	2,923.57	4,118.10
(Decrease) / Increase in non-current liabilities	2,697.60	21.74
(Decrease) / Increase in other current liabilities	183.51	(55.27)
(Decrease) / Increase in short term provisions	45.90	1,110.07
Net cash generated from operations	34,735.80	31,691.34
Income taxes paid	(18,057.14)	(10,662.69)
<b>Net cash generated from Operating Activities (A)</b>	<b>16,678.66</b>	<b>21,028.65</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Intangible assets(including advances for capital)	(393.62)	(605.80)
Purchase of Property,plant and equipment (including advances for capital)	(961.15)	(685.67)
Sale of Fixed Assets	1.50	3.84
Purchase of Investments (current investments)	(1,28,279.50)	(71,465.30)
Purchase of Investments (non-current investments)	(43,120.73)	(10,423.60)
Sale of Investments (Current investments)	1,37,592.64	66,110.71
Sale of Investments (non-current investments)	24,046.09	2,968.08
Fixed Deposits placed during the year	-	(550.04)
Fixed Deposits matured during the year	890.90	700.00
Interest received	146.32	77.87
Dividend received on non current investments	979.80	468.94
Dividend received on current investments	555.97	90.55
<b>Net Cash used in Investing Activities (B)</b>	<b>(8,541.78)</b>	<b>(13,310.42)</b>
<b>Cash Flow from Financing Activities</b>		
Dividend paid	(7,000.00)	(6,000.00)
Tax on Dividend	(1,425.06)	(1,221.46)
<b>Net cash used in Financing Activities (C)</b>	<b>(8,425.06)</b>	<b>(7,221.46)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>(288.18)</b>	<b>496.77</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>679.17</b>	<b>182.40</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>390.99</b>	<b>679.17</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	For Year end 31-Mar-2018 ₹ (in lacs)	For Year end 31-Mar-2017 ₹ (in lacs)
<b>Components of Cash and Cash Equivalents</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in hand	2.85	0.20
Balance with banks		
-in Current Accounts	388.14	678.97
<b>Total Cash &amp; Cash Equivalent (Note no. 16)</b>	<b>390.99</b>	<b>679.17</b>

Summary of significant accounting policies (refer note 1)

As per our attached report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

**Sd/-**

**Hiren Shah**

Partner

Membership No: 100052

**For and on behalf of the Board of Directors**

SBI Funds Management Private Limited

**Sd/-**

**Dinesh Kumar Khara**

Director

DIN 6737041

**Sd/-**

**Nicolas Simon**

Director

DIN 07332820

**Sd/-**

**Anuradha Rao**

Managing Director & CEO

DIN 7597195

**Sd/-**

**Vinaya Datar**

Company Secretary

M.No 15527

Place: Mumbai

Date : 23 April, 2018

Place: Mumbai

Date : 23 April, 2018

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. (a) General Information**

SBI Funds Management Private Limited ('the Company') was incorporated on 7<sup>th</sup> February 1992 under The Companies Act, 1956 as a wholly owned subsidiary of State Bank of India (SBI) and is presently a joint venture between SBI and AMUNDI.

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

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

SBI Funds Management Private Limited has set-up a trust viz. SBI Alternative Equity Fund which is registered as an Alternative Investment Fund – Category III Fund with Securities Exchange Board of India (SEBI) under the SEBI AIF Regulations, 2012. SBI Funds Management Private Limited has been appointed as an Investment Manager of the said AIF by the Trustee to the Fund.

### **(b) Summary of Significant Accounting Policies**

#### **1.1 Basis of preparation**

The financial statements are prepared under historical cost convention on an accrual basis of accounting to comply in all material respects with mandatory accounting standards as specified under section 133 of the Companies Act, 2013 (the Act) and rules made thereunder as applicable to the company.

#### **1.2 Use of Estimates:**

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognised prospectively in the current and future periods.

#### **1.3 Property plant and equipment**

Property plant and equipment are stated at their cost of acquisition less accumulated depreciation, and impairment losses, if any. The cost of acquisition is inclusive of taxes, duties (other than cenvat credit, if any), freight and other incidental expenses related to acquisition and installation of the assets.

The company has adopted component accounting, wherever applicable, as stipulated by Schedule II of the Companies Act, 2013 for the purpose of computing depreciation.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value, only if it increases the future benefits from existing items of property, plant and equipment beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss during the period in which they are incurred.

The capital work in progress includes cost of property, plant and equipment that are not ready for their intended use. In addition to this, softwares under implementations are classified as Intangible Assets Under Development.

## NOTES TO THE FINANCIAL STATEMENTS

Gains or losses arising from disposal, retirement or de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and carrying amount of asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

Property plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write down is recognised in the statement of profit and loss.

### Intangible Assets

Intangible assets are recognised at cost (excluding cenvat credit, if any) less accumulated amortization and impairment losses, if any.

Gains or losses arising from the disposal of intangible assets are measured as the difference between the net disposal proceeds and carrying amount of asset and are recognised in the Statement of Profit and Loss when the asset is disposed.

### 1.4 Depreciation on Property plant and equipment and Intangible Assets

The Company has adopted the estimated useful life of the property plant and equipment as stipulated by Schedule II to the Companies Act, 2013 for the purpose of computing depreciation, on straight line method.

The estimated useful life of property plant and equipment as stipulated by Schedule II to the Companies Act, 2013 and adopted by the management for various block of assets is as under:

Description of assets	Useful lives (In years)	Method of depreciation / amortization
<b>Property plant and equipment</b>		
Building	60 years	SLM
Computers- Servers and networks	6 years	SLM
Computers- End user devices, such as, desktops, laptops, etc.	3 years	SLM
Furniture and fixtures	10 years	SLM
Mobile Phones	3 years	SLM
Office Equipments (including Electrical Installation & Building Management systems)	5 years	SLM
Vehicles	8 years	SLM
<b>Intangible</b>		
Computer software	3 - 6 years	SLM
Website development cost	3 years	SLM
Copyright licenses	5 years	SLM
Investment Management Rights (DAIWA Schemes)		Amortisation

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, upto the date of on which the asset is sold.

All fixed assets individually costing up to ₹ 5000 are fully depreciated in the year of purchase/acquisition.

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

Intangible assets include computer software, copyright licenses, website development costs and investment management rights. Copyright licenses are amortised on pro-rata basis over a period of five years. All other intangible assets are amortised on pro-rata basis over a period of three to six years.

## NOTES TO THE FINANCIAL STATEMENTS

### 1.5 Impairment of assets

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### 1.6 Investments

Investments which are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Purchase and sale/redemption of investment is recorded on the trade date basis. Gains and losses on sale of investments are determined using the weighted average cost method.

Investments include investments in shares of a subsidiary company registered outside India. They are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof.

### 1.7 Revenue Recognition

#### (a) Revenue from operations

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

Portfolio Advisory services, Portfolio Management services and management fees on AIF are recognised on accrual basis as per the terms of the contract.

#### (b) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividend income is recognised when the Company's right to receive dividend is established at the reporting date.

Recovery, if any, on realization of devolved investments of schemes acquired by the Company, in terms of the right of subrogation, is accounted on the basis of receipts. Recovery from funded guarantee schemes is recognised as income in the year of receipt.

### 1.8 Employee Benefits:

#### (a) Short Term Employee Benefits

The undiscounted amounts of short-term employee benefits, which are expected to be paid in exchange for their services rendered by employees, are recognised during the period when the employee rendered the services.

#### (b) Post-Employment Benefits

##### (i) Defined Contribution Plan :

##### Provident Fund

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### Superannuation

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

### National Pension Scheme

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

### (ii) 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 recognised in the Statement of Profit and loss.

### (c) Other Employee Benefit : Leave Encashment

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.

## 1.9 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of occurrence of the transactions. Monetary items denominated in foreign currency remaining unsettled at the end of the year, are translated at the exchange rates as at the last day of the year.

Any gains or losses on account of exchange difference either on settlement or translation are recognised in the Statement of Profit and Loss.

## 1.10 Scheme Expenses

- (a) **Recurring Expenses:** Expenses of schemes of SBI Mutual Fund, in excess of the stipulated rates, are required to be borne by the Company in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996, and as such, are charged to the Statement of Profit and Loss.
- (b) **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 Funds) Regulations, 1996.
- (c) **Brokerage:** Brokerage and/or Incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortized over a period of 36 months and in case of other schemes, over the claw back period. In case of Close ended schemes, brokerage is amortized over the tenure of schemes.

## 1.11 Taxes on Income

Tax expenses comprises of current tax and deferred tax.

### Current tax:

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Deferred tax:**

Deferred tax is recognised on timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted before the Balance Sheet date.

Deferred tax pertaining to unabsorbed depreciation or carry forward of losses under tax laws is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. In all other cases, recognition of deferred tax assets is based on reasonable certainty instead of virtual certainty. Deferred tax assets and deferred tax liabilities are also disclosed on net basis.

### **1.12 Operating Lease**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term, are classified as operating leases. Operating lease rentals are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the initial lease term.

### **1.13 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.

### **1.14 Provisions and Contingencies**

Provisions are recognised when the Company has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

### **1.15 Cash and Cash Equivalents**

Cash and Cash Equivalents comprise of Cash/Cheques-in-hand and bank balances in Current and Fixed Deposit Accounts with original maturity of less than three months from date of acquisition.

### **1.16 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the company are segregated.

## NOTES TO THE FINANCIAL STATEMENTS

## 2 SHARE CAPITAL

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Authorised</b>		
52,50,00,000 Equity Shares of ₹ 1 each (Previous year 50,00,000 Equity Share of ₹ 100 each)	5,000	5,000
<b>Issued, Subscribed and Paid Up</b>		
50,00,00,000 Equity Shares of ₹ 1 each (Previous year 50,00,000 Equity Share of ₹ 100 each) ( fully paid up)	5,000	5,000

## 2.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No of Shares	₹ (in lacs)	No of Shares	₹ (in lacs)
<b>Equity Shares</b>				
Outstanding at the beginning of the year	50,00,00,000	5,000	50,00,000	5,000
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the year	50,00,00,000	5,000.00	50,00,000	5,000.00

## 2.2 The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

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

## 2.3 Details of Shares held by Holding Company

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No of Shares	₹ (in lacs)	No of Shares	₹ (in lacs)
State Bank of India	31,50,00,000	3,150.00	31,50,000	3,150.00

## 2.4 Details of share holders holding more than 5% shares

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India	31,50,00,000	63%	31,50,000	63%
Amundi India Holding, a wholly owned subsidiary of Amundi	18,50,00,000	37%	18,50,000	37%

\*During the current year, authorised capital of the company has increased to 52,50,00,000 Equity Shares from previous year 5,000,000 Equity Shares and also has changed the face value from ₹ 100 each to ₹ 1 each )

23,30,668 (Previous Year Nil) equity shares of ₹ 1 each are reserved for issuance towards outstanding Employee share option

## NOTES TO THE FINANCIAL STATEMENTS

## 3 RESERVES AND SURPLUS

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>General Reserve</b>		
Balance at the beginning of the year	9,260.09	8,760.09
Add: Transfer from statement of profit and loss	500.00	500.00
<b>Balance at the end of the year (A)</b>	<b>9,760.09</b>	<b>9,260.09</b>
<b>Surplus in statement of profit and loss</b>		
Balance at the beginning of the year	62,837.75	49,330.95
Add: Profit for the year	33,103.31	22,431.86
Less: Transfer to general reserve	500.00	500.00
Less: Interim dividend	7,000.00	7,000.00
Less: Tax on interim dividend	1,425.06	1,425.06
<b>Balance at the end of the year (B)</b>	<b>87,016.00</b>	<b>62,837.75</b>
<b>Share option outstanding account (Employee stock options)</b>		
Balance at the beginning of the year	-	-
Additions during the year	104.30	-
<b>Balance at the end of the year (C)</b>	<b>104.30</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>96,880.39</b>	<b>72,097.84</b>

## 4 DEFERRED TAX ASSETS / (LIABILITIES)

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
Deferred tax assets/(liabilities)		
- Provision for compensated absences	539.89	181.73
- Provision for gratuity	5.82	22.81
- Amortization /Depreciation on tangible /intangible assets	(155.19)	(252.65)
- Others	347.80	6.65
<b>Deferred tax assets/liabilities (net)</b>	<b>738.32</b>	<b>(41.46)</b>

## 5 OTHER LONG TERM LIABILITIES

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
Retention money payable	-	8.44
<b>Total</b>	<b>-</b>	<b>8.44</b>

**NOTES TO THE FINANCIAL STATEMENTS****6 LONG TERM PROVISIONS**

	<b>As at 31-Mar-2018</b> ₹ (in lacs)	<b>As at 31-Mar-2017</b> ₹ (in lacs)
Provision for employee benefits- leave encashment	1,412.70	456.66
Provision for contingencies ( refer note 31)	2,250.00	500.00
<b>Total</b>	<b>3,662.70</b>	<b>956.66</b>

**7 TRADE PAYABLES\***

	<b>As at 31-Mar-2018</b> ₹ (in lacs)	<b>As at 31-Mar-2017</b> ₹ (in lacs)
(a) total outstanding dues of micro enterprises and small enterprises; and	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises(net)	9,891.28	6,967.71
<b>Total</b>	<b>9,891.28</b>	<b>6,967.71</b>

(\*Refer note no.28 for related party and note no 39 for micro enterprises and small enterprises)

**8 OTHER CURRENT LIABILITIES**

	<b>As at 31-Mar-2018</b> ₹ (in lacs)	<b>As at 31-Mar-2017</b> ₹ (in lacs)
Statutory dues (including mainly PF and TDS)	216.24	111.68
Income received in advance	-	0.93
Other payables		
- Earnest money deposit	0.86	0.69
- Retention money payable	20.69	24.24
Creditors for capital expenditure	106.99	23.73
<b>Total</b>	<b>344.78</b>	<b>161.27</b>

**9 SHORT TERM PROVISIONS**

	<b>As at 31-Mar-2018</b> ₹ (in lacs)	<b>As at 31-Mar-2017</b> ₹ (in lacs)
Provision for employee benefits	3,108.65	3,699.83
Others		
- Proposed interim dividend *	7,000.00	7,000.00
- Tax on proposed interim dividend	1,425.06	1,425.06
- Provision for expenses	1,783.35	1,146.27
<b>Total</b>	<b>13,317.06</b>	<b>13,271.16</b>

(\*Refer note no.28 for related party and note no. 36 for interim dividend)

**NOTES TO THE FINANCIAL STATEMENTS**

**10 FIXED ASSETS**

**10.1 Property plant and equipment**

₹ (in lacs)

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION			NET BLOCK			
	As at 01.04.2017	Additions for the Year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2018	Upto 01.04.2017	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Building *	16,017.51	-	-	16,017.51	999.27	267.05	-	1,266.32	14,751.19	15,018.24
Electrical Fittings	262.23	-	-	262.23	187.95	59.69	-	247.64	14.59	74.28
(including Building Management Systems) Furniture and Fixtures	817.97	62.76	2.22	878.51	304.70	128.85	1.45	432.10	446.41	513.27
Vehicles	61.35	27.77	-	89.12	35.26	9.44	-	44.70	44.42	26.09
Office Equipments	456.37	75.32	7.01	524.68	303.96	75.20	6.42	372.74	151.94	152.41
Computers	2,129.59	663.86	45.95	2,747.50	1,465.64	358.94	44.96	1,779.62	967.88	663.95
Leasehold Improvements	444.31	141.71	24.56	561.46	274.44	63.92	23.98	314.38	247.08	169.87
<b>Total Tangible Assets</b>	<b>20,189.33</b>	<b>971.42</b>	<b>79.74</b>	<b>21,081.01</b>	<b>3,571.22</b>	<b>963.09</b>	<b>76.81</b>	<b>4,457.50</b>	<b>16,623.51</b>	<b>16,618.11</b>
<b>Previous Year</b>	<b>19,803.96</b>	<b>632.05</b>	<b>246.68</b>	<b>20,189.33</b>	<b>2,965.22</b>	<b>847.30</b>	<b>241.30</b>	<b>3,571.22</b>	<b>16,618.11</b>	<b>16,838.74</b>

\* in on long term assignment basis  
During the year company has changed the useful life of Assets costing upto ₹ 5000.

**10.2 Intangible Assets**

₹ (in lacs)

Particulars	GROSS BLOCK (At Cost)			AMORTISATION			NET BLOCK			
	As at 01.04.2017	Additions for the Year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2018	Upto 01.04.2017	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Software	2,047.71	434.58	231.61	2,250.68	1,076.39	511.96	-	1,356.74	893.94	971.32
Copyright License	28.00	-	-	28.00	12.19	5.60	-	17.79	10.21	15.81
Investment Management Rights	57.40	-	57.40	-	57.40	-	57.40	-	-	-
Website Development Cost	157.39	11.00	20.32	148.07	109.73	22.54	20.32	111.95	36.12	47.66
<b>Total Intangible Assets</b>	<b>2,290.50</b>	<b>445.58</b>	<b>309.33</b>	<b>2,426.75</b>	<b>1,255.71</b>	<b>540.10</b>	<b>309.33</b>	<b>1,486.48</b>	<b>940.27</b>	<b>1,034.79</b>
<b>Previous Year</b>	<b>1,811.59</b>	<b>502.88</b>	<b>23.97</b>	<b>2,290.50</b>	<b>866.24</b>	<b>413.44</b>	<b>23.97</b>	<b>1,255.71</b>	<b>1,034.79</b>	<b>945.35</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 11 NON-CURRENT INVESTMENTS\*

	As at 31-Mar-18		As at 31-Mar-17	
	Numbers	₹(in lacs)	Numbers	₹(in lacs)
<b>I Investment in Equity Instruments (Valued at cost unless stated otherwise) (Unquoted)(Trade)</b>				
<b>Investment in subsidiary</b>				
Equity shares of \$1 each held in SBI Funds Management (International) Pvt. Ltd.(100% Holding) fully paid up	50,000	4.44	50,000	4.44
<b>Investments in Associate</b>				
20% Equity shares of ₹ 10 each held in SBI Pension Funds Pvt. Ltd. fully paid up	60,00,000	600.25	60,00,000	600.25
<b>Others</b>				
Equity shares of SBI Foundation of ₹ 10 each fully paid up	1,001	0.10	1,001	0.10
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each fully paid up	5,00,000	5.00	5,00,000	5.00
<b>II Investments in Mutual Fund (Valued at cost unless stated otherwise)</b>	<b>Units</b>		<b>Units</b>	
<b>Quoted Investments</b>				
<b>a) SBI Debt Fund Series (SDFS)</b>				
SDFS B -19 - 1100 Days (Growth) face value of ₹ 10 per unit	-	-	1,35,00,000	1,350.00
SDFS B - 44 - 1100 Days (Growth) face value of ₹ 10 per unit	40,00,000	400.00	40,00,000	400.00
<b>b) Other Investments including Mandatory Investments</b>				
SBI Arbitrage Opportunities Fund- Direct Dividend Payout face value of ₹ 10 per unit	3,53,95,724	5,000.00	2,85,18,652	4,000.00
SBI Banking and Financial Services - Growth face value of ₹ 10 per unit	5,00,000	50.00	5,00,000	50.00
SBI ETF Nifty 50 face value of ₹ 10 per unit	5,79,139	500.00	5,79,139	500.00
SBI ETF Nifty Next 50 face value of ₹10 per unit	15,807	30.95	15,807	30.95
SBI ETF Nifty Bank face value of ₹ 10 per unit	5,37,449	1,000.00	5,37,449	1,000.00
SBI ETF BSE 100 face value of ₹ 86.92 per unit	20,000	17.26	20,000	17.26
SBI Dynamic Asset Allocation Fund- Growth face value of ₹ 10 per unit	5,00,000	50.00	5,00,000	50.00
SBI ETF Gold - Growth face value of ₹ 100 per unit	2,000	51.87	2,000	51.87
SBI Corporate Bond Fund - Direct - Growth face value of ₹ 10 per unit	2,25,951	50.00	2,25,951	50.00
SBI Magnum Gilt Fund ST - Direct - Growth face value of ₹ 10 per unit	1,72,968	50.00	1,72,968	50.00
SBI Treasury Advantage Fund - Direct - Growth face value of ₹ 1000 per unit	3,187	50.00	3,187	50.00
SBI Savings Fund - Direct - Growth face value of ₹ 10 per unit	2,26,745	50.00	2,26,745	50.00

**NOTES TO THE FINANCIAL STATEMENTS**

SBI Short Term Debt Fund - Direct - Growth face value of ₹ 10 per unit	3,07,905	50.00	3,07,905	50.00
SHF Ultra Short Term Debt Fund - Direct - Growth face value of ₹ 1000 per unit	2,764	50.00	2,764	50.00
SBI Magnum Insta Cash - Direct - Growth face value of ₹ 1000 per unit	1,605	50.00	1,605	50.00
SBI Premier Liquid Fund - Direct - Growth face value of ₹ 1000 per unit	2,259	50.00	2,259	50.00
SBI Magnum Monthly Income Plan - Direct - Growth face value of ₹ 10 per unit	1,64,029	50.00	1,64,029	50.00
SBI Magnum Insta Cash Fund Liquid Floater - Direct - Growth face value of ₹ 1000 per unit	2,075	50.00	2,075	50.00
SBI Magnum Gilt Fund Long Term Gilt - Direct face value of ₹ 10 per unit	1,63,779	50.00	1,63,779	50.00
SBI Magnum Income Fund - Direct - Growth face value of ₹ 10 per unit	1,46,789	50.00	1,46,789	50.00
SBI Equity Saving Fund-Direct Growth- face value of ₹ 10 per unit	5,02,523	50.00	5,02,523	50.00
SBI Dynamic Bond Fund - Direct - Growth face value of ₹ 10 per unit	2,87,373	50.00	2,87,373	50.00
SBI Arbitrage Opportunities - Direct - Growth face value of ₹10 per unit	2,59,030	50.00	2,59,030	50.00
SBI IT Fund -Direct Growth face value of ₹ 10 per unit	1,09,280	50.00	1,09,280	50.00
SBI FMCG - Direct - Growth face value of ₹ 10 per unit	68,823	50.00	68,823	50.00
SBI Magnum MidCap - Direct - Growth face value of ₹ 10 per unit	88,147	50.00	88,147	50.00
SBI Gold Fund - Direct - Growth face value of ₹ 10 per unit	5,50,527	50.00	5,50,527	50.00
SBI Magnum Multicap Fund - Direct - Growth face value of ₹ 10 per unit	1,55,591	50.00	1,55,591	50.00
SBI BlueChip Fund - Direct - Growth face value of ₹ 10 per unit	1,78,324	50.00	1,78,324	50.00
SBI Magnum Balanced Fund - Direct - Growth face value of ₹ 10 per unit	52,370	50.00	52,370	50.00
SBI Pharma Fund - Direct - Growth face value of ₹ 10 per unit	36,831	50.00	36,831	50.00
SBI Emerging Businesses Fund- Direct - Growth face value of ₹ 10 per unit	54,853	50.00	54,853	50.00
SBI Magnum Equity Fund - Direct - Growth face value of ₹ 10 per unit	67,528	50.00	67,528	50.00
SBI Magnum Multiplier Fund- Direct - Growth face value of ₹ 10 per unit	32,993	50.00	32,993	50.00
SBI Small & Midcap Fund - Direct - Growth face value of ₹ 10 per unit	1,53,579	46.31	1,53,579	46.31
SBI Contra Fund - Direct - Growth face value of ₹ 10 per unit	57,582	50.00	57,582	50.00
SBI Magnum Global Fund - Direct - Growth face value of ₹ 10 per unit	37,725	50.00	37,725	50.00
SBI Magnum Taxgain Scheme - Direct - Growth face value of ₹ 10 per unit	45,066	50.00	45,066	50.00
SBI Infrastructure Fund - Direct - Growth face value of ₹ 10 per unit	4,30,348	50.00	4,30,348	50.00
SBI Magnum COMMA Fund - Direct - Growth face value of ₹ 10 per unit	1,97,294	50.00	1,97,294	50.00

**NOTES TO THE FINANCIAL STATEMENTS**

SBI PSU Fund - Direct - Growth face value of ₹ 10 per unit	5,29,914	50.00	5,29,914	50.00
SBI Magnum Children's Benefit- Direct - Growth face value of ₹ 10 per unit	67,984	25.18	67,984	25.18
SBI Nifty Index Fund - Direct - Growth face value of ₹ 10 per unit	39,795	27.91	39,795	27.91
SBI Regular Savings Fund - Direct - Growth face value of ₹ 10 per unit	80,540	19.13	80,540	19.13
SBI Magnum Monthly Income Plan Floater - Direct - Growth face value of ₹ 10 per unit	45,239	9.27	45,239	9.27
SBI-ETF Nifty 50 face value of ₹ 10 per unit	12,741	11.00	12,741	11.00
SBI Sensex- ETF face value of ₹ 10 per unit	2,000	5.57	2,000	5.57
SBI ETF 10 Year Gilt face value of ₹ 10 per unit	1,14,155	166.17	1,14,155	166.17
SBI Regular Savings Fund - Direct - Growth face value of ₹ 10 per unit	1,21,01,058	3,276.64	1,21,01,058	3,276.64
SBI Corporate Bond Fund - Direct- Growth face value of ₹ 10 per unit	34,08,562	900.00	34,08,562	900.00
SBI Treasury Advantage Fund Direct Growth ₹ 1,000 per unit	5,87,777	10,125.00	5,87,777	10,125.00
SBI Magnum Multicap Fund - Direct - Growth face value of ₹ 10 per unit	27,44,105	1,300.00	5,44,627	200.00
SBI Magnum Equity Fund - Direct- Growth face value of ₹ 10 per unit	2,47,294	200.00	2,47,294	200.00
HDFC Charity Fund for Cancer Cure - Arbitrage plan -Direct Option face value of ₹ 10 per unit	2,50,000	25.00	2,50,000	25.00
SDFS C-9 (1150 Days) – Direct- Growth face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SBI Dual Advantage Fund - Series XVIII – Direct- Growth face value of ₹ 10 per unit	1,00,000	10.73	-	-
<b>III Investments in Others (Valued at cost unless stated otherwise)</b>				
<b>Un-Quoted Investments</b>				
SBI PIPE Fund	1,300	130.00	1,300	130.00
SBI Active Select Fund	10,100	1,010.00	-	-
<b>Total</b>		<b>27,597.78</b>		<b>24,827.05</b>
<b>Aggregate amount of quoted investments</b>		<b>25,847.99</b>		<b>24,087.26</b>
<b>Market value /NAV of quoted investments</b>		<b>29,124.30</b>		<b>26,163.65</b>
<b>Aggregate amount of unquoted investments</b>		<b>1,749.79</b>		<b>739.79</b>
(*Refer note no. 28 for related party disclosures)				-

**NOTES TO THE FINANCIAL STATEMENTS****12 LONG TERM LOANS & ADVANCES**

	<b>As at 31-Mar-2018</b> ₹ (in lacs)	<b>As at 31-Mar-2017</b> ₹ (in lacs)
<b>Secured, Considered good</b>		
Loans (including interest accrued) to employees against hypothecation of property	85.24	118.16
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Security deposits	556.64	370.76
Capital advances	2.28	8.52
Income tax (net of provisions)	1,909.81	1,851.55
Prepaid expenses	8,761.12	4,389.44
Other advances	16.74	18.93
<b>Total</b>	<b>11,331.83</b>	<b>6,757.36</b>

**13 OTHER NON- CURRENT ASSETS**

	<b>As at 31-Mar-2018</b> ₹ (in lacs)	<b>As at 31-Mar-2017</b> ₹ (in lacs)
<b>Secured, Considered good (unless stated otherwise)</b>		
Fixed Deposits with Banks including interest accrued *	293.87	574.73
<b>Total</b>	<b>293.87</b>	<b>574.73</b>

(\*Refer note no. 28 for related party disclosures)

## NOTES TO THE FINANCIAL STATEMENTS

## 14 CURRENT INVESTMENTS

	As at 31-Mar-18		As at 31-Mar-17	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
<b>Investments in Mutual Fund (lower of cost and fair value )</b>				
<b>Quoted Investments (Non-trade) : Units of SBI Mutual Fund</b>				
<b>a) SBI Debt Fund Series (SDFS)</b>				
SDFS A - 20 - 366 Days-Direct- Growth- face value of ₹ 10 per unit	1,00,00,000	1,000.00	1,00,00,000	1,000.00
SDFS A- 25 - 366 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS A - 28 - 367 Days-Direct - Growth- face value of ₹ 10 per unit	1,80,00,000	1,800.00	1,80,00,000	1,800.00
SDFS A - 27 - 366 Days- Direct - Growth- face value of ₹ 10 per unit	20,00,000	200.00	20,00,000	200.00
SDFS A - 22 - 366 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	15,00,000	166.67
SDFS A - 18 - 366 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	40,00,000	400.00
SDFS A - 19 - 366 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	67,56,780	677.46
SDFS A - 1 15 Months-Direct - Growth- face value of ₹ 10 per unit	-	-	50,00,000	500.00
SDFS A - 44 - 1111 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	5,00,000	50.00
SDFS B - 3 - 1111 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	80,00,000	800.00
SDFS A - 42 - 1111 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS A - 40 - 1100 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	50,00,000	500.00
SFIDFS 90 Days -1 -Direct - Growth- face value of ₹ 10 per unit	-	-	44,74,913	500.00
SDFS C-13 (91 Days)-Direct - Growth- face value of ₹ 10 per unit	30,00,000	300.00	-	-
SDFS B -19 - 1100 Days-Direct - Growth- face value of ₹ 10 per unit	1,35,00,000	1,350.00	-	-
<b>b) Other Investments</b>				
SBI Magnum Insta Cash Direct Plan Daily Dividend face value of ₹1000 per unit	-	-	9,71,904.00	16,279.69
SBI Ultra Short Term Fund- Direct Growth face value of ₹ 1000 per unit	6,17,393	13,800	-	-
SBI Magnum Insta Cash Fund -Liquid Floater - Direct Growth ₹1000 per unit	5,18,436.77	15,000	-	-
<b>Total</b>		<b>33,450.00</b>		<b>24,873.82</b>
<b>Aggregate amount of quoted investments</b>		33,450.00		24,873.82
<b>Market value/NAV of quoted investments</b>		35,017.99		27,066.61

(\*Refer note no. 28 for related party disclosures)

## NOTES TO THE FINANCIAL STATEMENTS

## 15 TRADE RECEIVABLES

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Outstanding for a period exceeding six months	217.15	138.82
Others *	9,765.71	2,199.72
<b>Total</b>	<b>9,982.86</b>	<b>2,338.54</b>

(\*Refer note no. 28 for related party disclosures)

## 16 CASH &amp; BANK BALANCES

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Cash &amp; Cash Equivalents</b>		
<b>Cash in hand</b>	2.85	0.20
Cheques in hand		
Balance with banks *		
-in Current accounts	388.14	678.97
	<b>390.99</b>	<b>679.17</b>
<b>Other Bank Balances *</b>		
In Current accounts - dividend payable	7,000.00	7,000.00
In fixed deposits	-	890.90
	<b>7,000.00</b>	<b>7,890.90</b>
<b>Total</b>	<b>7,390.99</b>	<b>8,570.07</b>

(\*Refer note no. 28 for related party disclosures)

## 17 SHORT TERM LOANS &amp; ADVANCES

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Secured, Considered good</b>		
Loans (including interest accrued) to employees against hypothecation of property	15.25	22.40
<b>Unsecured, Considered good unless stated otherwise</b>		
Security deposits	104.44	109.85
Loans to employees	11.00	11.36
Balance with statutory/Government authorities	224.00	1,107.23
Prepaid expenses	19,583.74	11,180.45
Others *	314.72	145.86
<b>Total</b>	<b>20,253.15</b>	<b>12,577.15</b>

(\*Refer note no. 28 for related party disclosures )

## NOTES TO THE FINANCIAL STATEMENTS

## 18 OTHER CURRENT ASSETS\*

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Unsecured, Considered good unless stated otherwise</b>		
Interest accrued on bank fixed deposits	31.52	100.16
<b>Other Bank Balances **</b>		
Deposit	293.82	8.81
<b>Total</b>	<b>325.34</b>	<b>108.97</b>
*Refer note no. 28 for related party disclosures		
** includes AED 50,000 (₹ 8.82Lakhs) [Previous year AED 50,000 (₹ 8.81 Lakhs)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of branch at Dubai		

## 19 REVENUE FROM OPERATIONS

	For the Year Ended 31-Mar-2018 ₹ (in lacs)	For the Year Ended 31-Mar-2017 ₹ (in lacs)
Management fee	1,21,677.04	72,174.11
Portfolio management fee & other advisory services	1,995.60	1,460.06
<b>Total</b>	<b>1,23,672.64</b>	<b>73,634.17</b>
(*Refer note no. 28 for related party disclosures )		

## 20 OTHER INCOME

	For the Year Ended 31-Mar-2018 ₹ (in lacs)	For the Year Ended 31-Mar-2017 ₹ (in lacs)
Gains on sale /redemption of current investments	1,539.31	3,050.49
Gains on sale /redemption of non-current investments	46.10	143.34
Dividend income from current investments*	979.80	468.95
Dividend income from non-current investments*	555.97	90.55
Interest		
- banks deposits*	81.83	124.50
- staff loans	3.58	4.56
- Income tax refunds	239.44	194.12
Miscellaneous Income	83.55	76.78
<b>Total</b>	<b>3,529.58</b>	<b>4,153.29</b>
(*Refer note no. 28 for related party disclosures)		

**NOTES TO THE FINANCIAL STATEMENTS****21 EMPLOYEE BENEFITS EXPENSES\***

	<b>For the Year Ended 31-Mar-2018</b>	<b>For the Year Ended 31-Mar-2017</b>
	<b>₹ (in lacs)</b>	<b>₹ (in lacs)</b>
Salaries and allowances	13,478.74	12,141.98
Contribution to provident and other funds	1,730.46	668.25
Employee Stock Option Expenses	104.30	-
Staff welfare expenses	671.44	517.89
<b>Total</b>	<b>15,984.94</b>	<b>13,328.12</b>

(\*Refer note no. 28 for related party disclosures)

**22 DEPRECIATION AND AMORTISATION EXPENSES**

	<b>For the Year Ended 31-Mar-2018</b>	<b>For the Year Ended 31-Mar-2017</b>
	<b>₹ (in lacs)</b>	<b>₹ (in lacs)</b>
Depreciation on Property plant and equipment	963.09	847.30
Amortisation of Intangible assets	540.10	413.44
<b>Total</b>	<b>1,503.19</b>	<b>1,260.74</b>

**23 OTHER EXPENSES**

	<b>For the Year Ended 31-Mar-2018</b>	<b>For the Year Ended 31-Mar-2017</b>
Brokerage / Incentive/Fees/ Mutual Fund expenses*	41,435.48	16,786.87
Rent *	881.27	807.76
Rates and taxes	169.96	150.19
Electricity charges	226.04	208.34
Repairs and maintenance		
- Equipment	88.96	110.77
- Others	1,686.39	1,036.39
Insurance	26.43	17.10
Travelling and conveyance	924.62	752.60
Recruitment and training	203.04	73.99
Printing and stationery	211.58	170.74
Postage and courier	107.14	94.31
Communication	575.59	473.70
Business promotion	5,291.48	4,133.97
Advertising and publicity	175.77	35.34
Outsource manpower services	2,673.05	1,611.66
Legal and professional fees	2,787.19	2,142.01

## NOTES TO THE FINANCIAL STATEMENTS

	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
Auditor's remuneration:		
-Audit fee	23.85	23.85
-Tax audit fee	2.50	2.50
-Certification fee	3.90	4.20
Directors' sitting fees	13.05	14.80
Royalty to SBI for logo*	448.64	330.71
Corporate social responsibility (refer note no 37)	552.03	484.50
Net loss on foreign currency transactions and translations	6.90	2.13
Membership and subscription	592.90	537.55
Loss on sale of assets (net)	1.10	1.54
Miscellaneous expenses	282.82	201.49
<b>Total</b>	<b>59,391.68</b>	<b>30,209.01</b>

(\*Refer note no. 28 for related party disclosures)

## 24 EARNINGS PER SHARE

	For the Year Ended 31-Mar-2018 ₹ (in lacs)	For the Year Ended 31-Mar-2017 ₹ (in lacs)
(a) Nominal Value of an Equity Share (₹)	1.00	1.00
(b) Net profit available to Equity Shareholders (₹ in lakhs)	33,103.31	22,431.86
(c) Number of shares outstanding	50,00,00,000	50,00,00,000
(d) Effect of potential equity shares for stock outstanding	43,056	-
(e) Weighted average number of equity shares used for computing diluted earning per share	50,00,43,056	50,00,00,000
(f) <b>Basic EPS (₹) = (b) / (c) *</b>	<b>6.6207</b>	<b>4.486</b>
(g) <b>Diluted EPS (₹) = (b) / (e)</b>	<b>6.6201</b>	<b>4.486</b>

(\*Previous year reported EPS of ₹ 448.64 on the basis of face value of ₹100)

## 25. CONTINGENT LIABILITIES (NOT PROVIDED FOR):

Claims against the Company not acknowledged as debts – Investor claims pending in Consumer Courts ₹ 242.68 Lakhs (Previous Year ₹ 42.49 Lakhs).

## 26. CAPITAL &amp; OTHER COMMITMENTS

Estimated amount, net of advance, if any, of contracts remaining to be executed on capital account and not provided for ₹ 358.35 Lakhs (Previous Year ₹ 972.95 Lakhs). Infusion of additional capital to SBI Funds Management (International) Private Limited is not provided for ₹ 130.09 Lakhs (Previous Year Nil).

## NOTES TO THE FINANCIAL STATEMENTS

### 27. EMPLOYEE BENEFITS

In accordance with the Accounting Standard on "Employee Benefits" (AS-15) (Revised 2005), the Company has classified the various benefits provided to the employees as under:

#### (27.1) Defined Contribution Plan - Provident Fund, Superannuation Fund and National Pension Scheme

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

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Employer's contribution to Provident Fund, Superannuation Fund & National Pension Scheme	517.60	449.31

#### (27.2) Defined Benefit Plan - Gratuity

##### (27.2.1) Reconciliation of opening and closing balance of the present value of defined benefit obligation for gratuity benefits is given below:

(₹ in Lakhs)

Change in Defined benefit obligations	As at 31.03.2018	As at 31.03.2017
Present value of funded benefit obligations, 1 <sup>st</sup> April	753.81	649.78
Past Service Cost	81.17	-
Current Service cost	80.82	68.73
Interest cost	54.95	52.37
Benefits paid	(61.09)	(62.03)
Actuarial (gains)/losses on obligations	(51.69)	44.95
<b>Present value of funded benefit obligations as at 31<sup>st</sup> March</b>	<b>857.97</b>	<b>753.81</b>

##### (27.2.2) Reconciliation of opening and closing Balance of Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Fair value of plan assets, as at beginning of the year	687.90	702.56
Expected return on plan assets	50.15	56.63
Actuarial gains/(losses)	9.43	(9.25)
Employer contribution	154.92	-
Benefits paid	(61.09)	(62.03)
Fair value of plan assets at the year end	841.31	687.90

##### (27.2.3) Reconciliation of Fair Value of Assets and Obligations

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Present value of obligation	857.99	753.81
Fair value of plan assets	841.31	687.90
Amount recognized in Balance Sheet	(16.66)	(65.91)

## NOTES TO THE FINANCIAL STATEMENTS

**(27.2.4) Expense recognized during the year (Under the head "Employee Benefits Expense"-Refer notes to financial statements 21)**

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Past Service Cost	81.17	-
Current Service Cost	80.82	68.73
Interest Cost	54.95	52.37
Expected return on plan assets	(50.15)	(56.63)
Actuarial (gains) / losses	(61.12)	54.22
<b>Net Cost</b>	<b>105.67</b>	<b>118.69</b>

**(27.2.5) Experience Adjustments**

(₹ in Lakhs)

Experience Adjustments	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
(Gains) / Losses on Plan Liabilities	(8.18)	(9.54)	(16.06)	(19.40)	(16.13)
Gains / (Losses) on Plan Assets	9.43	(9.26)	(2.49)	(3.78)	1.78
Estimated Contribution for next year	126.67	146.73	15.95	204.33	71.51

**(27.2.6) The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment. Actuarial assumptions used are:-**

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Discount rate	7.83%	7.29%
Salary escalation rate	2% p.a. for next 4 years and 4% p.a. thereafter	2% p.a. for next 4 years and 4% p.a. thereafter
Expected return on plan assets Indian Assured Lives Mortality (2006-08) ultimate	7.83%	7.29%

**(27.3) Other Employee Benefits:** Other long term employee benefits comprises an amount of ₹ 1019.91 Lakhs (Previous Year ₹ 13.45 Lakhs) provided during the year for leave encashment

**NOTES TO THE FINANCIAL STATEMENTS**

**28. RELATED PARTY DISCLOSURE:**

**Parties where control exists:**

Holding Company	State Bank of India (SBI) holds 63% of the share capital
Enterprise having significant influence	Amundi India Holding, a wholly owned subsidiary of Amundi holds 37% of the share capital
Enterprise over which the company has control	SBI Funds Management (International) Private Limited (100% subsidiary) (SBI FM(I)P Ltd.)

**Other Related parties:-**

Fellow Subsidiaries	<ul style="list-style-type: none"> <li>• SBI Life Insurance Company Limited</li> <li>• SBI General Insurance Limited</li> <li>• State Bank of Patiala</li> <li>• State Bank of Mysore</li> <li>• State Bank of Hyderabad</li> <li>• State Bank of Travancore</li> <li>• State Bank of Bikaner &amp; Jaipur</li> <li>• SBI Mutual Fund Trustee Company Private Limited</li> <li>• SBI-SG Global Securities Services Private Limited</li> <li>• SBICAP Securities Limited</li> <li>• SBI DFHI Limited</li> </ul>
Associates	<ul style="list-style-type: none"> <li>• SBI Pension Funds Private Limited</li> </ul>
Key Management Personnel	<ul style="list-style-type: none"> <li>• Mr. Dinesh Khara (Managing Director &amp; Chief Executive Officer) upto 9<sup>th</sup> August, 2016</li> <li>• Ms. Anuradha Rao (Managing Director &amp; Chief Executive Officer) from 25<sup>th</sup> August, 2016</li> <li>• Mr. Nicolas Simon (Deputy Chief Executive Officer)</li> </ul>
Mutual Fund managed by the company	<ul style="list-style-type: none"> <li>• SBI Mutual Fund</li> </ul>
Enterprise under common control	<ul style="list-style-type: none"> <li>• Amundi Singapore Limited (a wholly owned subsidiary of Amundi)</li> <li>• Amundi Hong Kong Limited (a wholly owned subsidiary of Amundi)</li> <li>• Chattisgarh Gramin Bank</li> <li>• Purvanchal Gramin Bank</li> <li>• Saurashtra Gramin Bank</li> <li>• SBI Foundation</li> </ul>

## NOTES TO THE FINANCIAL STATEMENTS

## Transactions with related parties:

(₹ in Lakhs)

Particulars	Holding Company	Enterprise having significant influence	Fellow Subsidiaries	Enterprise under Common control	Mutual Fund Managed by the Company	Associate
Management and other Fees				527.68 [466.12]	121,433.34 [72,142.15]	
Interest income	62.24 [70.83]					
Dividend received on units					1,534.16 [559.50]	
Brokerage and Common Cost	56,725.03 [8,972.34]		1,653.62 [887.48]	10.15 [0.30]		- [2.00]
Insurance premium			34.71 [17.35]			
Interim Dividend payable	4,410.00 [4,410.00]	2,590.00 [2,590.00]				
Reimbursement of salaries deputed employees	240.13 [265.53]		- [75.24]			
Units purchased					170390.23 [81,888.83]	
Scheme Expenses					51.80 [2,263.54]	
Recovery of salaries for deputed employees	80.48 [ 82.03 ]					
Recovery of Expenses			39.99 [20.38]			
Units Sold					161,638.74 [65,884.96]	
Advance to Mutual Fund					- [ 40.00 ]	
Payments on behalf of Mutual Fund					- [55.85 ]	
Investment in Equity Shares				- [ 0.10 ]		
<b>Closing Balances</b>						
Balance Outstanding Receivable/(Payable)	(98.96) [(4.08)]		(140.21) [(51.79)]	210.56 [97.17]	13,980.82 [(514.90)]	
Balance in Current Accounts	7,387.50 [7,676.77]					
Term Deposit	610.02 [957.59]					

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Remuneration to Key Managerial Person	Year ended 31.03.2018	Year ended 31.03.2017
Ms. Anuradha Rao	49.93	21.41
Mr. Dinesh Kumar Khara	3.68	23.52
Mr. Nicolas Simon	71.77	55.19
Mr. Philippe Batchevitch	-	8.21

Note:

- (i) Figures in the brackets [ ] represent previous year figures  
(ii) Banking transactions in normal course of business with related parties have not been considered.

**29. SEGMENTAL REPORTING:**

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

Pursuant to Accounting Standard (AS) 17 Segment Reporting, no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment.

**30. OPERATING LEASE :****Leases as Lessee**

The company has entered into cancellable/ non-cancellable operating leases arrangements for offices. Lease rentals paid for the same are charged to the Statement of Profit and Loss.

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
<b>Lease expense for the year</b>	880.39	807.76
Minimum Lease Payments:		
Not later than one year	816.68	717.24
Later than one year but not later than five years	209.46	1,755.81
Later than five years	716.87	693.98

**31. PROVISIONS:**

In compliance with the Accounting Standard on "Provisions, Contingent Liabilities and Contingent Assets" (AS-29), balance under Provision for Contingencies amounting to ₹ 1,750.00 Lakhs (Previous Year ₹ 500.00 Lakhs) represented provision against all contingencies in business such as open matters with the regulators & claims etc. Movement in Provision for Contingencies account during the year is as under:

(₹ in Lakhs)

Particulars	As at 2017-18	As at 2016-17
Carrying amount as at the beginning of the year	500.00	100.00
Additions during the year	1,750.00	400.00
Utilised during the year	-	-
Reversed during the year	-	-
Carrying amount as at the end of the year	2,250.00	500.00

**NOTES TO THE FINANCIAL STATEMENTS****32. EXPENDITURE IN FOREIGN CURRENCY:**

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Travelling Expenses	61.26	51.01
Business Promotion and Advertisement	84.40	45.17
Salary	180.66	160.73
Scheme Related Expenses	62.48	-
Rent and Subscription	128.30	142.46
Professional Fees and others	73.11	57.94

**33. EARNINGS IN FOREIGN CURRENCY:**

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Portfolio Advisory /Management fees	1481.38	1,086.58

**34. THE YEAR-END FOREIGN CURRENCY EXPOSURES THAT HAVE NOT BEEN HEDGED BY DERIVATIVE INSTRUMENTS OR OTHERWISE ARE DETAILED BELOW:****Cash/Bank Balance:**

(in Lakhs)

Year ended	₹	AED
31 <sup>st</sup> March 2018	12.52	0.71
31 <sup>st</sup> March 2017	11.25	0.64

**Payables:**

(in Lakhs)

Year ended	₹	USD	BHD
31 <sup>st</sup> March 2018	21.50	0.19	0.05
31 <sup>st</sup> March 2017	13.42	0.08	0.05

**Receivables:**

(in Lakhs)

Year ended	₹	USD	AUD	JPY	SGD
31 <sup>st</sup> March 2018	503.02	3.24	0.15	153.59	3.86
31 <sup>st</sup> March 2017	267.46	1.50	0.06	117.48	2.14

**35. DIVIDEND REMITTANCES TO NON-RESIDENT SHAREHOLDERS:**

Sr.No	Particulars	2017-2018	2016-2017
(a)	Number of non-resident shareholders	1	1
(b)	Number of equity shares held by them	1,850,000	1,850,000
(c)	Amount of dividend paid (₹ in Lakhs)	2,590.00	2,220.00
(d)	Year to which dividend relates	2016-17	2015-16

**36. INTERIM DIVIDEND DURING THE CURRENT YEAR**

The Board of Directors of the company has declared an Interim dividend of ₹ 7,000 Lakhs/- @ ₹ 1.40/- per share in its meeting held on 26th March, 2018.

**NOTES TO THE FINANCIAL STATEMENTS****37. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

An amount of ₹ 552.03 Lakhs (Previous year ₹484.50 Lakhs) was spent on CSR activities during the year as against an amount of ₹ 548.34 Lakhs (Previous year ₹482.67 Lakhs) available for spending as provided under the Companies Act, 2013.

(₹ in Lakhs)

		<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i)	Construction/ acquisition of any asset	Nil	Nil	Nil
ii)	On purposes other than (i) above – midday meals, promoting education and healthcare facilities.	552.03	Nil	552.03

**38. ACCOUNTING FOR EMPLOYEES SHARE BASED PAYMENTS**

During the year, the Company has instituted duly approved "Employee Stock Option Plan 2018 (ESOP-2018) for eligible employee and directors of the Company. The scheme was approved by the Board of Directors at their meeting held on 31st January 2018. In terms of said plan, the Company has granted options to the eligible employees which vest over the period of 3 years on each successive anniversary of the grant date. The option can be exercised over the period of 7 years from the date of grant. Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Company at the time of grant. During the year Company has granted 23,30,668 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 155. During 2017-18 ₹ 104.30 Lakhs ( previous year ₹ Nil) has been recognised.

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

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
	Nos	Nos
Opening outstanding	-	-
Granted During the year	23,30,668	-
Exercised	-	-
Forfeited	-	-
Lapsed	-	-
Closing outstanding ESOPS	23,30,668	-
Exercisable as at the year end	-	-
Weighted average exercise price INR	155.00	-

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

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

**39. 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)

<b>Particulars</b>	<b>Year ended 31.03.2018</b>	<b>Year ended 31.03.2017</b>
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
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

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

As per our attached report of even date

**For C N K & Associates LLP.**  
**Chartered Accountants**

Firm Registration No: 101961W/W-100036

**Sd/-**  
**Hiren Shah**

Partner  
Membership No: 100052

Place: Mumbai  
Date : 23 April, 2018

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

**Sd/-**  
**Dinesh Kumar Khara**

Director  
DIN 6737041

**Sd/-**  
**Nicolas Simon**

Director  
DIN 07332820

Place: Mumbai  
Date : 23 April, 2018

**Sd/-**  
**Anuradha Rao**

Managing Director & CEO  
DIN 7597195

**Sd/-**  
**Vinaya Datar**

Company Secretary  
M.No 15527

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of  
SBI Funds Management Private Limited**

### **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of SBI Funds Management Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group, and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

### **AUDITOR'S RESPONSIBILITY**

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

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, and associates, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associate company as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## **OTHER MATTER**

We did not audit the financial statements of foreign subsidiary whose financial statements reflect total assets of Rs. 179.10 Lacs as at March 31, 2018, total revenues of Rs.106.56 Lacs and net cash inflows amounting to Rs. (71.78) Lacs 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. (3.17) Lacs for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of associate company, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of subsidiary and associate company, is based solely on the audit report of the other auditors. 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**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We and other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and report of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 ;
- e) On the basis of the written representation received from the directors of Holding Company as on March 31,2018 taken on record by the Board of Directors of the Holding Company and the report of the Statutory Auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India is disqualified as on March 31,2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2018 on consolidated financial position of the group, and its associate company- Refer Note 25 of the Consolidated Financial Statements;
  - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts due to be transferred to the account of Investor Education and Protection Fund by the group and its associate company;

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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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:

- (i) According to the information and explanations given to us, and on the basis of our examination of the records, we report that the Group and its associate company do not have any freehold land. With respect to the premises acquired and purchased by the Holding Company as an Assignee, it has a clear pro-rata undivided leasehold right, title and interest in the land and common areas appurtenant to the acquired and purchased premises.
- (ii) According to the information and explanations given to us, and on the basis of our examination of the records, we report that there are no cases of waiver/write off of Debts/loans/interest.
- (iii) The Group and its associate company does not hold any inventory and according to the information and explanations given to us, and on the basis of our examination of the records, the Group and its associate company has not received any assets as gifts/grants from government or other authority.

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No.: 101961W/W-100036

**Sd/-**

**Hiren Shah**

Partner

Membership No.: : 100052

Place : Mumbai

Dated : June 18, 2018

## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of SBI Funds Management Private Limited on the Consolidated financial statements for the year ended March 31, 2018]

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Corporation as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of SBI Funds Management Private Limited ("the Holding Company") and its associate company, which are companies incorporated in India, as of that date.

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

The Respective Board of Directors of the Holding Company, and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its associate company considering 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 accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's and its associate company's incorporated in India internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing issued by the ICAI and deemed to be prescribed 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

## **SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 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 over financial reporting in so far as it relates to the associate company which is a Company incorporated in India, is based on the corresponding report of the independent auditor of such Company.

### **For C N K & Associates LLP**

Chartered Accountants  
Firm Registration No.: 101961W/W-100036

Sd/-

**Hiren Shah**

Partner  
Membership No.: : 100052

Place : Mumbai  
Dated : June 18, 2018

**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 PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of consolidated Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2018 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 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 18 June 2018.

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

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit of the consolidated financial statements of SBI Funds Management Private Limited for the year ended 31 March 2018 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statement of SBI Funds Management Private Limited and SBI Pension Fund Private Limited, but did not conduct supplementary audit of the financial statements of SBI Funds Management (International) Private Limited for the year ended 31 March 2018. 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 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 Auditor's Report under section 143(6)(b) of the Act.

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

Sd/-

**(Tanuja Mittal)**

Principal Director of Commercial Audit and  
Ex-Officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 20 August, 2018

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018**

	Notes	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	5,000.00	5,000.00
(b) Reserves and surplus	3	97,105.99	72,292.96
		<u>1,02,105.99</u>	<u>77,292.96</u>
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	4	-	41.46
(b) Other long term liabilities	5	-	8.44
(c) Long-term provisions	6	3,662.70	956.66
		<u>3,662.70</u>	<u>1,006.56</u>
<b>Current liabilities</b>			
(a) Trade payables	7	9,977.94	6,992.13
(b) Other current liabilities	8	344.78	161.27
(c) Short-term provisions	9	13,324.25	13,275.66
		<u>23,646.97</u>	<u>20,429.06</u>
<b>TOTAL</b>		<b><u>1,29,415.66</u></b>	<b><u>98,728.58</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets	10		
(i) Property plant and equipment		16,623.51	16,618.11
(ii) Intangible assets		940.27	1,034.79
(iii) Capital work-in-progress		3.70	7.40
(iv) Intangible assets under development		164.59	216.55
(b) Non-current investments	11	27,738.14	24,939.53
(c) Deferred tax assets (Net)	4	738.32	-
(d) Long-term loans and advances	12	11,332.42	6,757.29
(e) Other non-current assets	13	293.87	574.73
		<u>57,834.82</u>	<u>50,148.40</u>
<b>Current assets</b>			
(a) Current investments	14	33,450.00	24,873.82
(b) Trade receivables	15	10,030.32	2,363.11
(c) Cash and bank balances	16	7,405.82	8,656.24
(d) Short-term loans and advances	17	20,369.36	12,578.04
(e) Other current assets	18	325.34	108.97
		<u>71,580.84</u>	<u>48,580.18</u>
<b>TOTAL</b>		<b><u>1,29,415.66</u></b>	<b><u>98,728.58</u></b>
Summary of significant accounting policies	1		
Other Notes to Accounts	25-41		

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

As per our report of even date

**For C N K & Associates LLP**  
Chartered Accountants  
Firm Registration No: 101961W/W-100036

**Sd/-**  
**Hiren Shah**  
Partner  
Membership No: 100052

Place: Mumbai  
Date : 18 June, 2018

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

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

**Sd/-**  
**Nicolas Simon**  
Director  
DIN 07332820  
Place: Mumbai  
Date : 18 June, 2018

**Sd/-**  
**Anuradha Rao**  
Managing Director & CEO  
DIN 7597195

**Sd/-**  
**Vinaya Datar**  
Company Secretary  
M.No 15527

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	Notes	Year Ended 31-Mar-2018 ₹ (in lacs)	Year Ended 31-Mar-2017 ₹ (in lacs)
Revenue from operations	19	1,23,778.90	73,658.51
Other income	20	3,529.88	4,153.92
<b>Total revenue</b>		<b>1,27,308.78</b>	<b>77,812.43</b>
<b>Expenses:</b>			
Employee benefits expense	21	15,984.94	13,328.12
Depreciation and amortization expense	22	1,503.19	1,260.74
Other expenses	23	59,501.32	30,256.09
<b>Total expenses</b>		<b>76,989.45</b>	<b>44,844.95</b>
<b>Profit before tax</b>		50,319.33	32,967.48
<b>Tax expenses:</b>			
- Current tax		18,250.35	10,575.10
- Deferred tax		(779.78)	(1,111.62)
- Adjustment of tax relating to earlier periods		(251.12)	1,094.35
<b>Net profit after tax</b>		<b>33,099.88</b>	<b>22,409.65</b>
Net share of Profit from Associates		27.88	20.61
<b>Consolidated Profit for the period</b>		<b>33,127.76</b>	<b>22,430.26</b>
Earnings per equity share (Nominal value of share of ₹1 each)			
(1) Basic	24	6.62	4.48
(2) Diluted		6.62	4.48
Summary of significant accounting policies	1		
Other Notes to Accounts	25-41		
The accompanying notes form an integral part of the financial statements.			

As per our attached report of even date

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W-100036

**Sd/-****Hiren Shah**

Partner

Membership No: 100052

Place: Mumbai

Date : 18 June, 2018

For and on behalf of the Board of Directors

**SBI Funds Management Private Limited****Sd/-****Dinesh Kumar Khara**

Director

DIN 6737041

**Sd/-****Nicolas Simon**

Director

DIN 07332820

Place: Mumbai

Date : 18 June, 2018

**Sd/-****Anuradha Rao**

Managing Director &amp; CEO

DIN 7597195

**Sd/-****Vinaya Datar**

Company Secretary

M.No 15527

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	For Year end 31-Mar-2018 ₹ (in lacs)	For Year end 31-Mar-2017 ₹ (in lacs)
<b>Cash Flow from Operating Activities</b>		
Net profit Before Tax	50,319.33	32,967.48
<b>Adjustments for:</b>		
Depreciation and amortisation	1,503.19	1,260.74
Employee Stock Option Expenses	104.30	-
(Profit) /Loss on sale of fixed assets (Net)	1.10	(1.54)
(Gains) on sale /redemption of current investments	(1,539.31)	(3,050.49)
(Gains) on sale /redemption of non-current investments	(46.10)	(143.34)
Interest income	(82.13)	(319.25)
Dividend income from current investments	(979.80)	(468.95)
Dividend income from non-current investments	(555.97)	(90.55)
Operating profit before working capital changes	48,724.61	30,154.10
Decrease / (Increase) in trade receivables	(7,667.21)	(61.53)
Decrease / (Increase) in long term loans and advances	(4,522.42)	(569.21)
Decrease / (Increase) in other non current assets	-	-
Decrease / (Increase) in Short term loans & advances	(7,791.32)	(3,070.37)
Decrease / (Increase) in other current assets	-	0.19
(Decrease) / Increase in trade payables	2,985.81	4,123.59
(Decrease) / Increase in non-current liabilities	2,697.60	21.74
(Decrease) / Increase in other current liabilities	183.51	(55.28)
(Decrease) / Increase in short term provisions	48.59	1,110.22
Net cash generated from operations	34,659.17	31,653.45
Income taxes paid	(18,058.18)	(10,662.69)
<b>Net cash generated from Operating Activities (A)</b>	<b>16,600.99</b>	<b>20,990.76</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Intangible assets(including advances for capital)	(393.62)	(605.80)
Purchase of Property,plant and equipment (including advances for capital)	(961.15)	(685.67)
Sale of Fixed Assets	1.50	3.84
Purchase of Investments (current investments)	(1,28,279.50)	(71,465.30)
Purchase of Investments (non-current investments)	(43,120.73)	(10,423.60)
Sale of Investments (Current investments)	1,37,592.64	66,110.71
Sale of Investments (non-current investments)	24,046.09	2,968.08
Fixed Deposits placed during the year	-	(550.04)
Fixed Deposits matured during the year	890.90	700.00
Interest received	146.62	78.50
Dividend received on non current investments	979.80	468.94
Dividend received on current investments	555.97	90.55
<b>Net Cash used in Investing Activities (B)</b>	<b>(8,541.48)</b>	<b>(13,309.79)</b>
<b>Cash Flow from Financing Activities</b>		
Dividend paid	(7,000.00)	(6,000.00)
Tax on Dividend	(1,425.06)	(1,221.46)
<b>Net cash used in Financing Activities (C)</b>	<b>(8,425.06)</b>	<b>(7,221.46)</b>
<b>Effect of exchange differences on translation of foreign currency (D)</b>	<b>6.03</b>	<b>(1.52)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C+D )</b>	<b>(359.52)</b>	<b>457.99</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>765.34</b>	<b>307.35</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>405.82</b>	<b>765.34</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	For Year end 31-Mar-2018 ₹ (in lacs)	For Year end 31-Mar-2017 ₹ (in lacs)
<b>Components of Cash and Cash Equivalents</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in hand	2.85	0.20
Balance with banks		
-in Current Accounts	402.97	765.14
<b>Total Cash &amp; Cash Equivalent (Note no. 16)</b>	<b>405.82</b>	<b>765.34</b>
Summary of significant accounting policies (refer note 1)		

As per our attached report of even date  
**For C N K & Associates LLP**  
 Chartered Accountants  
 Firm Registration No: 101961W/W-100036

**Sd/-**  
**Hiren Shah**  
 Partner  
 Membership No: 100052

Place: Mumbai  
 Date : 18 June, 2018

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

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

**Sd/-**  
**Nicolas Simon**  
 Director  
 DIN 07332820

Place: Mumbai  
 Date : 18 June, 2018

**Sd/-**  
**Anuradha Rao**  
 Managing Director & CEO  
 DIN 7597195

**Sd/-**  
**Vinaya Datar**  
 Company Secretary  
 M.No 15527

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. (a) General Information**

SBI Funds Management Private Limited ('the Company') was incorporated on 7<sup>th</sup> February 1992 under The Companies Act, 1956 as a wholly owned subsidiary of State Bank of India (SBI) and is presently a joint venture between SBI and AMUNDI.

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

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

SBI Funds Management Private Limited has set-up a trust viz. SBI Alternative Equity Fund which is registered as an Alternative Investment Fund – Category III Fund with Securities Exchange Board of India (SEBI) under the SEBI AIF Regulations, 2012. SBI Funds Management Private Limited has been appointed as an Investment Manager of the said AIF by the Trustee to the Fund.

### **(b) Summary of Significant Accounting Policies**

#### **1.1 Basis of preparation**

The financial statements are prepared under historical cost convention on an accrual basis of accounting to comply in all material respects with mandatory accounting standards as specified under section 133 of the Companies Act, 2013 (the Act) and rules made thereunder as applicable to the company.

#### **1.2 Use of Estimates:**

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognised prospectively in the current and future periods.

#### **1.3 Basis of consolidation**

The Consolidated Financial Statements (CFS) of the group are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" and Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Company for its independent financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 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	
			31/03/2018	31/03/2017
1	SBI Funds Management (International) Private Limited	Mauritius	100%	100%

## Associates considered for consolidation

No.	Name of Associates	Country of Incorporation	Proportion of ownership interest	
			31/03/2018	31/03/2017
1	SBI Pension Funds Private Limited	India	20%	20%

## Uniform accounting policies

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the Consolidated Financial Statements and are presented in the same manner as the Company's standalone financial statements.

## Subsidiaries

The financial statements of the Company and its Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profit or losses as per Accounting Standard 21 - Consolidated Financial Statements

## Foreign operations

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

- 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.

## Associates

Investment in Associates, where the company directly or indirectly holds 20% or more of equity, are accounted for using the equity method as per Accounting Standard 23 – Accounting for Investments in Associates in Consolidation of Financial Statements.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement of profit and loss reflects the share of the results of operations of the associate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise decline, other than temporary, in the value of the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of provision for diminution as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statement of profit and loss

### 1.4 Property plant and equipment

Property plant and equipment are stated at their cost of acquisition less accumulated depreciation, and impairment losses, if any. The cost of acquisition is inclusive of taxes, duties (other than cenvat credit, if any), freight and other incidental expenses related to acquisition and installation of the assets.

The company has adopted component accounting, wherever applicable, as stipulated by Schedule II of the Companies Act, 2013 for the purpose of computing depreciation.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value, only if it increases the future benefits from existing items of property, plant and equipment beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss during the period in which they are incurred.

The capital work in progress includes cost of property, plant and equipment that are not ready for their intended use. In addition to this, softwares under implementations are classified as Intangible Assets Under Development.

Gains or losses arising from disposal, retirement or de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and carrying amount of asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

Property plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write down is recognised in the statement of profit and loss.

#### Intangible Assets

Intangible assets are recognised at cost (excluding cenvat credit, if any) less accumulated amortization and impairment losses, if any.

Gains or losses arising from the disposal of intangible assets are measured as the difference between the net disposal proceeds and carrying amount of asset and are recognised in the Statement of Profit and Loss when the asset is disposed.

### 1.5 Depreciation on Property plant and equipment and Intangible Assets

The Company has adopted the estimated useful life of the property plant and equipment as stipulated by Schedule II to the Companies Act, 2013 for the purpose of computing depreciation, on straight line method.

The estimated useful life of property plant and equipment as stipulated by Schedule II to the Companies Act, 2013 and adopted by the management for various block of assets is as under:

Description of assets	Useful lives (In years)	Method of depreciation / amortization
<b>Property plant and equipment:</b>		
Building	60 years	SLM
Computers- Servers and networks	6 years	SLM
Computers- End user devices, such as, desktops, laptops, etc.	3 years	SLM
Furniture and fixtures	10 years	SLM

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Mobile Phones	3 years	SLM
Office Equipments (including Electrical Installation & Building Management systems)	5 years	SLM
Vehicles	8 years	SLM
<b>Intangible:</b>		
Computer software	3 - 6 years	SLM
Website development cost	3 years	SLM
Copyright licenses	5 years	SLM
Investment Management Rights (DAIWA Schemes)		Amortisation

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, upto the date of on which the asset is sold.

All fixed assets individually costing up to ₹ 5000 are fully depreciated in the year of purchase/acquisition.

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

Intangible assets include computer software, copyright licenses, website development costs and investment management rights. Copyright licenses are amortised on pro-rata basis over a period of five years. All other intangible assets are amortised on pro-rata basis over a period of three to six years.

### 1.6 Impairment of assets

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### 1.7 Investments

Investments which are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Purchase and sale/redemption of investment is recorded on the trade date basis. Gains and losses on sale of investments are determined using the weighted average cost method.

Investments include investments in shares of a subsidiary company registered outside India. They are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof.

### 1.8 Revenue Recognition

#### (a) Revenue from operations

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

Portfolio Advisory services, Portfolio Management services and management fees on AIF are recognised on accrual basis as per the terms of the contract.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (b) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividend income is recognised when the Company's right to receive dividend is established at the reporting date.

Recovery, if any, on realization of devolved investments of schemes acquired by the Company, in terms of the right of subrogation, is accounted on the basis of receipts. Recovery from funded guarantee schemes is recognised as income in the year of receipt.

### 1.9 Employee Benefits:

#### (a) Short Term Employee Benefits

The undiscounted amounts of short-term employee benefits, which are expected to be paid in exchange for their services rendered by employees, are recognised during the period when the employee rendered the services.

#### (b) Post-Employment Benefits

##### (i) Defined Contribution Plan :

###### Provident Fund

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

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

###### Superannuation

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

###### National Pension Scheme

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

##### (ii) 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 recognised in the Statement of Profit and loss.

#### (c) Other Employee Benefit : Leave Encashment

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.8 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of occurrence of the transactions. Monetary items denominated in foreign currency remaining unsettled at the end of the year, are translated at the exchange rates as at the last day of the year.

Any gains or losses on account of exchange difference either on settlement or translation are recognised in the Statement of Profit and Loss.

### 1.9 Scheme Expenses

- (a) **Recurring Expenses:** Expenses of schemes of SBI Mutual Fund, in excess of the stipulated rates, are required to be borne by the Company in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996, and as such, are charged to the Statement of Profit and Loss.
- (b) **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 Funds) Regulations, 1996.
- (c) **Brokerage:** Brokerage and/or Incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortized over a period of 36 months and in case of other schemes, over the claw back period. In case of Close ended schemes, brokerage is amortized over the tenure of schemes.

### 1.11 Taxes on Income

Tax expenses comprises of current tax and deferred tax.

#### Current tax:

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

#### Deferred tax:

Deferred tax is recognised on timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted before the Balance Sheet date.

Deferred tax pertaining to unabsorbed depreciation or carry forward of losses under tax laws is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. In all other cases, recognition of deferred tax assets is based on reasonable certainty instead of virtual certainty. Deferred tax assets and deferred tax liabilities are also disclosed on net basis.

### 1.12 Operating Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term, are classified as operating leases. Operating lease rentals are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the initial lease term.

### 1.13 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1.14 Provisions and Contingencies**

Provisions are recognised when the Company has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

### **1.15 Cash and Cash Equivalents**

Cash and Cash Equivalents comprise of Cash/Cheques-in-hand and bank balances in Current and Fixed Deposit Accounts with original maturity of less than three months from date of acquisition.

### **1.16 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the company are segregated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 SHARE CAPITAL\*

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Authorised</b>		
52,50,00,000 Equity Shares of ₹ 1 each (Previous year 50,00,000 Equity Share of ₹ 100 each)	5,250	5,000
<b>Issued, Subscribed and Paid Up</b>		
50,00,00,000 Equity Shares of ₹ 1 each (Previous year 50,00,000 Equity Share of ₹ 100 each) ( fully paid up)	5,000	5,000

## 2.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No of Shares	₹ (in lacs)	No of Shares	₹ (in lacs)
<b>Equity Shares</b>				
Outstanding at the beginning of the year	50,00,00,000	5,000	50,00,000	5,000
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the year	50,00,00,000	5,000.00	50,00,000	5,000.00

## 2.2 The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

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

## 2.3 Details of Shares held by Holding Company

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	No of Shares	₹ (in lacs)	No of Shares	₹ (in lacs)
State Bank of India	31,50,00,000	3,150.00	31,50,000	3,150.00

## 2.4 Details of share holders holding more than 5% shares

Particulars	As at 31-Mar-2017		As at 31-Mar-2016	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India	31,50,00,000	63%	31,50,000	63%
Amundi India Holding, a wholly owned subsidiary of Amundi	18,50,00,000	37%	18,50,000	37%

\*During the current year, authorised capital of the company has increased to 52,50,00,000 Equity Shares from previous year 5,000,000 Equity Shares and also has changed the face value from ₹ 100 each to ₹ 1 each )

23,30,668 (Previous Year Nil) equity shares of ₹ 1 each are reserved for issuance towards outstanding Employee share option

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 RESERVES AND SURPLUS

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>General Reserve</b>		
Balance at the beginning of the year	9,260.09	8,760.09
Add: Transfer from statement of profit and loss	500.00	500.00
<b>Balance at the end of the year (A)</b>	<b>9,760.09</b>	<b>9,260.09</b>
<b>Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	38.66	40.18
Net Adjustments for the year	6.03	(1.52)
<b>Balance at the end of the year (B)</b>	<b>44.69</b>	<b>38.66</b>
<b>Surplus in statement of profit and loss</b>		
Balance at the beginning of the year	62,994.21	49,489.01
Add: Profit for the year	33,127.76	22,430.26
Less: Transfer to general reserve	500.00	500.00
Less: Interim dividend	7,000.00	7,000.00
Less: Tax on interim dividend	1,425.06	1,425.06
<b>Balance at the end of the year (C)</b>	<b>87,196.91</b>	<b>62,994.21</b>
<b>Share option outstanding account (Employee stock options)</b>		
Balance at the beginning of the year	-	-
Additions during the year	104.30	-
<b>Balance at the end of the year (D)</b>	<b>104.30</b>	-
<b>Total (A+B+C+D)</b>	<b>97,105.99</b>	<b>72,292.96</b>

## 4 DEFERRED TAX ASSETS / (LIABILITIES)

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
Deferred tax assets/(liabilities)		
- Provision for compensated absences	539.89	181.73
- Provision for gratuity	5.82	22.81
- Amortization /Depreciation on intangible /tangible assets	(155.19)	(252.65)
- Others	347.80	6.65
<b>Deferred tax liabilities (net)</b>	<b>738.32</b>	<b>(41.46)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 OTHER LONG TERM LIABILITIES

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
Retention money payable	-	8.44
<b>Total</b>	<b>-</b>	<b>8.44</b>

## 6 LONG TERM PROVISIONS

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
Provision for employee benefits- leave encashment	1,412.70	456.66
Provision for contingencies ( refer note 31)	2,250.00	500.00
<b>Total</b>	<b>3,662.70</b>	<b>956.66</b>

## 7 TRADE PAYABLES\*

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
(a) total outstanding dues of micro enterprises and small enterprises; and	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises(net)	9,977.94	6,992.13
<b>Total</b>	<b>9,977.94</b>	<b>6,992.13</b>

(\*Refer note no.28 for related party and note no 39 for micro enterprises and small enterprises)

## 8 OTHER CURRENT LIABILITIES

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
Statutory dues (including mainly PF and TDS)	216.24	111.68
Income received in advance	-	0.93
Other payables		
- Earnest money deposit	0.86	0.69
- Retention money payable	20.69	24.24
Creditors for capital expenditure	106.99	23.73
<b>Total</b>	<b>344.78</b>	<b>161.27</b>

## 9 SHORT TERM PROVISIONS

	31-Mar-2018 ₹ (in lacs)	31-Mar-2017 ₹ (in lacs)
Provision for employee benefits	3,108.65	3,699.83
Others		
- Proposed interim dividend *	7,000.00	7,000.00
- Tax on proposed interim dividend	1,425.06	1,425.06
- Provision for expenses	1,790.54	1,150.77
<b>Total</b>	<b>13,324.25</b>	<b>13,275.66</b>

(\*Refer note no.28 for related party and note no. 36 for interim dividend)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**10 FIXED ASSETS**

**10.1 Property plant and equipment**

(₹ in lacs)

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION			NET BLOCK			
	As at 01.04.2017	Additions for the year	Deductions/Reclassification for the year	As at 31.03.2018	Upto 01.04.2017	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Building *	16,017.51	-	-	16,017.51	999.27	267.05	-	1,266.32	14,751.19	15,018.24
Electrical Fittings (Including Building Management Systems)	262.23	-	-	262.23	187.95	59.69	-	247.64	14.59	74.28
Furniture and Fixtures	817.97	62.76	2.22	878.51	304.70	128.85	1.45	432.10	446.41	513.27
Vehicles	61.35	27.77	-	89.12	35.26	9.44	-	44.70	44.42	26.09
Office Equipments	456.37	75.32	7.01	524.68	303.96	75.20	6.42	372.74	151.94	152.41
Computers	2,129.59	663.86	45.95	2,747.50	1,465.64	358.94	44.96	1,779.62	967.88	663.95
Leasehold Improvements	444.31	141.71	24.56	561.46	274.44	63.92	23.98	314.38	247.08	169.87
<b>Total Tangible Assets</b>	<b>20,189.33</b>	<b>971.42</b>	<b>79.74</b>	<b>21,081.01</b>	<b>3,571.22</b>	<b>963.09</b>	<b>76.81</b>	<b>4,457.50</b>	<b>16,623.51</b>	<b>16,618.11</b>
<i>Previous Year</i>	<i>19,803.96</i>	<i>632.05</i>	<i>246.68</i>	<i>20,189.33</i>	<i>2,965.22</i>	<i>847.30</i>	<i>241.30</i>	<i>3,571.22</i>	<i>16,618.11</i>	<i>16,838.74</i>

\* in on long term assignment basis  
During the year company has changed the useful life of Assets costing upto ₹ 5000.

**10.2 Intangible Assets**

(₹ in lacs)

Particulars	GROSS BLOCK (At Cost)			AMORTISATION			NET BLOCK			
	As at 01.04.2017	Additions for the year	Deductions/Reclassification for the year	As at 31.03.2018	Upto 01.04.2017	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Software	2,047.71	434.58	231.61	2,250.68	1,076.39	511.96	231.61	1,356.74	893.94	971.32
Copyright License	28.00	-	-	28.00	12.19	5.60	-	17.79	10.21	15.81
Investment Management Rights	57.40	-	57.40	-	57.40	-	57.40	-	-	-
Website Development Cost	157.39	11.00	20.32	148.07	109.73	22.54	20.32	111.95	36.12	47.66
<b>Total Intangible Assets</b>	<b>2,290.50</b>	<b>445.58</b>	<b>309.33</b>	<b>2,426.75</b>	<b>1,255.71</b>	<b>540.10</b>	<b>309.33</b>	<b>1,486.48</b>	<b>940.27</b>	<b>1,034.79</b>
<i>Previous Year</i>	<i>1,811.59</i>	<i>502.88</i>	<i>23.97</i>	<i>2,290.50</i>	<i>866.24</i>	<i>413.44</i>	<i>23.97</i>	<i>1,255.71</i>	<i>1,034.79</i>	<i>945.35</i>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11 NON-CURRENT INVESTMENTS\*

	As at 31-Mar-18		As at 31-Mar-17	
	Numbers	₹	Numbers	₹
<b>I Investment in Equity Instruments (Valued at cost unless stated otherwise) (Unquoted)(Trade)</b>				
<b>Investment in subsidiary</b>				
<b>Investments in Associate</b>				
20% Equity shares of ₹ 10 each held in SBI Pension Funds Pvt. Ltd. fully paidup including Goodwill of Rs 15.04 lacs	60,00,000	745.05	60,00,000	717.17
<b>Others</b>				
Equity shares of SBI Foundation of ₹ 10 each fully paid up	1,001	0.10	1,001	0.10
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each fully paid up	5,00,000	5.00	5,00,000	5.00
<b>II Investments in Mutual Fund (Valued at cost unless stated otherwise)</b>	<b>Units</b>		<b>Units</b>	
<b>Quoted Investments</b>				
<b>a)SBI Debt Fund Series (SDFS)</b>				
SDFS B -19 - 1100 Days (Growth) face value of ₹ 10 per unit	-	-	1,35,00,000	1,350.00
SDFS B - 44 - 1100 Days (Growth) face value of ₹ 10 per unit	40,00,000	400.00	40,00,000	400.00
<b>b) Other Investments including Mandatory Investments</b>				
SBI Arbitrage Opportunities Fund- Direct Dividend Payout face value of ₹ 10 per unit	3,53,95,724	5,000.00	2,85,18,652	4,000.00
SBI Banking and Financial Services - Growth face value of ₹ 10 per unit	5,00,000	50.00	5,00,000	50.00
SBI ETF Nifty 50 face value of ₹ 10 per unit	5,79,139	500.00	5,79,139	500.00
SBI ETF Nifty Next 50 face value of ₹ 10 per unit	15,807	30.95	15,807	30.95
SBI ETF Nifty Bank face value of ₹ 10 per unit	5,37,449	1,000.00	5,37,449	1,000.00
SBI ETF BSE 100 face value of ₹ 86.92 per unit	20,000	17.26	20,000	17.26
SBI Dynamic Asset Allocation Fund- Growth face value of ₹ 10 per unit	5,00,000	50.00	5,00,000	50.00
SBI ETF Gold - Growth face value of ₹ 100 per unit	2,000	51.87	2,000	51.87
SBI Corporate Bond Fund - Direct - Growth face value of ₹ 10 per unit	2,25,951	50.00	2,25,951	50.00
SBI Magnum Gilt Fund ST - Direct - Growth face value of ₹ 10 per unit	1,72,968	50.00	1,72,968	50.00
SBI Treasury Advantage Fund - Direct - Growth face value of ₹ 1000 per unit	3,187	50.00	3,187	50.00
SBI Savings Fund - Direct - Growth face value of ₹ 10 per unit	2,26,745	50.00	2,26,745	50.00

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-18		As at 31-Mar-17	
	Numbers	₹	Numbers	₹
SBI Short Term Debt Fund - Direct - Growth face value of ₹ 10 per unit	3,07,905	50.00	3,07,905	50.00
SHF Ultra Short Term Debt Fund - Direct - Growth face value of ₹ 1000 per unit	2,764	50.00	2,764	50.00
SBI Magnum Insta Cash - Direct - Growth face value of ₹ 1000 per unit	1,605	50.00	1,605	50.00
SBI Premier Liquid Fund - Direct - Growth face value of ₹ 1000 per unit	2,259	50.00	2,259	50.00
SBI Magnum Monthly Income Plan - Direct - Growth face value of ₹ 10 per unit	1,64,029	50.00	1,64,029	50.00
SBI Magnum Insta Cash Fund Liquid Floater - Direct - Growth face value of ₹ 1000 per unit	2,075	50.00	2,075	50.00
SBI Magnum Gilt Fund Long Term Gilt - Direct face value of ₹ 10 per unit	1,63,779	50.00	1,63,779	50.00
SBI Magnum Income Fund - Direct - Growth face value of ₹ 10 per unit	1,46,789	50.00	1,46,789	50.00
SBI Equity Saving Fund-Direct Growth- face value of ₹ 10 per unit	5,02,523	50.00	5,02,523	50.00
SBI Dynamic Bond Fund - Direct - Growth face value of ₹ 10 per unit	2,87,373	50.00	2,87,373	50.00
SBI Arbitrage Opportunities - Direct - Growth face value of ₹ 10 per unit	2,59,030	50.00	2,59,030	50.00
SBI IT Fund -Direct Growth face value of ₹ 10 per unit	1,09,280	50.00	1,09,280	50.00
SBI FMCG - Direct - Growth face value of ₹ 10 per unit	68,823	50.00	68,823	50.00
SBI Magnum MidCap - Direct - Growth face value of ₹ 10 per unit	88,147	50.00	88,147	50.00
SBI Gold Fund - Direct - Growth face value of ₹ 10 per unit	5,50,527	50.00	5,50,527	50.00
SBI Magnum Multicap Fund - Direct - Growth face value of ₹ 10 per unit	1,55,591	50.00	1,55,591	50.00
SBI BlueChip Fund - Direct - Growth face value of ₹ 10 per unit	1,78,324	50.00	1,78,324	50.00
SBI Magnum Balanced Fund - Direct - Growth face value of ₹ 10 per unit	52,370	50.00	52,370	50.00
SBI Pharma Fund - Direct - Growth face value of ₹ 10 per unit	36,831	50.00	36,831	50.00
SBI Emerging Businesses Fund- Direct - Growth face value of ₹ 10 per unit	54,853	50.00	54,853	50.00
SBI Magnum Equity Fund - Direct - Growth face value of ₹ 10 per unit	67,528	50.00	67,528	50.00
SBI Magnum Multiplier Fund- Direct - Growth face value of ₹ 10 per unit	32,993	50.00	32,993	50.00
SBI Small & Midcap Fund - Direct - Growth face value of ₹ 10 per unit	1,53,579	46.31	1,53,579	46.31
SBI Contra Fund - Direct - Growth face value of ₹ 10 per unit	57,582	50.00	57,582	50.00

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-18		As at 31-Mar-17	
	Numbers	₹	Numbers	₹
SBI Magnum Global Fund - Direct - Growth face value of ₹ 10 per unit	37,725	50.00	37,725	50.00
SBI Magnum Taxgain Scheme - Direct - Growth face value of ₹ 10 per unit	45,066	50.00	45,066	50.00
SBI Infrastructure Fund - Direct - Growth face value of ₹ 10 per unit	4,30,348	50.00	4,30,348	50.00
SBI Magnum COMMA Fund - Direct - Growth face value of ₹ 10 per unit	1,97,294	50.00	1,97,294	50.00
SBI PSU Fund - Direct - Growth face value of ₹ 10 per unit	5,29,914	50.00	5,29,914	50.00
SBI Magnum Children's Benefit- Direct - Growth face value of ₹ 10 per unit	67,984	25.18	67,984	25.18
SBI Nifty Index Fund - Direct - Growth face value of ₹ 10 per unit	39,795	27.91	39,795	27.91
SBI Regular Savings Fund - Direct - Growth face value of ₹ 10 per unit	80,540	19.13	80,540	19.13
SBI Magnum Monthly Income Plan Floater - Direct - Growth face value of ₹ 10 per unit	45,239	9.27	45,239	9.27
SBI-ETF Nifty 50 face value of ₹ 10 per unit	12,741	11.00	12,741	11.00
SBI Sensex- ETF face value of ₹ 10 per unit	2,000	5.57	2,000	5.57
SBI ETF 10 Year Gilt face value of ₹ 10 per unit	1,14,155	166.17	1,14,155	166.17
SBI Regular Savings Fund - Direct - Growth face value of ₹ 10 per unit	1,21,01,058	3,276.64	1,21,01,058	3,276.64
SBI Corporate Bond Fund - Direct- Growth face value of ₹ 10 per unit	34,08,562	900.00	34,08,562	900.00
SBI Treasury Advantage Fund Direct Growth ₹ 1,000 per unit	5,87,777	10,125.00	5,87,777	10,125.00
SBI Magnum Multicap Fund - Direct - Growth face value of ₹ 10 per unit	27,44,105	1,300.00	5,44,627	200.00
SBI Magnum Equity Fund - Direct- Growth face value of ₹ 10 per unit	2,47,294	200.00	2,47,294	200.00
HDFC Charity Fund for Cancer Cure - Arbitrage plan -Direct Option face value of ₹ 10 per unit	2,50,000	25.00	2,50,000	25.00
SDFS C-9 (1150 Days) - Direct- Growth face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SBI Dual Advantage Fund - Series XVIII - Direct- Growth face value of ₹ 10 per unit	1,00,000	10.73	-	-
<b>III Investments in Others (Valued at cost unless stated otherwise)</b>				
<b>Un-Quoted Investments</b>				
SBI PIPE Fund	1,300	130.00	1,300	130.00
SBI Active Select Fund	10,100	1,010.00	-	-
<b>Total</b>		<b>27,738.14</b>		<b>24,939.53</b>
<b>Aggregate amount of quoted investments</b>		<b>25,847.99</b>		<b>24,087.26</b>
<b>Market value /NAV of quoted investments</b>		<b>29,124.30</b>		<b>26,163.65</b>
<b>Aggregate amount of unquoted investments</b>		<b>1,890.15</b>		<b>852.27</b>
(*Refer note no. 28 for related party disclosures)				-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 12 LONG TERM LOANS &amp; ADVANCES

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Secured, Considered good</b>		
Loans (including interest accrued) to employees against hypothecation of property	85.24	118.16
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Security deposits	556.64	370.76
Capital advances	2.28	8.52
Income tax (net of provisions)	1,910.40	1,851.45
Prepaid expenses	8,761.12	4,389.46
Other advances	16.74	18.94
<b>Total</b>	<b>11,332.42</b>	<b>6,757.29</b>

## 13 OTHER NON- CURRENT ASSETS

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Secured, Considered good (unless stated otherwise)</b>		
Fixed Deposits with Banks including interest accrued *	293.87	574.73
<b>Total</b>	<b>293.87</b>	<b>574.73</b>

(\*Refer note no. 28 for related party disclosures)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14 CURRENT INVESTMENTS\*

	As at 31-Mar-18		As at 31-Mar-17	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
<b>Investments in Mutual Fund (lower of cost and fair value )</b>				
<b>Quoted Investments (Non-trade) : Units of SBI Mutual Fund</b>				
<b>a) SBI Debt Fund Series (SDFS)</b>				
SDFS A - 20 - 366 Days-Direct- Growth- face value of ₹ 10 per unit	1,00,00,000	1,000.00	1,00,00,000	1,000.00
SDFS A- 25 - 366 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS A - 28 - 367 Days-Direct - Growth- face value of ₹ 10 per unit	1,80,00,000	1,800.00	1,80,00,000	1,800.00
SDFS A - 27 - 366 Days- Direct - Growth- face value of ₹ 10 per unit	20,00,000	200.00	20,00,000	200.00
SDFS A - 22 - 366 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	15,00,000	166.67
SDFS A - 18 - 366 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	40,00,000	400.00
SDFS A - 19 - 366 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	67,56,780	677.46
SDFS A - 1 15 Months-Direct - Growth- face value of ₹ 10 per unit	-	-	50,00,000	500.00
SDFS A - 44 - 1111 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	5,00,000	50.00
SDFS B - 3 - 1111 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	80,00,000	800.00
SDFS A - 42 - 1111 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS A - 40 - 1100 Days-Direct - Growth- face value of ₹ 10 per unit	-	-	50,00,000	500.00
SFIDFS 90 Days -1 -Direct - Growth- face value of ₹ 10 per unit	-	-	44,74,913	500.00
SDFS C-13 (91 Days)-Direct - Growth- face value of ₹ 10 per unit	30,00,000	300.00	-	-
SDFS B -19 - 1100 Days-Direct - Growth- face value of ₹ 10 per unit	1,35,00,000	1,350.00	-	-
<b>b) Other Investments</b>				
SBI Magnum Insta Cash Direct Plan Daily Dividend face value of ₹1000 per unit	-	-	9,71,904.00	16,279.69
SBI Ultra Short Term Fund- Direct Growth face value of ₹ 1000 per unit	6,17,393	13,800	-	-
SBI Magnum Insta Cash Fund -Liquid Floater - Direct Growth ₹1000 per unit	5,18,436.77	15,000	-	-
<b>Total</b>		<b>33,450.00</b>		<b>24,873.82</b>
<b>Aggregate amount of quoted investments</b>		<b>33,450.00</b>		<b>24,873.82</b>
<b>Market value/NAV of quoted investments</b>		<b>35,017.99</b>		<b>27,066.61</b>

(\*Refer note no. 28 for related party disclosures)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 15 TRADE RECEIVABLES

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Outstanding for a period exceeding six months	217.15	138.82
Others *	9,813.17	2,224.29
<b>Total</b>	<b>10,030.32</b>	<b>2,363.11</b>

(\*Refer note no. 28 for related party disclosures)

## 16 CASH &amp; BANK BALANCES

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Cash &amp; Cash Equivalents</b>		
Cash in hand	2.85	0.20
Cheques in hand		
Balance with banks *		
-in Current accounts	402.97	765.14
	<b>405.82</b>	<b>765.34</b>
<b>Other Bank Balances *</b>		
In Current accounts - dividend payable	7,000.00	7,000.00
In fixed deposits	-	890.90
	<b>7,000.00</b>	<b>7,890.90</b>
<b>Total</b>	<b>7,405.82</b>	<b>8,656.24</b>

(\*Refer note no. 28 for related party disclosures)

## 17 SHORT TERM LOANS &amp; ADVANCES

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Secured, Considered good</b>		
Loans (including interest accrued) to employees against hypothecation of property	15.25	22.40
<b>Unsecured, Considered good unless stated otherwise</b>		
Security deposits	104.44	109.85
Loans to employees	11.00	11.36
Balance with statutory/Government authorities	224.00	1,107.23
Prepaid expenses	19,699.95	11,181.34
Others *	314.72	145.86
<b>Total</b>	<b>20,369.36</b>	<b>12,578.04</b>

(\*Refer note no. 28 for related party disclosures)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18 OTHER CURRENT ASSETS\*

	As at 31-Mar-2018 ₹ (in lacs)	As at 31-Mar-2017 ₹ (in lacs)
<b>Unsecured, Considered good unless stated otherwise</b>		
Interest accrued on bank fixed deposits	31.52	100.16
<b>Other Bank Balances **</b>		
Deposit	293.82	8.81
<b>Total</b>	<b>325.34</b>	<b>108.97</b>
(*Refer note no. 28 for related party disclosures)		
** includes AED 50,000 (₹ 8.82Lakhs) [Previous year AED 50,000 (₹ 8.81 Lakhs)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of branch at Dubai		

## 19 REVENUE FROM OPERATIONS\*

	For the Year Ended 31-Mar-2018 ₹ (in lacs)	For the Year Ended 31-Mar-2017 ₹ (in lacs)
Management fee	1,21,783.30	72,198.45
Portfolio management fee & other advisory services	1,995.60	1,460.06
<b>Total</b>	<b>1,23,778.90</b>	<b>73,658.51</b>
(*Refer note no. 28 for related party disclosures)		

## 20 OTHER INCOME\*

	For the Year Ended 31-Mar-2018 ₹ (in lacs)	For the Year Ended 31-Mar-2017 ₹ (in lacs)
Gains on sale /redemption of current investments	1,539.31	3,050.49
Gains on sale /redemption of non-current investments	46.10	143.34
Dividend income from current investments*	979.80	468.95
Dividend income from non-current investments*	555.97	90.55
Interest		
- banks deposits*	82.13	125.13
- staff loans	3.58	4.56
- Income tax refunds	239.44	194.12
Miscellaneous Income	83.55	76.78
<b>Total</b>	<b>3,529.88</b>	<b>4,153.92</b>
(*Refer note no. 28 for related party disclosures)		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 21 EMPLOYEE BENEFITS EXPENSES\*

	For the Year Ended 31-Mar-2018 ₹ (in lacs)	For the Year Ended 31-Mar-2017 ₹ (in lacs)
Salaries and allowances	13,478.74	12,141.98
Contribution to provident and other funds	1,730.46	668.25
Employee Stock Option Expenses	104.30	-
Staff welfare expenses	671.44	517.89
<b>Total</b>	<b>15,984.94</b>	<b>13,328.12</b>

(\*Refer note no. 28 for related party disclosures)

## 22 Depreciation and Amortisation Expense

	For the Year Ended 31-Mar-2018 ₹ (in lacs)	For the Year Ended 31-Mar-2017 ₹ (in lacs)
Depreciation on Property plant and equipment	963.09	847.30
Amortisation of Intangible assets	540.10	413.44
<b>Total</b>	<b>1,503.19</b>	<b>1,260.74</b>

## 23 OTHER EXPENSES

	For the Year Ended 31-Mar-2018 ₹ (in lacs)	For the Year Ended 31-Mar-2017 ₹ (in lacs)
Brokerage / Incentive/Fees/ Mutual Fund expenses*	41,530.45	16,825.24
Rent *	881.27	807.76
Rates and taxes	172.58	152.91
Electricity charges	226.04	208.34
Repairs and maintenance		
- Equipment	88.96	110.77
- Others	1,686.39	1,036.39
Insurance	26.43	17.10
Travelling and conveyance	924.62	752.60
Recruitment and training	203.04	73.99
Printing and stationery	211.58	170.74
Postage and courier	107.14	94.31
Communication	575.59	473.70
Business promotion	5,291.48	4,133.97
Advertising and publicity	175.77	35.34
Outsource manpower services	2,673.05	1,611.66
Legal and professional fees	2,791.83	2,142.01

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the Year Ended 31-Mar-2018 ₹ (in lacs)	For the Year Ended 31-Mar-2017 ₹ (in lacs)
Auditor's remuneration:		
-Audit fee	25.97	25.70
-Tax audit fee	2.50	2.50
-Certification fee	3.90	4.20
Directors' sitting fees	13.86	15.64
Royalty to SBI for logo*	448.64	330.71
Corporate social responsibility (refer note no 37)	552.03	484.50
Net loss on foreign currency transactions and translations	6.90	2.13
Membership and subscription	592.90	537.55
Loss on sale of assets (net)	1.10	1.54
Miscellaneous expenses	287.31	204.79
<b>Total</b>	<b>59,501.32</b>	<b>30,256.09</b>
(*Refer note no. 28 for related party disclosures)		

## 24 EARNINGS PER SHARE

	For the Year Ended 31-Mar-2018 ₹ (in lacs)	For the Year Ended 31-Mar-2017 ₹ (in lacs)
(a) Nominal Value of an Equity Share (₹)	1.00	1.00
(b) Net profit available to Equity Shareholders (₹ in lakhs)	33,127.76	22,430.26
(c) Number of shares outstanding	50,00,00,000	50,00,00,000
(d) Effect of potential equity shares for stock outstanding	43,056	-
(e) Weighted average number of equity shares used for computing diluted earning per share	50,00,43,056	50,00,00,000
(f) <b>Basic EPS (₹) = (b) / (c) *</b>	<b>6.6256</b>	<b>4.486</b>
(g) <b>Diluted EPS (₹) = (b) / (e)</b>	<b>6.6250</b>	<b>4.486</b>
(*Previous year reported EPS of ₹ 448.64 on the basis of face value of ₹ 100)		

## 25. CONTINGENT LIABILITIES (NOT PROVIDED FOR):

Claims against the Company not acknowledged as debts – Investor claims pending in Consumer Courts ₹ 242.68 Lakhs (Previous Year ₹ 42.49 Lakhs)

## 26. CAPITAL &amp; OTHER COMMITMENTS

Estimated amount, net of advance, if any, of contracts remaining to be executed on capital account and not provided for ₹ 358.35 Lakhs (Previous Year ₹ 972.95 Lakhs). Infusion of additional capital to SBI Funds Management (International) Private Limited is not provided for ₹ 130.09 Lakhs (Previous Year Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 27. EMPLOYEE BENEFITS

In accordance with the Accounting Standard on "Employee Benefits" (AS-15) (Revised 2005), the Company has classified the various benefits provided to the employees as under:

**(27.1) Defined Contribution Plan - Provident Fund, Superannuation Fund and National Pension Scheme**

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

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Employer's contribution to Provident Fund, Superannuation Fund & National Pension Scheme	517.60	449.31

**(27.2) Defined Benefit Plan - Gratuity****(27.2.1) Reconciliation of opening and closing balance of the present value of defined benefit obligation for gratuity benefits is given below:**

(₹ in Lakhs)

Change in Defined benefit obligations	As at 31.03.2018	As at 31.03.2017
Present value of funded benefit obligations, 1 <sup>st</sup> April	753.81	649.78
Past Service Cost	81.17	-
Current Service cost	80.82	68.73
Interest cost	54.95	52.37
Benefits paid	(61.09)	(62.03)
Actuarial (gains)/losses on obligations	(51.69)	44.95
<b>Present value of funded benefit obligations as at 31<sup>st</sup> March</b>	<b>857.97</b>	<b>753.81</b>

**(27.2.2) Reconciliation of opening and closing Balance of Fair Value of Plan Assets**

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Fair value of plan assets, as at beginning of the year	687.90	702.56
Expected return on plan assets	50.15	56.63
Actuarial gains/(losses)	9.43	(9.25)
Employer contribution	154.92	-
Benefits paid	(61.09)	(62.03)
<b>Fair value of plan assets at the year end</b>	<b>841.31</b>	<b>687.90</b>

**(27.2.3) Reconciliation of Fair Value of Assets and Obligations**

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Present value of obligation	857.99	753.81
Fair value of plan assets	841.31	687.90
Amount recognized in Balance Sheet	(16.66)	(65.91)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**(27.2.4) Expense recognized during the year (Under the head "Employee Benefits Expense"-Refer notes to financial statements 21)**

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Past Service Cost	81.17	-
Current Service Cost	80.82	68.73
Interest Cost	54.95	52.37
Expected return on plan assets	(50.15)	(56.63)
Actuarial (gains) / losses	(61.12)	54.22
<b>Net Cost</b>	<b>105.67</b>	<b>118.69</b>

**(27.2.5) Experience Adjustments**

(₹ in Lakhs)

Experience Adjustments	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
(Gains) / Losses on Plan Liabilities	(8.18)	(9.54)	(16.06)	(19.40)	(16.13)
Gains / (Losses) on Plan Assets	9.43	(9.26)	(2.49)	(3.78)	1.78
Estimated Contribution for next year	126.67	146.73	15.95	204.33	71.51

**(27.2.6) The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment. Actuarial assumptions used are:-**

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Discount rate	7.83%	7.29%
Salary escalation rate	2% p.a. for next 4 years and 4% p.a. thereafter	2% p.a. for next 4 years and 4% p.a. thereafter
Expected return on plan assets Indian Assured Lives Mortality (2006-08) ultimate	7.83%	7.29%

**(27.3) Other Employee Benefits:** Other long term employee benefits comprises an amount of ₹ 1019.91 Lakhs (Previous Year ₹ 13.45 Lakhs) provided during the year for leave encashment

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 28. RELATED PARTY DISCLOSURE:

*Parties where control exists:*

Holding Company	State Bank of India (SBI) holds 63% of the share capital
Enterprise having significant influence	Amundi India Holding, a wholly owned subsidiary of Amundi holds 37% of the share capital
Enterprise over which the company has control	SBI Funds Management (International) Private Limited (100% subsidiary) (SBI FM(I)P Ltd.)

*Other Related parties:-*

Fellow Subsidiaries	<ul style="list-style-type: none"> <li>• SBI Life Insurance Company Limited</li> <li>• SBI General Insurance Limited</li> <li>• State Bank of Patiala</li> <li>• State Bank of Mysore</li> <li>• State Bank of Hyderabad</li> <li>• State Bank of Travancore</li> <li>• State Bank of Bikaner &amp; Jaipur</li> <li>• SBI Mutual Fund Trustee Company Private Limited</li> <li>• SBI-SG Global Securities Services Private Limited</li> <li>• SBICAP Securities Limited</li> <li>• SBI DFHI Limited</li> </ul>
Associates	<ul style="list-style-type: none"> <li>• SBI Pension Funds Private Limited</li> </ul>
Key Management Personnel	<ul style="list-style-type: none"> <li>• Mr. Dinesh Khara (Managing Director &amp; Chief Executive Officer) upto 9<sup>th</sup> August, 2016</li> <li>• Ms. Anuradha Rao (Managing Director &amp; Chief Executive Officer) from 25<sup>th</sup> August, 2016</li> <li>• Mr. Nicolas Simon (Deputy Chief Executive Officer)</li> </ul>
Key Management Personnel of SBI Funds (International) Private Limited	<ul style="list-style-type: none"> <li>• Mr. Shyam Swaroop Asthana</li> <li>• Mr. Mohamed Hyder Aboobakar from 15<sup>th</sup> January 2016</li> </ul>
Mutual Fund managed by the company	<ul style="list-style-type: none"> <li>• SBI Mutual Fund</li> </ul>
Enterprise under common control	<ul style="list-style-type: none"> <li>• Amundi Singapore Limited (a wholly owned subsidiary of Amundi)</li> <li>• Amundi Hong Kong Limited (a wholly owned subsidiary of Amundi)</li> <li>• Chattisgarh Gramin Bank</li> <li>• Purvanchal Gramin Bank</li> <li>• Saurashtra Gramin Bank</li> <li>• SBI Foundation</li> <li>• CIM Funds Services Limited</li> </ul>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Transactions with related parties:**

(₹ in Lakhs)

Particulars	Holding Company	Enterprise having significant influence	Fellow Subsidiaries	Enterprise under Common control	Mutual Fund Managed by the Company	Associate
Management and other Fees				527.68 [466.12]	121,433.34 [72,142.15]	
Interest income	62.24 [70.83]					
Dividend received on units					1,534.16 [559.50]	
Brokerage and Common Cost	56,725.03 [8,972.34]		1,653.62 [887.48]	10.15 [0.30]		- [2.00]
Insurance premium			34.71 [17.35]			
Interim Dividend payable	4,410.00 [4,410.00]	2,590.00 [2,590.00]				
Reimbursement of salaries deputed employees	240.13 [265.53]		- [75.24]			
Units purchased					170390.23 [81,888.83]	
Scheme Expenses					51.80 [2,263.54]	
Recovery of salaries for deputed employees	80.48 [ 82.03 ]					
Recovery of Expenses			39.99 [20.38]			
Units Sold					161,638.74 [65,884.96]	
Administrator and secretary				- [0.84]		
Advance to Mutual Fund					- [ 40.00 ]	
Payments on behalf of Mutual Fund					- [55.85 ]	
Investment in Equity Shares				- [ 0.10 ]		
<b>Closing Balances</b>						
Balance Outstanding Receivable/(Payable)	(98.96) [(4.08)]		(140.21) [(51.79)]	210.56 [97.17]	13,980.82 [(514.90)]	
Balance in Current Accounts	7,387.50 [7,676.77]					
Term Deposit	610.02 [957.59]					

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

<b>Remuneration to Key Managerial Person</b>	<b>Year ended 31.03.2018</b>	<b>Year ended 31.03.2017</b>
Ms. Anuradha Rao	49.93	21.41
Mr. Dinesh Kumar Khara	3.68	23.52
Mr. Nicolas Simon	71.77	55.19
Mr. Philippe Batchevitch	-	8.21

Note:

- (i) Figures in the brackets [ ] represent previous year figures  
(ii) Banking transactions in normal course of business with related parties have not been considered.

**29. SEGMENTAL REPORTING:**

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

Pursuant to Accounting Standard (AS) 17 Segment Reporting, no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment.

**30. OPERATING LEASE :****Leases as Lessee**

The company has entered into cancellable/ non-cancellable operating leases arrangements for offices. Lease rentals paid for the same are charged to the Statement of Profit and Loss.

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31.03.2018</b>	<b>Year ended 31.03.2017</b>
<b>Lease expense for the year</b>	880.39	807.76
Minimum Lease Payments:		
Not later than one year	816.68	717.24
Later than one year but not later than five years	2019.46	1,755.81
Later than five years	716.87	693.98

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31. PROVISIONS:**

In compliance with the Accounting Standard on "Provisions, Contingent Liabilities and Contingent Assets" (AS-29), balance under Provision for Contingencies amounting to ₹ 1,750.00 Lakhs (Previous Year ₹ 500.00 Lakhs) represented provision against all contingencies in business such as open matters with the regulators & claims etc. Movement in Provision for Contingencies account during the year is as under:

(₹ in Lakhs)

Particulars	As at 2017-18	As at 2016-17
Carrying amount as at the beginning of the year	500.00	100.00
Additions during the year	1,750.00	400.00
Utilised during the year	-	-
Reversed during the year	-	-
Carrying amount as at the end of the year	2,250.00	500.00

**32. EXPENDITURE IN FOREIGN CURRENCY:**

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Travelling Expenses	61.26	51.01
Business Promotion and Advertisement	84.40	45.17
Salary	180.66	160.73
Scheme Related Expenses	62.48	-
Rent and Subscription	128.30	142.46
Professional Fees and others	73.11	57.94

**33. EARNINGS IN FOREIGN CURRENCY:**

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Portfolio Advisory /Management fees	1481.38	1,086.58

**34. THE YEAR-END FOREIGN CURRENCY EXPOSURES THAT HAVE NOT BEEN HEDGED BY DERIVATIVE INSTRUMENTS OR OTHERWISE ARE DETAILED BELOW:****Cash/Bank Balance:**

(in Lakhs)

Year ended	₹	AED
31 <sup>st</sup> March 2018	12.52	0.71
31 <sup>st</sup> March 2017	11.25	0.64

**Payables:**

(in Lakhs)

Year ended	₹	USD	BHD
31 <sup>st</sup> March 2018	21.50	0.19	0.05
31 <sup>st</sup> March 2017	13.42	0.08	0.05

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Receivables:****(in Lakhs)**

Year ended	₹	USD	AUD	JPY	SGD
31 <sup>st</sup> March 2018	503.02	3.24	0.15	153.59	3.86
31 <sup>st</sup> March 2017	267.46	1.50	0.06	117.48	2.14

**35. DIVIDEND REMITTANCES TO NON-RESIDENT SHAREHOLDERS:**

Sr.No	Particulars	2017-2018	2016-2017
(a)	Number of non-resident shareholders	1	1
(b)	Number of equity shares held by them	1,850,000	1,850,000
(c)	Amount of dividend paid (₹ in Lakhs)	2,590.00	2,220.00
(d)	Year to which dividend relates	2016-17	2015-16

**36. INTERIM DIVIDEND DURING THE CURRENT YEAR**

The Board of Directors of the company has declared an Interim dividend of ₹ 7,000 Lakhs/- @ ₹ 1.40/- per share in its meeting held on 26th March, 2018.

**37. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

An amount of ₹ 552.03 Lakhs (Previous year ₹ 484.50 Lakhs) was spent on CSR activities during the year as against an amount of ₹ 548.34 Lakhs (Previous year ₹ 482.67 Lakhs) available for spending as provided under the Companies Act, 2013.

(₹ in Lakhs)

		In cash	Yet to be paid in cash	Total
i)	Construction/ acquisition of any asset	Nil	Nil	Nil
ii)	On purposes other than (i) above – midday meals, promoting education and healthcare facilities.	552.03	Nil	552.03

**38. ACCOUNTING FOR EMPLOYEES SHARE BASED PAYMENTS**

During the year, the Company has instituted duly approved "Employee Stock Option Plan 2018 (ESOP-2018) for eligible employee and directors of the Company. The scheme was approved by the Board of Directors at their meeting held on 31st January 2018. In terms of said plan, the Company has granted options to the eligible employees which vest over the period of 3 years on each successive anniversary of the grant date. The option can be exercised over the period of 7 years from the date of grant. Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Company at the time of grant. During the year Company has granted 23,30,668 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 155. During 2017-18 ₹ 104.30 Lakhs ( previous year ₹ Nil) has been recognised.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Particulars	2017-18	2016-17
	Nos	Nos
Opening outstanding	-	-
Granted During the year	23,30,668	-
Exercised	-	-
Forfeited	-	-
Lapsed	-	-
Closing outstanding ESOPS	23,30,668	-
Exercisable as at the year end	-	-
Weighted average exercise price INR	155.00	-

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

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

**39. 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	Year ended 31.03.2018	Year ended 31.03.2017
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
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

**40. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ASSOCIATES.**

(₹ in Lakhs)

No.	Name of Enterprise	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
		As % of Consolidated Net Assets	₹	As % of Consolidated Profit or Loss	₹
<b>I</b>	<b>PARENT</b>				
	SBI Funds Management Private Limited	99.19% [98.97%]	101,275 [76,493.16]	100.01% [100.01%]	33,103.31 [22,431.86]
<b>II</b>	<b>SUBSIDIARY</b>				
<b>A</b>	<b>FOREIGN</b>				
	SBI Funds Management (International) Private Limited	0.08% [0.11%]	84.99 [82.63]	(0.01%) [(0.10%)]	(3.17) [(22.4)]
<b>III</b>	<b>ASSOCIATE (Investment as per Equity Method)</b>				
<b>B</b>	<b>INDIAN</b>				
	SBI Pension Funds Private Limited	0.73% [0.92%]	745.05 [717.17]	0.08% [0.09%]	27.85 [20.61]

Note:

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

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

**For C N K & Associates LLP**  
Chartered Accountants  
Firm Registration No: 101961W/W-100036

**Sd/-**  
**Hiren Shah**  
Partner  
Membership No: 100052

Place: Mumbai  
Date : 18 June, 2018

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

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

**Sd/-**  
**Nicolas Simon**  
Director  
DIN 07332820

Place: Mumbai  
Date : 18 June, 2018

**Sd/-**  
**Anuradha Rao**  
Managing Director & CEO  
DIN 7597195

**Sd/-**  
**Vinaya Datar**  
Company Secretary  
M.No 15527

# SBI Funds Management Private Limited

Top Management Team  
(As on June 30, 2018)



**Mrs. Anuradha Rao**  
Managing Director & CEO



**Mr. Nicolas Simon**  
Dy. Chief Executive Officer



**Mr. Navneet Munot**  
Executive Director &  
Chief Investment Officer



**Mr. R. S. Srinivas Jain**  
Executive Director &  
Chief Marketing Officer  
(Strategy & International Business)



**Mr. D. P. Singh**  
Executive Director &  
Chief Marketing Officer  
(Domestic Business)



**Mr. Binod Kumar Mishra**  
Chief Operating Officer



**Registered Office Address:**

**SBI Funds Management Private Limited**

(A Joint Venture between SBI & AMUNDI),

(CIN: U65990MH1992PTC065289),

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