



# **SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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



**25th Annual Report  
2016- 2017**

## Board of Directors of SBI Funds Management Private Limited

(As on June 30, 2017)



**Smt. Arundhati  
Bhattacharya**  
Chairman



**Mr. Fathi Jerfel**  
Director



**Mr. Dinesh Kumar Khara**  
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

**Sudit K Parekh & Co.**  
Chartered Accountants  
Ballard House, 2nd Floor,  
Adi Marzvan Path  
Ballard Pier, Fort, Mumbai - 400 001

## 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 25th Annual Report together with the audited accounts of SBI Funds Management Private Limited for the year ended March 31, 2017.

**I. FINANCIAL RESULTS:**

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
	2016-17	2015-16	2016-17	2015-16
Total Income	77,812	55,257	77,787	55,240
Profit before depreciation	34,228	26,073	34,250	26,121
Less : Depreciation	1,261	975	1,261	975
Profit before tax	32,967	25,098	32,990	25,146
Less : Provision for tax	10,558	8,610	10,558	8,610
Profit after tax	22,409	16,488	22,432	16,536
Add: Net share of profit from associates	21	8	-	-
Balance brought forward from previous year (net)	49,489	40,714	49,331	40,517
Balance carried forward to the Balance sheet	62,994	49,489	62,838	49,331

**II. DIVIDEND:**

An interim dividend of ₹ 140 per Equity Share, subject to tax, was declared on March 23, 2017 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 2016-17.

**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:**

During the year under review, the Company has not made any fresh issue of capital. The net worth of the Company increased to ₹ 75,890 lakh as at the end of March 31, 2017 from ₹ 62,137 lakh as at the end of March 31, 2016.

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

As on March 31, 2017, 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. Further, a statement containing the salient features of the financial statement and details of performance and financial positions of the Subsidiary in format AOC-I (Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures) is appended in Annexure I.

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

The performance and financial highlights of the Subsidiary for the year ended March 31, 2017 is as under:

(₹ in lakh)

Particulars	Consolidated		Standalone	
	Year under Report	Previous year	Year under Report	Previous year
	\$ 2016-17	\$ 2015-16	₹ 2016-17	₹ 2015-16
Total Income	0.37	0.25	23.99	16.58
Profit before depreciation	(0.33)	(0.72)	(21.40)	(47.76)
Less : Depreciation	NIL	NIL	NIL	NIL
Profit before tax	(0.33)	(0.72)	(21.40)	(47.76)
Less : Provision for tax	(0.00)	(0.00)	(0.00)	(0.00)
Profit after tax	(0.33)	(0.72)	(21.40)	(47.76)
Balance brought forward from previous year	1.11	1.83	66.72	114.48
Amount available for Appropriation	0.78	1.11	45.32	66.72

[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)

**b) 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 highlights of the Associate for the year ended March 31, 2017 is as under:

(₹ in lakh)

Particulars	Year under Report	Previous Year
	2016-17	2015-16
Total Income	823	659
Profit before depreciation	158	81
Less : Depreciation	6	6
Profit before tax	152	75
Less : Provision for tax	49	24
Profit after tax	103	51
Balance brought forward from previous year	408	358
Amount available for Appropriation	511	408

**c) JOINT VENTURE:**

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

**VI. BUSINESS ENVIRONMENT:****The year that was:**

It has been an eventful year for both global and domestic economy which was marked by events like Brexit, referendums in Eurozone, geo-political issues and Presidential Elections in United States, UK & France and Demonetization in India. Despite these uncertainties, we saw Indian economy emerge as one of the best performing economy amongst the emerging markets.

## **SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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In the equity markets, Sensex delivered approx. 16%# returns during the year with better performance down the capitalization curve. Indian bond markets have been an outlier vis-à-vis rest of the world, especially when the global bond yields inched up while Indian interest rates fell. Robust FII flows during the middle of the year helped the equity market receiving a net positive inflow during the year. Domestic institutional investors, on the other hand, continued to invest in the equity markets despite the demonetization related pains to the market. Financialization of savings is a big structural theme for India, which kept the equity markets afloat with ample liquidity.

Marked by steady flow of assets, Indian Mutual Fund Industry witnessed an overall positive growth of approximately 35%\* in terms of Quarterly AAUM from an amount of ₹ 13,53,444 Crores\* (March 31, 2016) to ₹ 18,29,443 Crores\* (March 31, 2017). The number of new SIP registrations saw an uptick during the year and was around 6 million.

SBI Funds Management was the fastest growing asset manager in the Industry marked by approximately 47%\* growth in assets during the year, with Quarterly AAUM of ₹1,57,025 Crores\* (March 31, 2017). 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 ₹ 1,88,800 Crores (March 31, 2017).

### **The year going forward:**

India is transforming from a “data poor” to a “data rich” society at an exponential pace. A variety of forces including the Aadhaar biometric card, cheaper data connectivity, significant push from the government and rapid adoption by a young population can lead to a paradigm shift. There is surely a big move towards “digitalization of finance” with banking and financial services witnessing rapid adoption of technology. It is expected to see a shift in the investment behaviour of investors with a preference for traditional mode of investments to a more diversified, goal based investment solutions like Mutual Funds. We believe that Mutual Fund industry has a strong outlook in both near and long term and is expected to continue its growth story in coming years considering the many initiatives that have been implemented keeping in mind investor centricity and the technological advancements.

Mutual Funds are spreading their reach through adoption of new technologies and digital mediums across India. Digital space has the potential to improve the service quality and also help ease the investor journey. There have been significant digital initiatives across the Industry keeping in mind the quick transition that has been observed in both rural and urban investor.

In the last one year, we have aggressively focused on creating new digital assets and investor education programs. We have created dedicated portal for our distribution partners (Partner Portal) and mobile applications (Partner app). Our newly designed website is an outcome of our continuous determination to provide simplified & quick information to users. The transaction platform routed through website enables speedy and convenient completion of transactions. Through our investor education program, we have been able to upsurge our reach to both rural and urban investor's thereby building awareness about the mutual fund industry. We intend to improve our reach in the untapped potential areas through increased use of technology to provide access to financial products through various user-friendly channels and platforms. We have the most integrated digital platforms and continue to build on it further to enhance the investor experience.

In last two years, we have experienced significant increase in demand for ETF in India in line with global trend. Institutional Investors and Pension funds have invested in ETFs for their equity exposure. The Company seized this opportunity and capitalised on the same by managing it deftly with low tracking error and expanding the market. Today the Company is the market leader in ETFs amongst the existing Asset Managers.

With significant demand in the systemic liquidity, risk premiums have reduced. Following which Ultra HNIs are looking at alternate investment opportunities in illiquid space to allocate their assets. Sensing the new business opportunity, we have set-up AIF, primarily in to PIPE strategy, which we endeavour to expand in private debt and other illiquids going forward.

Consistent track record, fundamental onground research and robust risk management are the corner stone of attracting FPI mandates. SBI FM with its proven track record has been able to get mandates from International investors in the past. We look forward to capitalise on this opportunity to increase our International assets over the next couple of years.

The year 2017 saw SBI FM receiving recognition for various capabilities. To name a few, we have been awarded with Asia's Most Trusted Mutual Fund Brand as per Brand Research Report, Fund House of the Year for India by AsianInvestor, The Best Long Term Asset Management House by IndiaToday Money, Best Website for User Interface by Fintech Awards and Best Fund House & Best Equity Fund House by Outlook Money award.

## SBI FUNDS MANAGEMENT PRIVATE LIMITED

We endeavour to continue growth in our core mutual fund business. For the Mutual Fund growth, increasing distributor reach, providing investment solutions, educating investors and enhancing investor experience are corner stones of our strategy. While continuing with growth in mutual fund business, we have identified new facets of our business; like digital, alternative investments, International Mandates and ETFs, which are our future growth drivers and we will invest in these opportunities in next 2-3 years.

\*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 issued guidelines for imposing restriction on redemptions on liquidity issues, market failures, exchange closures, operational issues, etc.
- 2) SEBI issued guidelines on operationalization of Central Registry of Securitization and Asset Reconstruction and Security Interest of India (CERSAI) to perform the functions of Central Know Your Customer Records Registry (CKYCR) and uploading of the existing clients' KYC details by the mutual funds. Accordingly, with effect from February 1, 2017, any new individual investor who has not completed KYC under KYC Registration Agency (KRA) regime is required to comply with new CKYC requirement in addition to KRA compliance.
- 3) SEBI has issued revised guidelines for investment/trading in securities by employees of AMC(s) and Trustees of Mutual Funds aligning the existing SEBI regulations on Prohibition of Insider Trading.
- 4) SEBI has allowed investments by Mutual Funds in hybrid securities such as units of Real Estate Investment Trust (REIT)/ Infrastructure Investment Trust (InvIT) and also provided limits within which MF schemes can invest in the units of REITs and InvITs.
- 5) SEBI modified the provisions of Consolidated Account Statement (CAS) in order to increase transparency of information to the investors.
- 6) SEBI modified the provisions pertaining to participation in derivatives market by existing schemes of Mutual Funds.
- 7) SEBI amended prudential limits in sector exposure for Housing Finance Companies (HFCs) in debt-oriented mutual funds schemes.
- 8) In order to make disclosure of Mutual Fund schemes performance more effective and simple, SEBI has revised the advertisement guidelines pertaining to scheme performance disclosures by mutual funds. SEBI has also permitted celebrity endorsements of mutual funds at industry level for the purpose of increasing awareness of mutual funds as a financial product.

### MUTUAL FUND INDUSTRY DATA

(₹ in Crore)

Particulars	Year under Report 2016-17	Previous Year 2015-16
Total Assets mobilized	1,76,15,549	1,37,65,555
Total Redemptions/ Repurchases	1,72,72,500	1,36,31,375
Net Inflows	3,43,049	134,180
Average Assets Under Management (year ended quarter)	18,29,443	13,53,444

(Source: AMFI website).

### PERFORMANCE REVIEW

The Fund House has achieved a growth of 47.05% in terms of average AUM over year on year basis in 2016-17.

Our Fund House has emerged as the largest ETF Asset Manager in India, with AUM of ₹ 23,816 Crore with market share of 47.43% and has also crossed 1.7 Million Systematic Investment Plan investors during the financial year ended 31st March, 2017. Monthly SIP book size has shown a steep growth of 64% year-on-year (from ₹ 277 Crs to ₹ 455 Crs).

## SBI FUNDS MANAGEMENT PRIVATE LIMITED

The Company 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 Company launched six funds under SBI Debt Fund Series. In addition, the Company launched four SBI Dual Advantage Funds, one SBI Long term Advantage Fund and Exchange Traded Gilt Fund which mobilized ₹ 3,888 Crore.

The various business performance indicators are as under:

(₹ in Crore)

Particulars	Year under Report 2016-17	Previous Year 2015-16
Average Assets Under Management*	1,57,025	1,06,781
Inflows / Purchase	13,15,708	11,66,317
Redemptions/ Repurchase	12,75,615	11,40,348
Net Inflows (net of dividend payout)	40,093	25,969
AAUM Market Share*	8.58%	7.89%
Ranking in terms of AAUM*	5	5
Systematic Investment Plan(SIPs) market share	11.2%	10.3%

\*For the year-end quarter

As on March 31, 2017, under the one year category:

- 42% of our equity assets were in the top two quartiles.
- SBI Magnum Comma Fund, SBI Blue Chip Fund, SBI FMCG Fund and SBI PSU Fund were in the top quartile.
- In the Hybrid category, SBI Magnum Children Benefit Plan, SBI Dynamic Bond Fund, SBI Magnum Monthly Income Plan and SBI Magnum Gilt Fund Short Term were in the top quartile.

## AWARDS AND RECOGNITION

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

- Asia's Most Trusted Mutual Fund Brand as per Brand Research Report 2017.
- For the second consecutive year (2016 and 2017), SBI FM has been awarded the "Fund House of the Year for India" by Asian Investor.
- For the second year in a row (2016 and 2017), SBI FM has won the "The Best Long Term Equity Asset Management House" by India Today Money.
- SBIFM has also won The Best Long Term Asset Management House by India Today Money, 2017.
- For continuous two years 2016 and 2017, SBI Blue Chip Fund is the winner in the Large Cap Equity Category by MORNINGSTAR.
- SBIFM has been awarded as the "Best Fund House" and "Best Equity Fund House" for year 2017 and 2016. In A Runner up award for "Best Debt Fund House" by Outlook Money Awards in 2016 and 2017.
- Best Website for User Interface by FINTECH AWARDS, 2017.
- SBI FM has won a Fund Family Award for the mixed asset classes for year 2016 & 2017 by Thomson Reuters Lipper Fund Award, (Best Group Over 3 Years)
- SBI Magnum Gilt Fund-Long Term-Growth won the Best Bond Award in the 3 years in Bond Indian Rupee – Government, by Thomson Reuters Lipper Fund Award in 2016 and 2017.
- SBI Magnum Children's Benefit Plan-Growth won the Best Mixed Asset INR Conservative in 3 years category by Thomson Reuters Lipper Fund Award in 2017.



**DISTRIBUTION NETWORK**

We had 57,004 AMFI certified Agents as on March 31, 2017 as against 34,357 AMFI certificates Agents as on March 31, 2016. The number of Employee Unique Identification Number holders in the State Bank Group also increased to 11,655 as on March 31, 2017 from 8,018 as on March 31, 2016.

As on March 31, 2017, the Company had 165 branches spread all over India and 1 overseas Point of Presence.

**INVESTOR EDUCATION**

Investor Education remains a top priority for us at SBI Mutual Fund as awareness continues to remain in the low single digits for mutual funds. In FY 2016-17, investor awareness campaigns around SIPs, general mutual fund benefits vis-à-vis other investment options were conducted. The list of investor awareness activities undertaken by us during the year are as under:

1. Creating investor awareness content in the form of leaflets, brochures, posters on mutual fund concepts, their benefits etc in regional languages. Also reaching out to existing and potential investors through mediums like newspapers, magazines, radio, cinema, outdoor media and digital.
2. We continue to release articles on mutual funds and financial planning concepts like SIP, Asset allocation, SWP etc for planning financial goals in life. These are sent to existing and potential investors by email and also are uploaded on our website. We have also developed booklets with more detailed explanation on concepts, with a book on 'The right way to invest in Mutual Funds'. Publications in MINT, Hindu Business Line and Eenadu, and online sites like Investonomix etc. to disseminate financial literacy among Students, Working Professionals, Young Entrepreneurs and future thought leaders
3. Partnered in Investor Awareness events with Business magazines, ICC Investment Summit, WIRC and ICAI International Conference Mumbai-2016.
4. Online Media Campaigns – online media like personal finance websites, mass sites, Google search advertisements etc. were used extensively for investment awareness. We promoted concepts like ELSS, SIP and early investing in Mutual funds etc on sites like Economic Times, Moneycontrol, Times of India, India Today, Value Research, and NDTV etc. This was supplemented with online landing pages which talk in detail about the campaign messages. The Social Media (Facebook, LinkedIn, and Twitter) was also used extensively to promote Investment awareness messages to a younger target group.
5. A tactical campaign was organised on Women's Day through business publications - DNA, Midday, Indian Express, MINT, Business Standard and through Social Media platforms, to urge women to start investing in Mutual Funds and become financially independent.
6. There were a total of 688 Investor Education meets covering 31,618 participants during the year. These meets are very useful in educating potential and existing investors in mutual funds through a face to face discussion. These meets are done all across the country with the help of regional teams.

**NEW INITIATIVES**

1. SBI Funds Management is arguably the market leader in ETF Segment with assets of over ₹ 23,816 Crores with participation from Institutional, Corporate and Individual clients. We expect the ETF and Indexing market to grow exponentially in next 2-3 years. To cater to the future growth requirements, we are engineering new products in this segment and working on market development of the segment.
2. In line with client requirement, we have introduced a number of new features to our products which include instant redemption in select funds, new forms of Systematic Investment Plans and Systematic Withdrawn Plans, etc. These new facilities will benefit the investors and help them customize their investments to financial goals.
3. We have also introduced Portfolio Management Services offering for Individual investors in FY 2016-17. Albeit currently at a smaller size, we endeavor to grow this segment along with Alternative investments in next 2-3 years.
4. Indexing, Alternatives and Portfolio Advisory for domestic and offshore clients would be the new endeavors of SBI FM, where we will be investing and growing in next 5 years.
5. To develop a better customer connects and increase ease of access and execution, SBI FM has invested in to Information Technology and Digital applications. During the year, the Fund House launched a new Website, and Distributor Mobile Application (SBIMF Partner App).
6. We also launched Instant limited Redemption Facility in SBI Magnum Insta Cash Fund, which was enabled on all SBIMF Mobile Applications and Website. A dedicated Digital tool for sales activation Mobile Application (Mitra) was also implemented leading to higher productivity.

**CHANGE IN NATURE OF BUSINESS**

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

**MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED 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 2016-17 and the date of this report.

**FUTURE PLANS**

- 1) Increasing reach in B15 cities and penetration through the digital platforms, according to us, would be the big game changers in next 2-3 years.
- 2) We will also keep exploring opportunities to open branches in B15 cities.
- 3) We have already built very strong digital platforms for Investors as well as Distributors. We plan to strengthen it further to ensure an even more smoother experience for our investors and distributors.
- 4) From an Investment Performance perspective, our endeavour is to continue building on our strong long-term track record which will help us feature among the top preferences for investors and distributors.
- 5) We expect clients to move from individual fund performance to goal based investing.

**VII. CORPORATE SOCIAL RESPONSIBILTY**

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 net profits for contribution towards appropriate social causes and activities for community service and environment.

In terms of section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, a Corporate Social Responsibility ('CSR') Committee of Directors 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 Director's Report.

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

June 9, 2016; December 13, 2016 and March 22, 2017.

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. Madhu Dubhashi\$	00036846	Independent	3
Mr. Dinesh Kumar Khara*	06737041	Associate	1
Mrs. Anuradha Rao**	07597195	Associate	2
Mr. Fathi Jerfel#	05225974	Associate	0
Mr. Nicolas Simon#	07332820	Alternate Director to Mr. Fathi Jerfel	2

\$ Mrs. Madhu Dubhashi ceased to be an Independent Director with effect from April 1, 2017

\* Mr. Dinesh Kumar Khara ceased to be a member of the Committee consequent to his resignation as MD&CEO with effect from August 10, 2016

\*\* Mrs. Anuradha Rao, Managing & CEO was appointed as member of the Committee with effect from August 25, 2016

# Two meetings were attended by Mr. Nicolas Simon, Alternate Director to Mr. Fathi Jerfel.

## VIII. 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 ₹ 1,086.58 lakh in foreign exchange as portfolio management fee. The foreign exchange outgo on account of Salary, business promotion and other administrative expenses was ₹ 457.31 lakh. An amount of ₹ 2,220 lakh was remitted to non-resident shareholder ('AMUNDI') on account of dividend.

### 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.

#### RISK MANAGEMENT COMMITTEE

During the year under review, four meetings of the Risk Management Committee of the Board were held on:

June 9, 2016; July 26, 2016; October 24, 2016 and January 30, 2017.

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
Mrs. Madhu Dubhashi\$	00036846	Independent	3
Mr. Jashvant Raval	00171896	Independent	4
Mr. O. P. Gahrotra	00936696	Independent	3
Mr. Dinesh Kumar Khara*	06737041	Associate	2
Mr. Fathi Jerfel#	05225974	Associate	0
Mrs. Anuradha Rao**	07597195	Associate	2
Mr. Nicolas Simon#	07332820	Alternate Director to Mr. Fathi Jerfel	4

\$ Mrs. Madhu Dubhashi ceased to be an Independent Director with effect from April 1, 2017

\* Mr. Dinesh Kumar Khara ceased to be a member of the Committee consequent to his resignation as MD&CEO with effect from August 10, 2016

\*\* Mrs. Anuradha Rao, Managing Director & CEO was appointed as member of the Committee with effect from August 25, 2016

# Four meetings were attended by Mr. Nicolas Simon, Alternate Director to Mr. Fathi Jerfel

### 4) 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.

### 5) LOANS, GUARANTEES OR INVESTMENTS

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

**6) 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.

**7) RELATED PARTY TRANSACTIONS**

All the related party Transactions entered during the financial year were not material in nature and 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.

**8) 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 harassment. The policy clearly indicates operational guidelines and mechanism for effectively dealing with cases of sexual harassment / misdeeds against women employees. As per the policy, we have an Internal 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 2016-17.

**9) EXTRACT OF ANNUAL RETURN**

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

**10) 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 Independent Directors declarations on a voluntarily basis.

**11) 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.

**12) 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.

**IX. DIRECTORS:**

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

- 1) Mr. V. G. Kannan (DIN 03443982) ceased to be an Associate Director with effect from July 31, 2016.
- 2) Mr. Dinesh Kumar Khara (DIN 06737041) ceased to be Managing Director & CEO (Associate Director) with effect from August 10, 2016.
- 3) Mrs. Anuradha Rao (DIN 07597195) was appointed as Managing Director & CEO (Associate Director) with effect from August 25, 2016.
- 4) Mr. Dinesh Kumar Khara (DIN 06737041) was further appointed as an Associate Director with effect from October 20, 2016.
- 5) Mrs. Madhu Dubhashi (DIN 00036846) ceased to be an Independent Director with effect from April 1, 2017.
- 6) Mr. Thierry Mequillet (DIN 05118685) ceased to be an Associate Director with effect from April 10, 2017.
- 7) Mr. Jean-Yves Glain (DIN 07761090) was appointed as an Associate Director with effect from April 18, 2017.

## SBI FUNDS MANAGEMENT PRIVATE LIMITED

The Board places on record its appreciation of the valuable contributions made by Mr. V. G. Kannan, Mrs. Madhu Dubhashi & Mr. Thierry Mequillet during their tenure and extended warm welcome to Mrs. Anuradha Rao, Mr. Dinesh Kumar Khara & Mr. Jean-Yves Glain who have 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.

### X. BOARD MEETINGS:

Eight Board meetings were held during the financial year under review on:

April 25, 2016; June 9, 2016; July 26, 2016; September 21, 2016; October 24, 2016; December 13, 2016; January 30, 2017 and March 23, 2017

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. V. G. Kannan *	03443982	Associate	3
Mr. Dinesh Kumar Khara, Managing Director & CEO *	06737041	Associate	3
Mr. Dinesh Kumar Khara **	06737041	Associate	4
Mrs. Anuradha Rao, Managing Director & CEO **	07597195	Associate	5
Mrs. Madhu Dubhashi *	00036846	Independent	7
Mr. Thierry Mequillet *	05118685	Associate	4
Mr. Shishir Joshipura	00574970	Independent	2
Mr. Fathi Jerfel	05225974	Associate	1
Mr. Jashvant Raval	00171896	Independent	8
Mr. O. P. Gahrotra	00936696	Independent	7
Dr. Prafulla Agnihotri	07238278	Independent	7
Mr. Nicolas Simon	07332820	Alternate Director to Mr. Fathi Jerfel	7
Total No. of Board Meetings held			8

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

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

### XI. 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 25, 2016; June 9, 2016; July 26, 2016; September 20, 2016; October 24, 2016; December 10, 2016; January 30, 2017 and March 22, 2017

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

The attendance of members 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	6

**XII. COMMITTEE OF DIRECTORS:**

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

June 9, 2016; September 20, 2016; December 13, 2016 and March 22, 2017. The attendance of each member at the meetings of the Committee is as under:

<b>Name of the Director</b>	<b>Director Identification Number (DIN)</b>	<b>Category of Director</b>	<b>Number of meetings attended</b>
Mr. O. P. Gahrotra	00936696	Independent	4
Mrs. Madhu Dubhashi\$	00036846	Independent	4
Mr. Dinesh Kumar Khara*	06737041	Associate	1
Mrs. Anuradha Rao**	07597195	Associate	3
Mr. Fathi Jerfel#	05225974	Associate	1
Mr. Nicolas Simon#	07332820	Alternate Director to Mr. Fathi Jerfel	3

\$ Mrs. Madhu Dubhashi ceased to be an Independent Director with effect from April 1, 2017

\* Mr. Dinesh Kumar Khara ceased to be a member of the Committee consequent to his resignation as MD&CEO with effect from August 10, 2016

\*\* Mrs. Anuradha Rao was appointed as member of the Committee with effect from August 25, 2016

# Three meetings were attended by Mr. Nicolas Simon, Alternate Director to Mr. Fathi Jerfel

**XIII. HR SUB-COMMITTEE OF DIRECTORS:**

During the year, two meetings of the HR Sub-Committee of Directors were held on October 24, 2016 and March 23, 2017. The attendance of each member at the meetings of the Committee is as under:

<b>Name of the Director</b>	<b>Director Identification Number (DIN)</b>	<b>Category of Director</b>	<b>Number of meetings attended</b>
Mr. Dinesh Kumar Khara*	06737041	Associate	2
Mr. O. P. Gahrotra	00936696	Independent	2
Mrs. Anuradha Rao**	07597195	Associate	2
Mr. Nicolas Simon	07332820	Dy. Chief Executive Officer	2

\* Mr. Dinesh Kumar Khara ceased to be a member of the Committee consequent to his resignation as MD&CEO of the Company with effect from August 10, 2016. Mr. Khara was further appointed as a member of the Committee in the capacity of an Associate Director on October 24, 2016

\*\* Mrs. Anuradha Rao, Managing Director & CEO was appointed on the Committee on August 25, 2016

**XIV. 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 2016-17.

**XV. 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 2016-17.

## **SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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The Directors hereby confirm that:

1. In the preparation of the annual accounts of the Company for the year ended March 31, 2017, 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.

### **XVI. 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.

### **XVII. AUDITORS**

The Comptroller and Auditor General of India, New Delhi had appointed M/s. Sudit K. Parekh & Co., Chartered Accountants as the Statutory Auditors of the Company for the year under review, who will retire at the conclusion of the Twenty fifth 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.

### **XVIII. 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 Fund accountants, 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**

-Sd/-

Mumbai  
Dated: July 25, 2017

**ARUNDHATI BHATTACHARYA**  
**CHAIRMAN**  
**DIN: 02011213**

**Form AOC -1**

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

**Statement containing salient features of the financial statement of subsidiaries/ associates companies/ joint ventures****Part "A" – Subsidiaries**

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

Particulars	Details	USD	₹ in lacs
1. Sl. No.			
2. Name of the subsidiary	<b>SBI Funds Management (International) Private Limited</b>		
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company's reporting period		
4. 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 ₹64.8386 closing rate as per RBI as on 31.03.2017 for monetary assets and liabilities and ₹ 67.0896 average rate as per RBI		
5. Share capital		10,000	6.48
6. Reserves & surplus		117,442	76.15
7. Total assets		172,167	111.63
8. Total Liabilities		44,725	29.00
9. Investments		2	130
10. Turnover		36,276	24.34
11. Profit before taxation		(32,970)	(22.12)
12. 1Provision for taxation		(151)	(0.10)
13. Profit after taxation		(33,121)	(22.22)
14. Proposed Dividend		-	-
15. % of shareholding		100	100

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

<b>Name of Associate</b>	<b>SBI Pension Funds Private Limited</b>
Latest audited Balance Sheet Date	31/03/2017
<b>Shares of Associate held by the company on the year end</b>	
Number	60 Lac shares of ₹ 10 each
Amount of Investment in Associates (in ₹ in Lacs)	600.00
Extent of Holding %	20%
<b>Description of how there is significant influence</b>	As per Accounting Standard AS 23
<b>Reason why the Associate is not consolidated</b>	Not Applicable
<b>Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in lacs)</b>	702.13
<b>Profit / Loss for the year (₹ in lacs)</b>	103.07
(i) Considered in Consolidated (₹ in lacs)	20.61
(ii) Not Considered in Consolidated (₹ in lacs)	82.46



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2016-17****(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 communities 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:**

The composition of the Corporate Social Responsibility committee during the year under review is as follows

Name	Category of the Director
Mr. O. P. Gahrotra	Independent Director
Mrs. Madhu Dubhashi*	Independent Director
Mr. Fathi Jerfel\$	Associate Director
Mrs. Anuradha Rao#	Associate Director
Mr. Dinesh Kumar Khara**	Associate Director

\* Mrs. Madhu Dubhashi (DIN 00036846) ceased to be an Independent Director with effect from April 1, 2017.

# Mrs. Anuradha Rao (DIN 07597195) was appointed as member of the Committee with effect from August 25, 2016.

\$ 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. Dinesh Kumar Khara ceased to be a member of the Committee consequent to his resignation as MD&CEO with effect from August 10, 2016.

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

(₹ in lakh)

Sr. No.	Financial Year	Net Profit
1	2013-14	23,139
2	2014-15*	24,116
3	2015-16	25,146
	<b>Average Net Profit</b>	<b>24,134</b>

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

**(4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) – ₹ 482.68 lakhs****(5) Details of CSR spent during the financial year:**

- (a) Total amount to be spent for the financial year: ₹ 482.68 Lakhs
- (b) Amount unspent, if any: **Nil (The Company has spent ₹ 484.51 lakhs)**
- (c) Manner in which the amount spent during the financial year is detailed below:

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

(₹ in lakh)

Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads:		Cumulative expenditure up to the reporting period	Amount Spent	
					Direct Expenditure on projects or programs	Over heads		Direct	Implementing agency
1	Deepsikha - Trust for Cancer Patients Care	Healthcare	Assam, Guwahati	50.00	49.77	-	49.77	49.77	-
2	Bhagvaan Mahaveer Viklang Sahayata Samiti - Provides mobility aids to Differently Abled	Healthcare	Ahmedabad, Gujarat	45.00	43.50	-	93.27	43.50	-
3	AkshayPatra Foundation - Vehicles for Mid-day meal services at government schools across India	Education & Healthcare	Uttar Pradesh, Chattisgarh, Orissa and Jaipur	92.00	90.95	-	184.22	90.95	-
4	ISKCON Food Relief Foundation - Mid-day meal services at government schools across India	Education & Healthcare	Maharashtra, West Bengal and Jharkhand	82.00	80.00	-	264.22	80.00	-
5	Agastya International Foundation - Runs mobile vans as practical labs across government schools	Education	Kuppam, Andhra Pradesh	76.00	75.40	-	339.62	75.40	-

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads:		Cumulative expenditure up to the reporting period	Amount Spent	
					Direct Expenditure on projects or programs	Over heads		Direct	Implementing agency
6	KK Child Trust Hospital – Equipment for medical research	Healthcare services to children	Chennai	72.00	71.20	-	410.82	71.20	-
7	Cuddles Foundation – Workspace equipment needs of the nutritionists	Healthcare services to children	Mumbai, Delhi, Lucknow, Jaipur and Bangalore	6.10	6.10	-	416.92	6.10	-
8	Adapt	Education to differently abled	Mumbai, Maharashtra	19.00	18.59	-	435.51	18.59	-
9	Watershed Organization Trust (WOTR)	Healthcare	Maharashtra	32.00	32.00	-	467.51	32.00	
10	Rotary Club of Madras	Education	Chennai	17.00	17.00	-	484.51	17.00	-
	<b>Total</b>			<b>491.10</b>	<b>484.51</b>			<b>484.51</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**

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

**Sd/-**  
**O. P. Gahrotra**  
**Chairman**  
**Corporate Social Responsibility Committee of**  
**Board of Directors**

**Place : Mumbai**  
**Date : July 25, 2017**

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2017

[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: vinaya.datar@sbimf.com Website: www.sbimf.com
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 to SBI Mutual Fund & SBI Alternative Equity Fund (AIF)	66301	98.02

**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, 2016				No. of shares held at the end of the year March 31, 2017				% 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	-	20	20	0.0004	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

Category of Shareholders	No. of shares held at the beginning of the year April 01, 2016				No. of shares held at the end of the year March 31, 2017				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Bank / FI	3149980	-	3149980	62.9996	3149980	-	3149980	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>3149980</b>	<b>20</b>	<b>3150000</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>3149980</b>	<b>20</b>	<b>3150000</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	1850000	-	1850000	37.00	<b>NIL</b>
<b>Sub- total (B) (1)</b>	<b>1850000</b>	<b>-</b>	<b>1850000</b>	<b>37.00</b>	<b>1850000</b>	<b>-</b>	<b>1850000</b>	<b>37.00</b>	<b>NIL</b>
<b>2.Non-Institutions</b>									
a)Bodies Corp.	-	-	-	-	-	-	-	-	-
i)Indian	-	-	-	-	-	-	-	-	-
ii)Overseas	-	-	-	-	-	-	-	-	-

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

Category of Shareholders	No. of shares held at the beginning of the year April 01, 2016				No. of shares held at the end of the year March 31, 2017				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 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	1850000	-	1850000	37.00	NIL
<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>4999980</b>	<b>20</b>	<b>5000000</b>	<b>100.00</b>	<b>NIL</b>

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

**ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in Shareholding during the year
1	State Bank of India	3149980	62.9996	NA	3149980	62.9996	NA	NIL
2	Shri Dinesh Kumar Khara#	10*	0.0002	NA	-	-	-	-
3	Shri Neeraj Vyas^	-	-	-	10*	0.0002	-	-
4	Mrs. Anuradha Rao#	-	-	-	10*	0.0002	NA	NIL
5	Shri R. N. Sahay^	-	-	-	10*	0.0002	NA	NIL
	<b>Total</b>	<b>3150000</b>	<b>63.00</b>	<b>NA</b>	<b>3150000</b>	<b>63.00</b>	<b>NA</b>	<b>NIL</b>

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

#10 shares held by Shri Dinesh Kumar Khara were transferred to Mrs. Anuradha Rao on October 24, 2016

^10 shares held by Shri Neeraj Vyas were transferred to Shri R. N. Vyas on October 24, 2016

**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 Share holding 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)	18,50,000	37	18,50,000	37

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

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

\*State Bank of India is the beneficial holder of these 10 shares

10 shares held by Shri Dinesh Kumar Khara (Managing Director & CEO) were transferred to Mrs. Anuradha Rao (Managing Director & CEO) on October 24, 2016

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

(₹ in lacs)

S. No	Particulars of Remuneration	Name of Managing Director#		Total Amount
		Shri Dinesh Kumar Khara	Mrs. Anuradha Rao	
<b>1</b>	Gross Salary			
	a)Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	20.59	17.30	37.89
	b)Value of perquisites u/s 17(2) Income-tax Act, 1961	2.92	4.11	7.03
	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	Nil
<b>5</b>	Others, please specify	--	--	--
	Total (A)	23.51	21.41	44.92
	Ceiling as per the Act	NA	NA	NA

#Mr. Dinesh Kumar Khara ceased to be Managing Director & CEO of the Company w.e.f. August 10, 2016 and Mrs. Anuradha Rao was appointed as Managing & CEO w.e.f. August 25, 2016.

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

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ in Lac)
		Mr. Jashvant Raval	Mrs. Madhu Dubhashi	Mr. Shishir Joshipura	Mr. O. P. Gahrotra	Dr. Prafulla Agnihotri	
1	Fee for attending Board / Committee meetings (₹ in Lakh)	3.80	3.40	0.50	4.45	2.65	14.80
2	Commission	--	--	--	--	--	--
3	Others	--	--	--	--	--	--
	<b>Total (1)</b>	3.80	3.40	0.50	4.45	2.65	14.80

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

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ in Lac)
		Mrs. Arundhati Bhattacharya	Mr. V. G. Kannan	Mr. Fathi Jerfel	Mr. Thierry Mequillet	
1	Fee for attending Board / Committee meetings	--	--	--	--	--
2	Commission	--	--	--	--	--
3	Others	--	--	--	--	--
	<b>Total (2)</b>	--	--	--	--	--
	<b>Total (B)=(1+2)</b>					<b>14.80</b>
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	--				

#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

\$Mr. Dinesh Kumar Khara ceased to be Managing & CEO w.e.f. August 10, 2016 and further was appointed as an Associate Director on October 20, 2016

**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, 2017.



## **INDEPENDENT AUDITORS' 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, 2017, 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 Standalone 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 and rules made thereunder, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' 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 standalone 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 assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control 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 we have obtained 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, 2017, its profit, and its cash flows for the year ended on that date.

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

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

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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II. 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 the 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25 to the 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 due to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 38 to the standalone financial statements.

III. As required by Section 143 (5) of the Act, with respect to reporting on clause 1 of the directions issued by the Comptroller and Auditor-General of India, related to reporting on clear title/ lease deeds for freehold and leasehold land respectively, 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. Further, clauses 2 and 3 of the directions are not applicable to the Company.

**For Sudit K. Parekh & Co.**  
Chartered Accountants  
Firm Registration No.: 110512W

Sd/-  
**Nemish Kapadia**  
Partner  
Membership No.: 111929

Place : Mumbai  
Dated : April 26, 2017

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SBI FUNDS MANAGEMENT PRIVATE LIMITED**

(Referred to in our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has formulated a phased programme for physical verification of fixed assets, designed to cover all the 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 based on the examination of records and documents produced to us, the title deed of immovable property, forming part of fixed assets is held in the name of the Company.
- (ii) Since the Company is a service provider, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, 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, paragraph 3 (iii) (a) to (c) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loans, guarantees or securities in respect of provisions of section 185 and 186 of the 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) According to the information and explanations given to us, the Company has not accepted any 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, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained to us, the Central Government of India has not specified the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax and other material statutory dues were outstanding as at the year end for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	14,833,880	A.Y. 2014-15	Income Tax Officer

- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowing from financial institutions, banks, government and nor has it issued any debentures and hence paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans and hence paragraph 3 (ix) of the Order is not applicable to the Company.

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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- (x) Based on audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements of the Company and based on records produced to us and according to information and explanations provided by the management, no material fraud by the Company or on the Company, by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company, being a private limited Company and hence paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company and hence paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) Based on our audit procedures performed and according to the information and explanations given to us by the management, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements to the extent 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 covered by our audit and hence paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, and to the best of our knowledge and belief the Company is not required to obtain any registration under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Sudit K. Parekh & Co.**  
Chartered Accountants  
Firm Registration No. :-110512W

Sd/-  
**Nemish Kapadia**  
Partner  
Membership No.: 111929

Place: Mumbai

Dated: 26<sup>th</sup> April, 2017

## **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SBI FUNDS MANAGEMENT PRIVATE LIMITED**

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of SBI Funds Management Private Limited ("the Company") as of March 31, 2017 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's 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, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the 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, 2017, 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.

For **Sudit K. Parekh & Co.**  
Chartered Accountants  
Firm Registration No.:-110512W

**Sd/-**  
**Nemish Kapadia**  
Partner  
Membership Number: 111929

Place : Mumbai  
Dated : April 26, 2017

**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 2017**

The preparation of Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2017 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 26 April 2017.

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 2017. 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

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

Sd/-

**(Roop Rashi)**

Principal Director of Commercial Audit and  
ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 18 July, 2017

**BALANCE SHEET AS AT MARCH 31, 2017**

	Notes	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (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	72,097.84	58,091.04
		77,097.84	63,091.04
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	4	41.46	1,153.08
(b) Other long term liabilities	5	8.44	12.32
(c) Long-term provisions	6	456.66	431.04
		506.56	1,596.44
<b>Current liabilities</b>			
(a) Trade payables	7	6,967.71	2,849.61
(b) Other current liabilities	8	186.60	241.88
(c) Short-term provisions	9	13,745.83	10,432.16
		20,900.14	13,523.65
<b>TOTAL</b>		<b>98,504.54</b>	<b>78,211.13</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets	10		
(i) Property plant and equipment		16,618.11	16,838.74
(ii) Intangible assets		1,034.79	945.35
(iii) Capital work-in-progress		7.40	-
(iv) Intangible assets under development		216.55	40.94
(b) Non-current investments	11	24,827.05	15,197.32
(c) Long-term loans and advances	12	6,757.36	7,024.12
(d) Other non-current assets	13	574.73	922.96
		50,035.99	40,969.43
<b>Current assets</b>			
(a) Current investments	14	24,873.82	18,499.59
(b) Trade receivables	15	2,338.54	2,297.66
(c) Cash and bank balances	16	8,570.07	6,882.40
(d) Short-term loans and advances	17	12,577.15	9,506.89
(e) Other current assets	18	108.97	55.16
		48,468.55	37,241.70
<b>TOTAL</b>		<b>98,504.54</b>	<b>78,211.13</b>
Summary of significant accounting policies	1		
The accompanying notes form an integral part of the financial statements.			

As per our attached report of even date

**For SUDIT K. PAREKH & CO.**  
**Chartered Accountants**  
**Firm Registration No. 110512W**

**Sd/-**  
**Nemish Kapadia**  
 Partner  
 Membership No: 111929

Place: Mumbai  
 Date : April 26, 2017

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

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

**Sd/-**  
**Jean-Yves Glain**  
 Director  
 DIN 07761090  
 Place: Mumbai  
 Date : April 25, 2017

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

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



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Notes	Year Ended 31-Mar-2017 ₹ (in lacs)	Year Ended 31-Mar-2016 ₹ (in lacs)
Revenue from operations	19	73,634.17	54,155.87
Other income	20	4,153.29	1,084.33
<b>Total revenue</b>		<b>77,787.46</b>	<b>55,240.20</b>
<b>Expenses:</b>			
Employee benefits expense	21	13,328.12	10,479.16
Depreciation and amortization expenses	22	1,260.74	974.72
Other expenses	23	30,209.01	18,640.74
<b>Total expenses</b>		<b>44,797.87</b>	<b>30,094.62</b>
<b>Profit before tax</b>		32,989.59	25,145.58
<b>Tax expenses:</b>			
- Current tax		10,575.00	7,900.00
- Deferred tax		(1,111.62)	710.02
- Adjustment of tax relating to earlier periods		1,094.35	-
<b>Net profit after tax</b>		<b>22,431.86</b>	<b>16,535.56</b>
Earnings per equity share (Nominal value of share of ₹ 100 each)			
(1) Basic	24	448.64	330.71
(2) Diluted		448.64	330.71
Summary of significant accounting policies	1		

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

As per our attached report of even date

**For SUDIT K. PAREKH & CO.**  
Chartered Accountants  
Firm Registration No. 110512W

**Sd/-**  
**Nemish Kapadia**  
Partner  
Membership No: 111929

Place: Mumbai  
Date : April 26, 2017

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

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

**Sd/-**  
**Jean-Yves Glain**  
Director  
DIN 07761090

Place: Mumbai  
Date : April 25, 2017

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

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

<b>Particulars</b>	<b>For Year end 31-Mar-2017 ₹ (in lacs)</b>	<b>For Year end 31-Mar-2016 ₹ (in lacs)</b>
<b>Cash Flow from Operating Activities</b>		
Net profit Before Tax	32,989.59	25,145.58
<b>Adjustments for:</b>		
Depreciation and amortisation	1,260.74	974.70
(Profit) /Loss on sale of fixed assets (Net)	(1.54)	(0.44)
Gains on sale /redemption of current investments	(3,050.49)	(361.95)
Gains on sale /redemption of non-current investments	(143.34)	-
Interest income	(318.62)	(125.95)
Dividend income from current investments	(468.95)	-
Dividend income from non-current investments	(90.55)	(418.39)
Operating profit before working capital changes	30,176.84	25,213.55
Decrease / (Increase) in trade receivables	(40.88)	(433.90)
Decrease / (Increase) in long term loans and advances	(569.19)	2,098.00
Decrease / (Increase) in other non current assets	-	3.21
Decrease / (Increase) in Short term loans & advances	(3,070.26)	(2,379.69)
Decrease / (Increase) in other current assets	0.19	0.11
(Decrease) / Increase in trade payables	4,118.10	760.34
(Decrease) / Increase in non-current liabilities	21.74	(274.01)
(Decrease) / Increase in other current liabilities	(55.27)	(248.31)
(Decrease) / Increase in short term provisions	2,110.07	(184.91)
Net cash generated from operations	32,691.34	24,554.39
Income taxes paid	(10,662.69)	(9,075.76)
<b>Net cash generated from Operating Activities (A)</b>	<b>22,028.65</b>	<b>15,478.63</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Intangible assets(including advances for capital)	(605.80)	(658.51)
Purchase of Property,plant and equipment (including advances for capital)	(685.67)	(1,020.35)
Sale of Fixed Assets	3.84	0.44
Purchase of Investments (current investments)	(71,465.30)	-
Purchase of Investments (non-current investments)	(10,423.60)	-
Sale of Investments (Current investments)	66,110.71	(61,082.80)
Sale of Investments (non-current investments)	2,968.08	53,119.24
Fixed Deposits placed during the year	(550.04)	(1,590.90)
Fixed Deposits matured during the year	700.00	821.83
Interest received	77.87	81.65
Dividend received on non current investments	468.94	-
Dividend received on current investments	90.55	418.39
<b>Net Cash used in Investing Activities (B)</b>	<b>(13,310.42)</b>	<b>(9,911.01)</b>
<b>Cash Flow from Financing Activities</b>		
Dividend paid	(6,000.00)	(5,500.00)
Tax on Dividend	(1,221.46)	(1,099.67)
<b>Net cash used in Financing Activities (C)</b>	<b>(7,221.46)</b>	<b>(6,599.67)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>1,496.77</b>	<b>(1,032.05)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>6,182.40</b>	<b>7,214.45</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>7,679.17</b>	<b>6,182.40</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	For Year end 31-Mar-2017 ₹ (in lacs)	For Year end 31-Mar-2016 ₹ (in lacs)
<b>Components of Cash and Cash Equivalents</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in hand	0.20	0.15
Balance with banks		
-in Current Accounts	678.97	182.25
-in Current Accounts - Dividend Payable	7,000.00	6,000.00
<b>Total Cash &amp; Cash Equivalent (Note no. 16)</b>	<b>7,679.17</b>	<b>6,182.40</b>

Summary of significant accounting policies (refer note 1)

As per our attached report of even date

**For SUDIT K. PAREKH & CO.**  
**Chartered Accountants**  
**Firm Registration No. 110512W**

**Sd/-**  
**Nemish Kapadia**  
 Partner  
 Membership No: 111929

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

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

**Sd/-**  
**Jean-Yves Glain**  
 Director  
 DIN 07761090

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

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

Place: Mumbai  
 Date : April 26, 2017

Place: Mumbai  
 Date : April 25, 2017

## **NOTES TO THE FINANCIAL STATEMENTS**

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

SBI Funds Management Private Limited ('the Company') was incorporated on 7th 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.

### **1.(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 Fixed Assets and Capital Advances**

##### **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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

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, up to the date of on which the asset is sold.

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. Investment management rights (DAIWA schemes) are amortised based on the average holding period of various schemes, copyright licenses are amortised over a period of five years. All other intangible assets are amortised over a period of three to six years.

### 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.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **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 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.

##### **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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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 Fund) 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 Fund) 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. Timing differences are the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. 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.

## **NOTES TO THE FINANCIAL STATEMENTS**

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.

The carrying amount of deferred tax assets are reviewed at each balance sheet date (including re-assessment of previously unrecognised deferred tax assets) and write down or written up to reflect the amount that is reasonably certain (or wherever applicable, virtually certain) to be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. 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.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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.

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. 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**

	<b>As at 31-Mar-2017 ₹ (in lacs)</b>	<b>As at 31-Mar-2016 ₹ (in lacs)</b>
<b>Authorised</b>		
5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 Equity Share of ₹ 100 each)	5,000	5,000
<b>Issued, Subscribed and Paid Up</b>		
5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 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**

<b>Particulars</b>	<b>As at 31-Mar-2017</b>		<b>As at 31-Mar-2016</b>	
	<b>No of Shares</b>	<b>₹ (in lacs)</b>	<b>No of Shares</b>	<b>₹ (in lacs)</b>
<b>Equity Shares</b>				
Outstanding at the beginning of the year	50,00,000	5,000	50,00,000	5,000
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the year	50,00,000	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 ₹ 100 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**

<b>Particulars</b>	<b>As at 31-Mar-2017</b>		<b>As at 31-Mar-2016</b>	
	<b>No of Shares</b>	<b>₹ (in lacs)</b>	<b>No of Shares</b>	<b>₹ (in lacs)</b>
State Bank of India	31,50,000	3,150.00	31,50,000	3,150.00

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

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

**NOTES TO THE FINANCIAL STATEMENTS****3 RESERVES AND SURPLUS**

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
<b>General Reserve</b>		
Balance at the beginning of the year	8,760.09	8,260.09
Add: Transfer from statement of profit and loss	500.00	500.00
<b>Balance at the end of the year (A)</b>	<b>9,260.09</b>	<b>8,760.09</b>
<b>Surplus in statement of profit and loss</b>		
Balance at the beginning of the year	49,330.95	40,516.85
Add: Profit for the year	22,431.86	16,535.56
Less: Transfer to general reserve	500.00	500.00
Less: Interim dividend	7,000.00	6,000.00
Less: Tax on interim dividend	1,425.06	1,221.46
Add: Excess provision for dividend distribution tax written back	-	-
<b>Balance at the end of the year (B)</b>	<b>62,837.75</b>	<b>49,330.95</b>
<b>Total (A+B)</b>	<b>72,097.84</b>	<b>58,091.04</b>

**4 DEFERRED TAX ASSETS /(LIABILITIES)**

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
Deferred tax assets/(liabilities)		
- Provision for compensated absences	181.73	181.81
- Provision for gratuity	22.81	-
- Amortization /Depreciation on tangible /intangible assets	(252.65)	(1,336.06)
- Others	6.65	1.17
<b>Deferred tax liabilities (net)</b>	<b>(41.46)</b>	<b>(1,153.08)</b>

**5 OTHER LONG TERM LIABILITIES**

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
Others		
Retention money payable	8.44	12.32
<b>Total</b>	<b>8.44</b>	<b>12.32</b>

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

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
Provision for employee benefits	456.66	431.04
<b>Total</b>	<b>456.66</b>	<b>431.04</b>

**7 TRADE PAYABLES**

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
Trade Payable		
(a) total outstanding dues of micro enterprises and small enterprises; and	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	6,967.71	2,849.61
<b>Total</b>	<b>6,967.71</b>	<b>2,849.61</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-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
Statutory dues (including mainly PF and TDS)	111.68	109.14
Income received in advance	0.93	2.15
Other payables		
- Earnest money deposit	0.69	3.59
- Retention money payable	24.24	27.63
Creditors for capital expenditure	23.73	44.18
Rent payable	25.33	55.19
<b>Total</b>	<b>186.60</b>	<b>241.88</b>

**9 SHORT TERM PROVISIONS**

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
Provision for employee benefits	3,699.83	2,191.19
Others		
- Proposed interim dividend *	7,000.00	6,000.00
- Tax on proposed interim dividend	1,425.06	1,221.46
- Provision for expenses	1,620.94	1,019.51
<b>Total</b>	<b>13,745.83</b>	<b>10,432.16</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 01.04.2016	Additions for the Year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2017	Upto 01.04.2016	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2017
Building	16,017.51			16,017.51	732.22	267.05		999.27
Plant and Equipments	262.23			262.23	128.32	59.63		187.95
(including Building Management Systems) Furniture and Fixtures Vehicles	784.01 61.35							
Office Equipments	410.33	35.05	1.09	817.97	223.68	81.71	0.69	304.70
Computers	1,844.98	62.73	16.69	61.35	28.64	6.62	-	35.26
Leasehold Improvements	423.55	438.00	153.39	456.37	261.10	59.52	16.66	303.96
		96.27	75.51	2,129.59	1,292.84	321.24	148.44	1,465.64
				444.31	298.42	51.53	75.51	274.44
<b>Total Tangible Assets</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>Previous Year</b>	<b>19,182.79</b>	<b>630.82</b>	<b>9.64</b>	<b>19,803.96</b>	<b>2,150.65</b>	<b>822.38</b>	<b>7.81</b>	<b>2,965.22</b>

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## 10.2 Intangible Assets

₹ (in lacs)

Particulars	GROSS BLOCK (At Cost)			AMORTISATION			NET BLOCK	
	As at 01.04.2016	Additions for the Year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2017	Upto 01.04.2016	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2017
Computer Software	1,622.31	449.37	23.97	2,047.71	700.52	399.84	23.97	1,076.39
Copyright License	28.00			28.00	6.59	5.60	-	12.19
Investment Management Rights	57.40			57.40	56.99	0.41	-	57.40
Website Development Cost	103.88	53.51		157.39	102.14	7.59	-	109.73
<b>Total Intangible Assets</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>Previous Year</b>	<b>832.15</b>	<b>979.44</b>	<b>-</b>	<b>1,811.59</b>	<b>713.90</b>	<b>152.34</b>	<b>-</b>	<b>866.24</b>

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## NOTES TO THE FINANCIAL STATEMENTS

## 11 NON-CURRENT INVESTMENTS

	As at 31-Mar-17		As at 31-Mar-16	
	Numbers	₹ (in lacs)	Numbers	₹ (in lacs)
<b>I Investment in Equity Instruments (Valued at cost unless stated otherwise)</b>				
<b>(Unquoted)(Trade)</b>				
<b>Investment in subsidiary</b>				
Equity shares of \$1 each held in SBI Funds Management (International) Pvt. Ltd.(100%Holding) fully paidup	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 paidup	60,00,000	600.25	60,00,000	600.25
<b>Others</b>				
Equity shares of SBI Foundation of ₹ 10 each fully paidup	1,001	0.10	-	-
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each fully paidup	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 A - 40 - 1100 Days (Growth) face value of ₹ 10 per unit	-	-	50,00,000	500.00
SDFS A - 42 - 1111 Days (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS A - 44 - 1111 Days (Growth) face value of ₹ 10 per unit	-	-	5,00,000	50.00
SDFS B - 3 - 1111 Days (Growth) face value of ₹ 10 per unit	-	-	80,00,000	800.00
SDFS B - 19 - 1100 Days (Growth) face value of ₹ 10 per unit	1,35,00,000	1,350.00	1,35,00,000	1,350.00
SDFS A - 20 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS A- 25 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS A - 28 - 367 Days (Growth) face value of ₹ 10 per unit	-	-	1,80,00,000	1,800.00
SDFS A - 27 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	20,00,000	200.00
SDFS A - 22 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	15,00,000	166.67
SDFS A - 18 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	40,00,000	400.00
SDFS A - 19 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	67,56,780	677.46
SDFS A - 1 - 15 Months (Growth) face value of ₹ 10 per unit	-	-	50,00,000	500.00
SDFS B - 44 - 1100 Days (Growth) face value of ₹ 10 per unit	40,00,000	400.00	-	-
<b>b) Other Investments including Mandatory Investments</b>				
SBI Arbitrage Opportunities Fund	2,85,18,652	4,000.00	43,30,692	600.00
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 face value of ₹ 10 per unit	5,79,139	500.00	5,79,139	500.00
SBI ETF Nifty next face value of ₹ 10 per unit	15,807	30.95	5,10,807	1,000.00
SBI ETF Banking face value of ₹ 10 per unit	5,37,450	1,000.00	5,37,450	1,000.00
SBI ETF BSE 100 face value of ₹ 86.3097 per unit	20,000	17.26	20,000	17.26

## NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-17		As at 31-Mar-16	
	Numbers	₹ (in lacs)	Numbers	₹ (in lacs)
SBI Dynamic Asset Allocation Fund- Growth face value of ₹ 10 per unit	5,00,000	50.00	5,00,000	50.00
SBI GETS - 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
SBI STD Fund - Direct - Growth face value of ₹ 10 per unit	3,07,905	50.00	3,07,905	50.00
SHF Ultra STD 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 ₹ 10 per unit	1,605	50.00	1,605	50.00
SBI PLF - Direct - Growth face value of ₹ 1000 per unit	2,259	50.00	2,259	50.00
SBI Magnum MIP - Direct - Growth face value of ₹ 10 per unit	1,64,029	50.00	1,64,029	50.00
SBI MICF Liq Flt - Direct - Growth face value of ₹ 1000 per unit	2,075	50.00	2,075	50.00
SBI Magnum Gilt FundLTG - Direct face value of ₹ 10 per unit	1,63,779	50.00	1,63,779	50.00
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 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 Direct Plan 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 Blue Chip 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

## NOTES TO THE FINANCIAL STATEMENTS

	As at 31-Mar-17		As at 31-Mar-16	
	Numbers	₹ (in lacs)	Numbers	₹ (in lacs)
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 INFRA 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	1,97,293.92	50.00	1,97,294	50.00
SBI PSU Fund - Direct - Growth face value of ₹ 10 per unit	5,29,913.63	50.00	5,29,914	50.00
SBI Magnum Children's Benefit- Direct - Growth face value of ₹ 10 per unit	67,983.57	25.18	67,984	25.18
SBI Nifty Index Fund - Direct - Growth face value of ₹ 10 per unit	39,794.51	27.91	39,795	27.91
SBI Regular Savings Fund - Direct - Growth face value of ₹ 10 per unit	80,540.25	19.13	80,540	19.13
SBI MMIP Floater - Direct - Growth face value of ₹ 10 per unit	45,239.33	9.27	45,239	9.27
SBI-ETF Nifty 50 face value of ₹ 10 per unit	12,741.00	11.00	12,741	11.00
SBI Sensex- ETF face value of ₹ 10 per unit	2,000.00	5.57	2,000	5.57
SBI ETF 10 Year Gilt face value of ₹ 10 per unit	1,14,155.00	166.17	-	-
SBI Regular Savings Fund - Direct - Growth face value of ₹ 10 per unit	1,21,01,057.73	3,276.64	-	-
SBI Corporate Bond Fund - Direct- Growth face value of ₹ 10 per unit	34,08,561.55	900.00	-	-
SBI Treasury Advantage Fund Direct Growth ₹ 1000 per unit	5,87,777	10,125.00	-	-
SBI Magnum Multicap Fund - Direct - Growth face value of ₹ 10 per unit	5,44,627	200.00	-	-
SBI Magnum Equity Fund - Direct- Growth face value of ₹ 10 per unit	2,47,294	200.00	-	-
HDFC Charity Fund for Cancer Cure - Arbitrage plan face value of ₹ 10 per unit	2,50,000	25.00	-	-
<b>III Investments in Others (Valued at cost unless stated otherwise)</b>				
<b>Un-Quoted Investments</b>				
Mandatory Investment in Alternate Investment Fund	1,300	130.00	1,300	130.00
<b>Total</b>		<b>24,827.05</b>		<b>15,197.32</b>
<b>Aggregate amount of quoted investments</b>		<b>24,087.26</b>		<b>14,457.63</b>
<b>Market value /NAV of quoted investments</b>		<b>26,163.65</b>		<b>15,728.57</b>
<b>Aggregate amount of unquoted investments</b>		<b>739.79</b>		<b>739.69</b>

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

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
<b>Secured, Considered good</b>		
Loans (including interest accrued) to employees against hypothecation of property	118.16	145.05
<b>Unsecured, Considered good unless stated otherwise</b>		
Security deposits	370.76	351.39
Advance for expenses	3.08	32.87
Capital advances	8.52	31.93
Unamortised upfront brokerage	3,684.50	2,576.22
Income tax (net of provisions)	1,851.55	2,664.09
Prepaid expenses	66.29	107.66
Other advances	654.50	1,114.91
<b>Total</b>	<b>6,757.36</b>	<b>7,024.12</b>

**13 OTHER NON- CURRENT ASSETS**

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
<b>Secured, Considered good (unless stated otherwise)</b>		
Fixed Deposits including interest accrued	574.73	922.96
<b>Total</b>	<b>574.73</b>	<b>922.96</b>



## NOTES TO THE FINANCIAL STATEMENTS

## 14 CURRENT INVESTMENTS

	As at 31-Mar-17		As at 31-Mar-16	
	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 36 months - 5 (Growth) face value of ₹ 10 per unit	-	-	5,00,000	50.00
SDFS 36 months - 6 (Growth) face value of ₹ 10 per unit	-	-	2,50,000	25.00
SDFS 366 Days - 36 (Growth) face value of ₹ 10 per unit	-	-	1,50,00,000	1,500.00
SDFS 366 Days - 39 (Growth) face value of ₹ 10 per unit	-	-	1,50,00,000	1,500.00
SDFS 366 Days - 51 (Growth) face value of ₹ 10 per unit	-	-	40,00,000	400.00
SDFS 366 Days - 46 (Growth) face value of ₹ 10 per unit	-	-	50,00,000	500.00
SDFS 366 Days - 52 (Growth) face value of ₹ 10 per unit	-	-	90,00,000	900.00
SDFS 36 months - 4 (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS 366 Days - 44 (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS 366 Days - 47 (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS 16 Months -1 (Growth) face value of ₹ 10 per unit	-	-	20,00,000	230.06
SDFS A - 20 - 366 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS A- 25 - 366 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS A - 28 - 367 Days (Growth) face value of ₹ 10 per unit	1,80,00,000	1,800.00	-	-
SDFS A - 27 - 366 Days (Growth) face value of ₹ 10 per unit	20,00,000	200.00	-	-
SDFS A - 22 - 366 Days (Growth) face value of ₹ 10 per unit	15,00,000	166.67	-	-
SDFS A - 18 - 366 Days (Growth) face value of ₹ 10 per unit	40,00,000	400.00	-	-
SDFS A - 19 - 366 Days (Growth) face value of ₹ 10 per unit	67,56,780	677.46	-	-
SDFS A - 1 15 Months (Growth) face value of ₹ 10 per unit	50,00,000	500.00	-	-
SDFS A - 44 - 1111 Days (Growth) face value of ₹ 10 per unit	5,00,000	50.00	-	-
SDFS B - 3 - 1111 Days (Growth) face value of ₹ 10 per unit	80,00,000	800.00	-	-
SDFS A - 42 - 1111 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS A - 40 - 1100 Days (Growth) face value of ₹ 10 per unit	50,00,000	500.00	-	-
SDFS 17 Months -1 (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS 18 Months -13 (Growth) face value of ₹ 10 per unit	-	-	1,20,00,000	1,200.00
SFIDFS 90 Days -1 (Growth) face value of ₹ 10 per unit	44,74,913	500.00	44,74,913	500.00
SBI Treasury Advantage Fund Direct (Growth) ₹ 1000 per unit	-	-	2,89,185	4,875.00
<b>b) Other Investments</b>				
SBI Magnum Insta Cash Direct Plan Daily Dividend ₹1000 per unit	9,71,904	16,279.69	1,675	2,819.53
<b>Total</b>		<b>24,873.82</b>		<b>18,499.59</b>
<b>Aggregate amount of quoted investments</b>		24,873.82		18,499.59
<b>Market value/NAV of quoted investments</b>		27,066.61		21,021.05

## NOTES TO THE FINANCIAL STATEMENTS

## 15 TRADE RECEIVABLES

	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (in lacs)
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Management fee receivable	1,639.00	1,749.87
Portfolio Management fee receivables	323.96	295.54
Portfolio Advisory fee receivables	236.76	252.25
Overdue for more than six months	138.82	-
<b>Total</b>	<b>2,338.54</b>	<b>2,297.66</b>

## 16 CASH &amp; BANK BALANCES

	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (in lacs)
<b>Cash &amp; Cash Equivalents</b>		
<b>Cash on hand</b>	0.20	0.15
Cheques in hand		
Balance with banks *		
-in Current accounts	678.97	182.25
-in Current accounts - dividend payable	7,000.00	6,000.00
	<b>7,679.17</b>	<b>6,182.40</b>
<b>Other Bank Balances *</b>		
In fixed deposits	890.90	700.00
	<b>890.90</b>	<b>700.00</b>
<b>Total</b>	<b>8,570.07</b>	<b>6,882.40</b>
*Refer note no. 28 for related party disclosures		

## 17 SHORT TERM LOANS &amp; ADVANCES

	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (in lacs)
<b>Secured, Considered good</b>		
Loans (including interest accrued) to employees against hypothecation of property	22.40	33.05
<b>Unsecured, Considered good unless stated otherwise</b>		
Security deposits	109.85	157.07
Advance for expenses	96.57	130.89
Loans to employees	11.36	13.54
Balance with statutory/Government authorities	1,107.23	416.44
Unamortised upfront brokerage	9,972.84	7,523.33
Prepaid expenses	410.74	334.73
Others	846.16	897.84
<b>Total</b>	<b>12,577.15</b>	<b>9,506.89</b>
*Refer note no. 28 for related party disclosures		

**NOTES TO THE FINANCIAL STATEMENTS****18 OTHER CURRENT ASSETS**

	<b>As at 31-Mar-2017 ₹ (in lacs)</b>	<b>As at 31-Mar-2016 ₹ (in lacs)</b>
<b>Unsecured, Considered good unless stated otherwise</b>		
Interest accrued on bank fixed deposits*	100.16	46.16
<b>Other Bank Balances **</b>		
Deposit ( Security against bank guarantee)	8.81	9.00
<b>Total</b>	<b>108.97</b>	<b>55.16</b>
*Refer note no. 28 for related party disclosures		
** includes AED 50,000 (₹ 8.81 Lacs) [Previous year AED 50,000 (₹ 9.00 Lacs)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of branch at Dubai		

**19 REVENUE FROM OPERATIONS**

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
Management fee	72,174.11	52,772.70
Portfolio management fee	478.02	439.66
Portfolio advisory fee	982.04	943.51
<b>Total</b>	<b>73,634.17</b>	<b>54,155.87</b>

**20 OTHER INCOME**

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
Gains on sale /redemption of current investments	3,050.49	361.95
Gains on sale /redemption of non-current investments	143.34	-
Dividend income from current investments	468.95	418.39
Dividend income from non-current investments	90.55	-
Interest		
- banks deposits	124.50	125.95
- staff loans	4.56	10.97
- Income tax refunds	194.12	-
Net gain on sale of assets	-	0.44
Net gain on foreign currency transactions and translations	-	9.11
Miscellaneous Income	76.78	157.52
<b>Total</b>	<b>4,153.29</b>	<b>1,084.33</b>

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

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
Salaries and allowances	12,141.98	9,780.40
Contribution to provident and other funds	668.25	224.13
Staff welfare expenses	517.89	474.63
<b>Total</b>	<b>13,328.12</b>	<b>10,479.16</b>

\*Refer note no. 28 for related party disclosures

**22 DEPRECIATION AND AMORTISATION EXPENSES**

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
Depreciation on Property plant and equipment	847.30	822.38
Amortisation of Intangible assets	413.44	152.34
<b>Total</b>	<b>1,260.74</b>	<b>974.72</b>

**23 OTHER EXPENSES**

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
Rent	807.76	602.81
Rates and taxes	150.19	66.32
Electricity charges	208.34	178.12
<b>Repairs and maintenance</b>		
- Equipment	158.77	239.50
- Others	988.39	508.64
Insurance	17.10	21.32
Travelling and conveyance	752.60	713.90
Recruitment and training	73.99	81.76
Printing and stationery	170.74	151.03
Postage and courier	94.31	87.03
Communication	473.70	427.93
Scheme expenses	3,249.92	1,484.85
Brokerage	13,377.06	7,842.56
Business promotion	4,536.57	2,683.98
Advertising and publicity	35.34	29.85
Outsource manpower services	1,209.06	956.89
Legal and professional fees	2,142.01	949.27

## NOTES TO THE FINANCIAL STATEMENTS

	For the Year Ended 31-Mar-2017 ₹ (in lacs)	For the Year Ended 31-Mar-2016 ₹ (in lacs)
SEBI filing fee and annual fee	159.89	178.52
Auditor's remuneration:		
-Audit fee	23.85	23.60
-Tax audit fee	2.50	2.50
-Certification fee	4.20	4.80
Directors' sitting fees	14.80	13.95
Royalty to SBI for logo	330.71	326.87
Corporate social responsibility (refer note no 37)	484.50	396.97
Net loss on foreign currency transactions and translations	2.13	-
Membership and subscription	537.55	535.39
Loss on sale of assets (net)	1.54	-
Miscellaneous expenses	201.49	132.38
<b>Total</b>	<b>30,209.01</b>	<b>18,640.74</b>

## 24 EARNINGS PER SHARE

	For the Year Ended 31-Mar-2017 ₹ (in lacs)	For the Year Ended 31-Mar-2016 ₹ (in lacs)
(a) Nominal Value of an Equity Share (₹)	100	100
(b) Net profit available to Equity Shareholders (₹)	22,431.86	16,535.56
(c) Number of shares outstanding	50,00,000	50,00,000
(d) Basic and Diluted EPS (₹) = (b) / (c)	<b>448.64</b>	<b>330.71</b>

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

Claims against the Company not acknowledged as debts – Investor claims pending in Consumer Courts ₹ 42.49 Lacs (Previous Year ₹ 134.92 Lacs), other disputed payables ₹ Nil (Previous year ₹ 78.45 Lacs) and disputed tax liability ₹ Nil (Previous Year ₹ 16.44 Lacs).

## 26. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 972.95 Lacs (Previous Year ₹ 846.20 Lacs).

## 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:

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Employer's contribution to Provident Fund, Superannuation Fund & National Pension Scheme	449.31	433.08

**(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 Lacs)

Change in Defined benefit obligations	As at 31.03.2017	As at 31.03.2016
Present value of funded benefit obligations, 1st April	649.78	748.27
Service cost	68.73	71.56
Interest cost	52.37	59.86
Benefits paid	(62.03)	(76.45)
Actuarial (gains)/losses on obligations	44.95	(153.46)
<b>Present value of funded benefit obligations as at 31st March</b>	<b>753.81</b>	<b>649.78</b>

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

(₹ in Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Fair value of plan assets ,as at beginning of the year	702.56	671.16
Expected return on plan assets	56.63	53.69
Actuarial gains/(losses)	(9.25)	(2.49)
Employer contribution	-	56.65
Benefits paid	(62.03)	(76.45)
Fair value of plan assets at the year end	687.90	702.56

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

(₹ in Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Present value of obligation	753.81	649.78
Fair value of plan assets	687.90	702.56
Amount recognized in Balance Sheet	(65.91)	52.78

**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 Lacs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Current Service Cost	68.73	71.56
Interest Cost	(4.25)	59.86
Expected return on plan assets	-	(53.69)
Actuarial (gains) / losses	54.21	(150.97)
<b>Net Cost</b>	<b>118.69</b>	<b>(73.23)</b>

**(27.2.5) Experience Adjustments**

(₹ in Lacs)

Experience Adjustments	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
(Gains) / Losses on Plan Liabilities	(9.54)	(16.06)	(19.40)	(16.13)	23.88
Gains / (Losses) on Plan Assets	(9.26)	(2.49)	(3.78)	1.78	0.79
Estimated Contribution for next year	146.73	15.95	204.33	71.51	95.40

**(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 31.03.2017	For the year ended 31.03.2016
Discount rate	7.29%	8.06%
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	7.29%	8.06%

**(27.3) Other Employee Benefits :**

**Other long term employee benefits comprise of leave encashment. Actuarial assumption used for determining the liability in respect of these benefits are as follows:-**

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Discount rate	7.29%	8.06%
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

## 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 9th August, 2016</li> <li>• Ms. Anuradha Rao (Managing Director &amp; Chief Executive Officer) from 25th August, 2016</li> <li>• Mr. Philippe Batchvitch (Deputy Chief Executive Officer) upto 30th November 2015</li> <li>• Mr. Nicolas Simon (Deputy Chief Executive Officer) from 21st October 2015</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 Lacs)

Particulars	Holding Company	Enterprise having significant influence	Fellow Subsidiaries	Enterprise under Common control	Mutual Fund Managed by the Company	KMP	Associate
Management and other Fees				466.12 [457.06]	72,142.15 [52,772.70]		
Other income	70.83 [67.61]						
Dividend received on units					559.50 [418.39]		
Brokerage and Common Cost	8,972.34 [2,380.87]		887.48 [463.89]	0.30 [0.32]			2.00 [-]
Insurance premium			17.35 [37.18]				
Remuneration						108.33 [118.33]	
Interim Dividend payable	4,410.00 [3,780.00]	2,590.00 [2,220.00]					
Reimbursement of salaries deputed employees	265.53 [277.61]		75.24 [69.29]				
Units purchased					81,888.83 [61,444.75]		
Scheme Expenses					2,263.54 [817.04]		
Recovery of salaries for deputed employees	82.03 [ 86.54 ]						
Recovery of Expenses			20.38 [15.00]				
Units Sold					65,884.96 [53,119.24]		
Advance to Mutual Fund					40.00 [ - ]		
Payments on behalf of Mutual Fund					55.85 [ - ]		
Investment in Equity Shares				0.10 [ - ]			
Balance Outstanding Receivable/(Payable)	(4.08) [(11.19)]		(51.79) [(34.54)]	97.17 [129.44]	(514.90) [638.80]		
Balance in Current Accounts	7,676.77 [6,181.06]						
Term Deposit	957.59 [847.97]						

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.

**NOTES TO THE FINANCIAL STATEMENTS****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 :**

(₹ in Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Lease expense for the year</b>	807.76	602.81
Minimum Lease Payments:		
Not later than one year	717.24	637.28
Later than one year but not later than five years	1,755.81	1,560.01
Later than five years	693.98	574.34

**31. PROVISIONS:**

The Company has made provisions, towards loyalty programs for business promotion ₹ 1,079.96 Lacs (Previous year ₹ 871.96 Lacs), as per the Accounting Standard on "Provisions, Contingent Liabilities and Contingent Assets" (AS-29). The movement for the same is as under:

Particulars	As at 2016-17	As at 2015-16
<b>Carrying amount as at the beginning of the year</b>	871.96	1,131.43
Additions during the year	1,070.47	810.00
Utilised during the year	723.51	719.62
Reversed during the year	138.96	349.85
Carrying amount as at the end of the year	1,079.96	871.96

**32. EXPENDITURE IN FOREIGN CURRENCY:**

(₹ in Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Travelling Expenses	51.01	57.84
Business Promotion and Advertisement	45.17	32.60
Salary	160.73	142.80
Rent and Subscription	142.46	165.72
Professional Fees and others	57.94	36.82

**33. EARNINGS IN FOREIGN CURRENCY:**

(₹ in Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Portfolio Advisory /Management fees	1,086.58	1,055.26

**NOTES TO THE FINANCIAL STATEMENTS****34. The year-end foreign currency exposures that have not been hedged by derivative instruments or otherwise are detailed below:****Cash/Bank Balance:****(in lacs)**

Year ended	₹	AED
31 <sup>st</sup> March 2017	11.25	0.64
31 <sup>st</sup> March 2016	10.30	0.58

**Payables:****(in lacs)**

Year ended	₹	USD	BHD
31 <sup>st</sup> March 2017	13.42	0.08	0.05
31 <sup>st</sup> March 2016	17.96	0.16	0.04

**Receivables:****(in lacs)**

Year ended	₹	USD	AUD	JPY	SGD
31 <sup>st</sup> March 2017	267.46	1.50	0.06	117.48	2.14
31 <sup>st</sup> March 2016	281.40	1.96	0.09	112.67	1.66

**35. Dividend remittances to non-resident shareholders:**

Sr.No	Particulars	2016-2017	2015-2016
(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 Lacs)	2,220.00	2,035.00
(d)	Year to which dividend relates	2015-16	2014-15

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

The Board of Directors of the company has declared an Interim dividend of ₹ 7,000 Lacs/- @ ₹ 140/- per share in its meeting held on 23rd March, 2017.

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

An amount of ₹ 484.50 Lacs (Previous year ₹ 396.97 Lacs) was spent on CSR activities during the year as against an amount of ₹ 482.67 Lacs (Previous year ₹ 395.38 Lacs) available for spending as provided under the Companies Act, 2013.

**(₹ in Lacs)**

		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.	484.50	Nil	484.50

**38. DISCLOSURE ON SPECIFIED BANK NOTES (SBN)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of SBN held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBN and other notes as per the notification is given below:

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	SBN*	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	0.02	0.04	0.05
(+) Permitted receipts	-	0.80	0.80
(-) Permitted payments	-	(0.77)	(0.77)
(-) Amount deposited in Banks**	(0.02)	-	(0.02)
Closing cash in hand as on December 30, 2016	-	0.07	0.07

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

\*\* This represents the SBN exchanged with Banks

**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 Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
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 SUDIT K. PAREKH & CO.**  
Chartered Accountants  
Firm Registration No. 110512W

**Sd/-**  
**Nemish Kapadia**  
Partner  
Membership No: 111929

Place: Mumbai  
Date : April 26, 2017

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

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

**Sd/-**  
**Jean-Yves Glain**  
Director  
DIN 07761090

Place: Mumbai  
Date : April 25, 2017

**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 ("the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate company comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of 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 and rules made thereunder, as applicable. The respective Board of Directors of the Companies included in the Group and of its associate company 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 and rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

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 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 independent 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, 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, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements of the foreign subsidiary whose financial statements reflect total assets of Rs. 111.63 lacs as at March 31, 2017, total revenues of Rs. 24.97 lacs and net cash flows amounting to Rs. (37.37) 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. 20.61 lacs for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of its associate company, whose financial statements have not been audited by us. These financial statements have been audited by other independent auditors, whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associate company, is based solely on the audit report of the other independent 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 independent auditors.

**Report on Other Legal and Regulatory Requirements**

- I. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
- a) We and other auditors whose reports 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 purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by the law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss 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 and rules made thereunder, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 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, 2017 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 on the consolidated financial position of the Group and its associate company- Refer Note 25 to the consolidated financial statements.

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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- ii. The Group and its associate company did not have any material foreseeable losses on long term contracts including derivative contracts.
  - iii. There were no amounts due to be transferred to the Investor Education and Protection Fund by the Group and its associate company.
  - iv. The Group and its associate company incorporated in India have provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group and its associate company and as produced to us by the Management – Refer Note 38 to the consolidated financial statements.
- II. As required by Section 143 (5) of the Act, with respect to reporting on clause 1 of the directions issued by the Comptroller and Auditor-General of India, related to reporting on clear title/ lease deeds for freehold and leasehold land respectively, we report that the Group and its associate company does 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. Further, clauses 2 and 3 of the directions are not applicable to the Group and its associate company.

For **Sudit K. Parekh & Co.**  
Chartered Accountants  
Firm Registration No.: 110512W

**Nemish Kapadia**  
Partner  
Membership No.: 111929

Place : Mumbai

Dated : April 26, 2017

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

(Referred to in our report of even date)

### **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 Company as of and for the year ended March 31 2017, 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, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its associate company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

#### **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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 matters 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; (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, 2017, based on the internal control over financial reporting criteria established by the Holding Company and its associate company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

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

For **Sudit K. Parekh & Co.**  
Chartered Accountants  
Firm Registration No.: 110512W

**Nemish Kapadia**  
Partner  
Membership No.: 111929

Place : Mumbai  
Dated : April 26, 2017

**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 2017**

The preparation of consolidated Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2017 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 26 April 2017.

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) read with section 129(4) of the Act of the consolidated Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statement of SBI Funds Management Private Limited, but did not conduct supplementary audit of the financial statements of SBI Funds Management (International) Private Limited and SBI Pension Fund Private Limited for the year ended on that date. 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

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

Sd/-

**(Roop Rashi)**

Principal Director of Commercial Audit and  
ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 18 July, 2017

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017**

	Notes	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (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	72,292.96	58,289.28
		<u>77,292.96</u>	<u>63,289.28</u>
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	4	41.46	1,153.08
(b) Other long term liabilities	5	8.44	12.32
(c) Long-term provisions	6	456.66	431.04
		<u>506.56</u>	<u>1,596.44</u>
<b>Current liabilities</b>			
(a) Trade payables	7	6,992.13	2,868.54
(b) Other current liabilities	8	186.60	241.88
(c) Short-term provisions	9	13,750.32	10,436.50
		<u>20,929.05</u>	<u>13,546.92</u>
<b>TOTAL</b>		<b>98,728.57</b>	<b>78,432.64</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets	10		
(i) Property plant and equipment		16,618.11	16,838.74
(ii) Intangible assets		1,034.79	945.35
(iii) Capital work-in-progress		7.40	-
(iv) Intangible assets under development		216.55	40.94
(b) Non-current investments	11	24,939.53	15,289.19
(c) Long-term loans and advances	12	6,757.29	7,024.11
(d) Other non-current assets	13	574.73	922.96
		<u>50,148.40</u>	<u>41,061.29</u>
<b>Current assets</b>			
(a) Current investments	14	24,873.82	18,499.59
(b) Trade receivables	15	2,363.11	2,301.58
(c) Cash and bank balances	16	8,656.24	7,007.35
(d) Short-term loans and advances	17	12,578.04	9,507.67
(e) Other current assets	18	108.97	55.16
		<u>48,580.17</u>	<u>37,371.35</u>
<b>TOTAL</b>		<b>98,728.57</b>	<b>78,432.64</b>
Summary of significant accounting policies	1		
The accompanying notes form an integral part of the financial statements.			

As per our attached report of even date

**For SUDIT K. PAREKH & CO.**  
**Chartered Accountants**  
**Firm Registration No. 110512W**

**Sd/-**  
**Nemish Kapadia**  
 Partner  
 Membership No: 111929

Place: Mumbai  
 Date : April 26, 2017

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

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

**Sd/-**  
**Jean-Yves Glain**  
 Director  
 DIN 07761090  
 Place: Mumbai  
 Date : April 25, 2017

**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, 2017**

Particulars	Notes	Year Ended 31-Mar-2017 ₹ (in lacs)	Year Ended 31-Mar-2016 ₹ (in lacs)
Revenue from operations	19	73,658.51	54,171.33
Other income	20	4,153.92	1,085.56
<b>Total revenue</b>		<b>77,812.43</b>	<b>55,256.89</b>
<b>Expenses:</b>			
Employee benefits expense	21	13,328.12	10,479.16
Depreciation and amortization expenses	22	1,260.74	974.72
Other expenses	23	30,256.09	18,704.79
<b>Total expenses</b>		<b>44,844.95</b>	<b>30,158.67</b>
<b>Profit before tax</b>		<b>32,967.48</b>	<b>25,098.22</b>
<b>Tax expenses:</b>			
- Current tax		10,575.10	7,900.00
- Deferred tax		(1,111.62)	710.02
- Adjustment of tax relating to earlier periods		1,094.35	-
<b>Net profit after tax</b>		<b>22,409.65</b>	<b>16,488.20</b>
Net share of Profit from Associates		20.61	8.23
<b>Consolidated Profit for the period</b>		<b>22,430.26</b>	<b>16,496.43</b>
Earnings per equity share (Nominal value of share of ₹ 100 each)			
(1) Basic	24	448.61	329.76
(2) Diluted		448.61	329.76
Summary of significant accounting policies	1		
The accompanying notes form an integral part of the financial statements.			

As per our attached report of even date

**For SUDIT K. PAREKH & CO.**  
**Chartered Accountants**  
**Firm Registration No. 110512W**

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**Vinaya Datar**  
 Company Secretary  
 M.No 15527

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

<b>Particulars</b>	<b>For Year end 31-Mar-2017 ₹ (in lacs)</b>	<b>For Year end 31-Mar-2016 ₹ (in lacs)</b>
<b>Cash Flow from Operating Activities</b>		
Net profit Before Tax	32,967.48	25,098.22
<b>Adjustments for:</b>		
Depreciation and amortisation	1,260.74	974.71
(Profit) /Loss on sale of fixed assets (Net)	(1.54)	(0.44)
Gains on sale /redemption of current investments	(3,050.49)	(361.95)
Gains on sale /redemption of non-current investments	(143.34)	-
Interest income	(319.25)	(127.18)
Dividend income from current investments	(468.95)	-
Dividend income from non-current investments	(90.55)	(418.39)
Operating profit before working capital changes	30,154.10	25,164.97
Decrease / (Increase) in trade receivables	(61.53)	(435.39)
Decrease / (Increase) in long term loans and advances	(569.21)	2,098.00
Decrease / (Increase) in other non current assets	-	3.22
Decrease / (Increase) in short term loans & advances	(3,070.37)	(2,379.69)
Decrease / (Increase) in other current assets	0.19	0.11
(Decrease) / Increase in trade payables	4,123.59	1,075.04
(Decrease) / Increase in non-current liabilities	21.74	(274.01)
(Decrease) / Increase in other current liabilities	(55.28)	(248.31)
(Decrease) / Increase in short term provisions	2,110.22	(496.54)
Net cash generated from operations	32,653.45	24,507.40
Income taxes paid	(10,662.69)	(9,075.76)
<b>Net cash generated from Operating Activities (A)</b>	<b>21,990.76</b>	<b>15,431.64</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Intangible assets(including advances for capital)	(605.80)	(660.90)
Purchase of Property,plant and equipment (including advances for capital)	(685.64)	(1,020.35)
Sale of Fixed Assets	3.84	(0.44)
Purchase of Investments (current investments)	(71,465.32)	-
Purchase of Investments (non-current investments)	(10,423.60)	-
Sale of Investments (current investments)	66,110.71	(61,082.80)
Sale of Investments (non-current investments)	2,968.08	53,119.24
Fixed Deposits placed during the year	(550.04)	(1,590.90)
Fixed Deposits matured during the year	700.00	983.96
Interest received	78.50	83.14
Dividend received on non current investments	468.94	-
Dividend received on current investments	90.55	418.39
<b>Net Cash used in Investing Activities (B)</b>	<b>(13,309.79)</b>	<b>(9,750.66)</b>
<b>Cash Flow from Financing Activities</b>		
Dividend paid	(6,000.00)	(5,500.00)
Tax on Dividend	(1,221.46)	(1,099.67)
<b>Net cash used in Financing Activities (C)</b>	<b>(7,221.46)</b>	<b>(6,599.67)</b>
<b>Effect of exchange differences on translation of foreign currency (D)</b>	<b>(1.52)</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>1,457.99</b>	<b>(918.69)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>6,307.35</b>	<b>7,226.04</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>7,765.34</b>	<b>6,307.35</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

<b>Particulars</b>	<b>For Year end 31-Mar-2017 ₹ (in lacs)</b>	<b>For Year end 31-Mar-2016 ₹ (in lacs)</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash in hand	0.20	0.15
Balance with banks		-
-in Current Accounts	765.14	307.20
-in Current Accounts - Dividend Payable	7,000.00	6,000.00
<b>Total Cash &amp; Cash Equivalent (Note no. 16)</b>	<b>7,765.34</b>	<b>6,307.35</b>
Summary of significant accounting policies (refer note 1)		

As per our attached report of even date

**For SUDIT K. PAREKH & CO.**  
**Chartered Accountants**  
**Firm Registration No. 110512W**

**Sd/-**  
**Nemish Kapadia**  
 Partner  
 Membership No: 111929

Place: Mumbai  
 Date : April 26, 2017

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

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

**Sd/-**  
**Jean-Yves Glain**  
 Director  
 DIN 07761090

Place: Mumbai  
 Date : April 25, 2017

**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 7th 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.

### 1.(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.

#### 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	
			31/03/2017	31/03/2016
1	SBI Funds Management (International) Private Limited	Mauritius	100%	100%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Associates considered for consolidation**

No.	Name of Associates	Country of Incorporation	Proportion of ownership interest	
			31/03/2017	31/03/2016
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.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.4 Fixed Assets and Capital Advances

#### 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.

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-recognized.

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

#### Intangible Assets

Intangible assets are recognized 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
Mobile Phones	3 years	SLM
Office Equipments (including Electrical Installation & Building Management systems)	5 years	SLM
Vehicles	8 years	SLM

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Description of assets	Useful lives (In years)	Method of depreciation / amortization
<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.

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. Investment management rights (DAIWA schemes) are amortised based on the average holding period of various schemes, copyright licenses are amortised over a period of five years. All other intangible assets are amortised 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 recognized 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 recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Purchase and sale 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 recognized 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 is recognized 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 recognized 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 recognized 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 recognizes such contribution as an expense as and when incurred.

###### National Pension Scheme

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

##### (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 recognized 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.

### 1.10 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 recognized in the Statement of Profit and Loss.

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

### **1.11 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 Fund) 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 Fund) 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.

### **1.12 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. Timing differences are the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. 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.

The carrying amount of deferred tax assets are reviewed at each balance sheet date (including re-assessment of previously unrecognised deferred tax assets) and write down or written up to reflect the amount that is reasonably certain (or wherever applicable, virtually certain) to be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are also disclosed on net basis.

### **1.13 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 recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the initial lease term.

### **1.14 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 earning 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**

### **1.15 Provisions and Contingencies**

Provisions are recognized 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.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### **1.16 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.

### **1.17 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**

	<b>As at 31-Mar-2017 ₹ (in lacs)</b>	<b>As at 31-Mar-2016 ₹ (in lacs)</b>
<b>Authorised</b>		
5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 Equity Share of ₹ 100 each)	5,000	5,000
<b>Issued, Subscribed and Paid Up</b>		
5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 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**

<b>Particulars</b>	<b>As at 31-Mar-2017</b>		<b>As at 31-Mar-2016</b>	
	<b>No of Shares</b>	<b>₹ (in lacs)</b>	<b>No of Shares</b>	<b>₹ (in lacs)</b>
<b>Equity Shares</b>				
Outstanding at the beginning of the year	50,00,000	5,000	50,00,000	5,000
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the year	50,00,000	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 ₹ 100 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**

<b>Particulars</b>	<b>As at 31-Mar-2017</b>		<b>As at 31-Mar-2016</b>	
	<b>No of Shares</b>	<b>% of Holding</b>	<b>No of Shares</b>	<b>% of Holding</b>
State Bank of India	31,50,000	3,150	31,50,000	3,150

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 RESERVES AND SURPLUS

	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (in lacs)
<b>General Reserve</b>		
Balance at the beginning of the year	8,760.09	8,260.09
Add: Transfer from statement of profit and loss	500.00	500.00
<b>Balance at the end of the year (A)</b>	<b>9,260.09</b>	<b>8,760.09</b>
<b>Foreign Currency Translation Reserve (B)</b>	<b>38.66</b>	<b>40.18</b>
<b>Surplus in statement of profit and loss</b>		
Balance at the beginning of the year	49,489.01	40,714.04
Add: Profit for the year	22,430.26	16,496.43
Less: Transfer to general reserve	500.00	500.00
Less: Interim dividend	7,000.00	6,000.00
Less: Tax on interim dividend	1,425.06	1,221.46
Add: Excess provision for dividend distribution tax written back	-	-
<b>Balance at the end of the year (C)</b>	<b>62,994.21</b>	<b>49,489.01</b>
<b>Total (A+B+C)</b>	<b>72,292.96</b>	<b>58,289.28</b>

## 4 DEFERRED TAX ASSETS /(LIABILITIES)

	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (in lacs)
Deferred tax assets/(liabilities)		
- Provision for compensated absences	181.73	181.81
- Provision for gratuity	22.81	-
- Amortization /Depreciation on tangible /intangible assets	(252.65)	(1,336.06)
- Others	6.65	1.17
<b>Deferred tax liabilities (net)</b>	<b>(41.46)</b>	<b>(1,153.08)</b>

## 5 OTHER LONG TERM LIABILITIES

	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (in lacs)
Others :		
Retention money payable	8.44	12.32
<b>Total</b>	<b>8.44</b>	<b>12.32</b>

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

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
Provision for employee benefits	456.66	431.04
<b>Total</b>	<b>456.66</b>	<b>431.04</b>

**7 TRADE PAYABLES**

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</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	6,992.13	2,868.54
<b>Total</b>	<b>6,992.13</b>	<b>2,868.54</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-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
Statutory dues (including mainly PF and TDS)	111.68	109.14
Income received in advance	0.93	2.15
Other payables		
- Earnest money deposit	0.69	3.59
- Retention money payable	24.24	27.63
Creditors for capital expenditure	23.73	44.18
Rent payable	25.33	55.19
<b>Total</b>	<b>186.60</b>	<b>241.88</b>

**9 SHORT TERM PROVISIONS**

	<b>31-Mar-2017</b> ₹ (in lacs)	<b>31-Mar-2016</b> ₹ (in lacs)
Provision for employee benefits	3,699.82	2,191.19
Others		
- Proposed interim dividend *	7,000.00	6,000.00
- Tax on proposed interim dividend	1,425.06	1,221.46
- Provision for expenses	1,625.44	1,023.85
<b>Total</b>	<b>13,750.32</b>	<b>10,436.50</b>

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



## 10 FIXED ASSETS

### 10.1 Property plant and equipment

Particulars	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2017	Upto 01.04.2016	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Building	16,017.51			16,017.51	732.22	267.05		999.27	15,018.24	15,285.29
Plant and Equipments	262.23			262.23	128.32	59.63		187.95	74.28	133.91
(including Building Management Systems) Furniture and Fixtures	784.01	35.05	1.09	817.97	223.68	81.71	0.69	304.70	513.27	560.33
Vehicles	61.35			61.35	28.64	6.62	-	35.26	26.09	32.72
Office Equipments	410.33	62.73	16.69	456.37	261.10	59.52	16.66	303.96	152.41	149.22
Computers	1,844.98	438.00	153.39	2,129.59	1,292.84	321.24	148.44	1,465.64	663.95	552.14
Leasehold Improvements	423.55	96.27	75.51	444.31	298.42	51.53	75.51	274.44	169.87	125.13
<b>Total Tangible Assets</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>
<b>Previous Year</b>	<b>19,182.79</b>	<b>630.82</b>	<b>9.64</b>	<b>19,803.96</b>	<b>2,150.65</b>	<b>822.38</b>	<b>7.81</b>	<b>2,965.22</b>	<b>16,838.74</b>	

## 10.2 Intangible Assets

Particulars	GROSS BLOCK (At Cost)				AMORTISATION				NET BLOCK	
	As at 01.04.2016	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2017	Upto 01.04.2016	For the Year	Deductions/ Adjustments/ Reclassification for the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Computer Software	1,622.31	449.37	23.97	2,047.71	700.52	399.84	23.97	1,076.39	971.32	921.79
Copyright License	28.00			28.00	6.59	5.60	-	12.19	15.81	21.41
Investment Management Rights	57.40			57.40	56.99	0.41	-	57.40	-	0.41
Website Development Cost	103.88	53.51		157.39	102.14	7.59	-	109.73	47.66	1.74
<b>Total Intangible Assets</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>
<i>Previous Year</i>	<i>832.15</i>	<i>979.44</i>	<i>-</i>	<i>1,811.59</i>	<i>713.90</i>	<i>152.34</i>	<i>-</i>	<i>866.24</i>	<i>945.35</i>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11 NON-CURRENT INVESTMENTS

	As at 31-Mar-17		As at 31-Mar-16	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
<b>I Investment in Equity Instruments (Valued at cost unless stated otherwise)</b>				
<b>(Unquoted)(Trade)</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	717.17	60,00,000	696.56
<b>Others</b>				
Equity shares of SBI Foundation of ₹ 10 each fully paidup	1,001	0.10	-	-
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each fully paidup	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 A - 40 - 1100 Days (Growth) face value of ₹ 10 per unit	-	-	50,00,000	500.00
SDFS A - 42 - 1111 Days (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS A - 44 - 1111 Days (Growth) face value of ₹ 10 per unit	-	-	5,00,000	50.00
SDFS B - 3 - 1111 Days (Growth) face value of ₹ 10 per unit	-	-	80,00,000	800.00
SDFS B - 19 - 1100 Days (Growth) face value of ₹ 10 per unit	1,35,00,000	1,350.00	1,35,00,000	1,350.00
SDFS A - 20 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS A - 25 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS A - 28 - 367 Days (Growth) face value of ₹ 10 per unit	-	-	1,80,00,000	1,800.00
SDFS A - 27 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	20,00,000	200.00
SDFS A - 22 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	15,00,000	166.67
SDFS A - 18 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	40,00,000	400.00
SDFS A - 19 - 366 Days (Growth) face value of ₹ 10 per unit	-	-	67,56,780	677.46
SDFS A - 1 - 15 Months (Growth) face value of ₹ 10 per unit	-	-	50,00,000	500.00
SDFS B - 44 - 1100 Days (Growth) face value of ₹ 10 per unit	40,00,000	400.00		-
<b>b) Other Investments including Mandatory Investments</b>				
SBI Arbitrage Opportunities Fund	2,85,18,652	4,000.00	43,30,692	600.00
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 face value of ₹ 10 per unit	5,79,139	500.00	5,79,139	500.00
SBI ETF Nifty next face value of ₹10 per unit	15,807	30.95	5,10,807	1,000.00
SBI ETF Banking face value of ₹ 10 per unit	5,37,450	1,000.00	5,37,450	1,000.00
SBI ETF BSE 100 face value of ₹ 86.3097 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-17		As at 31-Mar-16	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
SBI GETS - 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
SBI STD Fund - Direct - Growth face value of ₹ 10 per unit	3,07,905	50.00	3,07,905	50.00
SHF Ultra STD 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 ₹ 10 per unit	1,605	50.00	1,605	50.00
SBI PLF - Direct - Growth face value of ₹ 1000 per unit	2,259	50.00	2,259	50.00
SBI Magnum MIP - Direct - Growth face value of ₹ 10 per unit	1,64,029	50.00	1,64,029	50.00
SBI MICF Liq Flt - Direct - Growth face value of ₹ 1000 per unit	2,075	50.00	2,075	50.00
SBI Magnum Gilt FundLTG - Direct face value of ₹ 10 per unit	1,63,779	50.00	1,63,779	50.00
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 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 Direct Plan 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 Blue Chip 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-17		As at 31-Mar-16	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
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 INFRA 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	1,97,293.92	50.00	1,97,294	50.00
SBI PSU Fund - Direct - Growth face value of ₹ 10 per unit	5,29,913.63	50.00	5,29,914	50.00
SBI Magnum Children's Benefit- Direct - Growth face value of ₹ 10 per unit	67,983.57	25.18	67,984	25.18
SBI Nifty Index Fund - Direct - Growth face value of ₹ 10 per unit	39,794.51	27.91	39,795	27.91
SBI Regular Savings Fund - Direct - Growth face value of ₹ 10 per unit	80,540.25	19.13	80,540	19.13
SBI MMIP Floater - Direct - Growth face value of ₹ 10 per unit	45,239.33	9.27	45,239	9.27
SBI-ETF Nifty 50 face value of ₹ 10 per unit	12,741.00	11.00	12,741	11.00
SBI Sensex- ETF face value of ₹ 10 per unit	2,000.00	5.57	2,000	5.57
SBI ETF 10 Year Gilt face value of ₹ 10 per unit	1,14,155.00	166.17	-	-
SBI Regular Savings Fund - Direct - Growth face value of ₹ 10 per unit	1,21,01,057.73	3,276.64	-	-
SBI Corporate Bond Fund - Direct- Growth face value of ₹ 10 per unit	34,08,561.55	900.00	-	-
SBI Treasury Advantage Fund Direct Growth ₹ 1000 per unit	5,87,777	10,125.00	-	-
SBI Magnum Multicap Fund - Direct - Growth face value of ₹ 10 per unit	5,44,627	200.00	-	-
SBI Magnum Equity Fund - Direct- Growth face value of ₹ 10 per unit	2,47,294	200.00	-	-
HDFC Charity Fund for Cancer Cure - Arbitrage plan face value of ₹ 10 per unit	2,50,000	25.00	-	-
<b>III Investments in Others (Valued at cost unless stated otherwise)</b>				
<b>Un-Quoted Investments</b>				
Mandatory Investment in Alternate Investment Fund	<b>1,300</b>	<b>130.00</b>	<b>1,300</b>	<b>130.00</b>
<b>Total</b>		<b>24,939.53</b>		<b>15,289.19</b>
<b>Aggregate amount of quoted investments</b>		<b>24,087.26</b>		<b>14,457.63</b>
<b>Market value /NAV of quoted investments</b>		<b>26,163.65</b>		<b>15,728.57</b>
<b>Aggregate amount of unquoted investments</b>		<b>852.27</b>		<b>831.56</b>

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

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
<b>Secured, Considered good</b>		
Loans (including interest accrued) to employees against hypothecation of property	118.16	145.05
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Security deposits	370.76	351.39
Advance for expenses	3.08	32.87
Capital advances	8.52	31.93
Unamortised upfront brokerage	3,684.50	2,576.22
Income tax (net of provisions)	1,851.45	2,664.09
Prepaid expenses	66.31	107.65
Other advances	654.51	1,114.91
<b>Total</b>	<b>6,757.29</b>	<b>7,024.11</b>

**13 OTHER NON- CURRENT ASSETS**

	<b>As at 31-Mar-2017</b> ₹ (in lacs)	<b>As at 31-Mar-2016</b> ₹ (in lacs)
<b>Secured, Considered good (unless stated otherwise)</b>		
Fixed Deposits including interest accrued	574.73	922.96
<b>Total</b>	<b>574.73</b>	<b>922.96</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14 CURRENT INVESTMENTS

	As at 31-Mar-17		As at 31-Mar-16	
	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 36 months - 5 (Growth) face value of ₹ 10 per unit	-	-	5,00,000	50.00
SDFS 36 months - 6 (Growth) face value of ₹ 10 per unit	-	-	2,50,000	25.00
SDFS 366 Days - 36 (Growth) face value of ₹ 10 per unit	-	-	1,50,00,000	1,500.00
SDFS 366 Days - 39 (Growth) face value of ₹ 10 per unit	-	-	1,50,00,000	1,500.00
SDFS 366 Days - 51 (Growth) face value of ₹ 10 per unit	-	-	40,00,000	400.00
SDFS 366 Days - 46 (Growth) face value of ₹ 10 per unit	-	-	50,00,000	500.00
SDFS 366 Days - 52 (Growth) face value of ₹ 10 per unit	-	-	90,00,000	900.00
SDFS 36 months - 4 (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS 366 Days - 44 (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS 366 Days - 47 (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS 16 Months -1 (Growth) face value of ₹ 10 per unit	-	-	20,00,000	230.06
SDFS A - 20 - 366 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS A- 25 - 366 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS A - 28 - 367 Days (Growth) face value of ₹ 10 per unit	1,80,00,000	1,800.00	-	-
SDFS A - 27 - 366 Days (Growth) face value of ₹ 10 per unit	20,00,000	200.00	-	-
SDFS A - 22 - 366 Days (Growth) face value of ₹ 10 per unit	15,00,000	166.67	-	-
SDFS A - 18 - 366 Days (Growth) face value of ₹ 10 per unit	40,00,000	400.00	-	-
SDFS A - 19 - 366 Days (Growth) face value of ₹ 10 per unit	67,56,780	677.46	-	-
SDFS A - 1 15 Months (Growth) face value of ₹ 10 per unit	50,00,000	500.00	-	-
SDFS A - 44 - 1111 Days (Growth) face value of ₹ 10 per unit	5,00,000	50.00	-	-
SDFS B - 3 - 1111 Days (Growth) face value of ₹ 10 per unit	80,00,000	800.00	-	-
SDFS A - 42 - 1111 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS A - 40 - 1100 Days (Growth) face value of ₹ 10 per unit	50,00,000	500.00	-	-
SDFS 17 Months -1 (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS 18 Months -13 (Growth) face value of ₹ 10 per unit	-	-	1,20,00,000	1,200.00
SFIDFS 90 Days -1 (Growth) face value of ₹ 10 per unit	44,74,913	500.00	44,74,913	500.00
SBI Treasury Advantage Fund Direct (Growth ) ₹ 1000 per unit	-	-	2,89,185	4,875.00
<b>b) Other Investments</b>				
SBI Magnum Insta Cash Direct Plan Daily Dividend ₹ 1000 per unit	9,71,904	16,279.69	1,675	2,819.53
<b>Total</b>		<b>24,873.82</b>		<b>18,499.59</b>
<b>Aggregate amount of quoted investments</b>		<b>24,873.82</b>		<b>18,499.59</b>
<b>Market value/NAV of quoted investments</b>		<b>27,066.61</b>		<b>21,021.05</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 15 TRADE RECEIVABLES

	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (in lacs)
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Management fee receivable	1,663.57	1,753.79
Portfolio Management fee receivables	323.96	295.54
Portfolio Advisory fee receivables	236.76	252.25
Overdue for more than six months	138.82	-
<b>Total</b>	<b>2,363.11</b>	<b>2,301.58</b>

## 16 CASH &amp; BANK BALANCES

	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (in lacs)
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	0.20	0.15
Cheques in hand		
Balance with banks *		
-in Current accounts	765.14	307.20
-in Current accounts - dividend payable	7,000.00	6,000.00
	<b>7,765.34</b>	<b>6,307.35</b>
<b>Other Bank Balances *</b>		
In fixed Deposits	890.90	700.00
	<b>890.90</b>	<b>700.00</b>
<b>Total</b>	<b>8,656.24</b>	<b>7,007.35</b>

\*Refer note no. 28 for related party disclosures

## 17 SHORT TERM LOANS &amp; ADVANCES

	As at 31-Mar-2017 ₹ (in lacs)	As at 31-Mar-2016 ₹ (in lacs)
<b>Secured, Considered good</b>		
Loans (including interest accrued) to employees against hypothecation of property	22.40	33.05
<b>Unsecured, Considered good unless stated otherwise</b>		
Security deposits	109.85	157.07
Advance for expenses	96.57	130.89
Loans to employees	36	13.54
Balance with statutory/Government authorities	1,107.23	416.44
Unamortised upfront brokerage	9,972.84	7,523.33
Prepaid expenses	411.63	335.51
Others	846.16	897.84
<b>Total</b>	<b>12,578.04</b>	<b>9,507.67</b>

\*Refer note no. 28 for related party disclosures

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****18 OTHER CURRENT ASSETS**

	<b>As at 31-Mar-2017 ₹ (in lacs)</b>	<b>As at 31-Mar-2016 ₹ (in lacs)</b>
<b>Unsecured, Considered good unless stated otherwise</b>		
Interest accrued on bank fixed deposits*	100.16	46.16
<b>Other Bank Balances **</b>		
Deposit ( Security against bank guarantee)	8.81	9.00
<b>Total</b>	<b>108.97</b>	<b>55.16</b>
*Refer note no. 28 for related party disclosures		
** includes AED 50,000 (₹ 8.81 Lacs) [Previous year AED 50,000 (₹ 9.00 Lacs)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of branch at Dubai		

**19 REVENUE FROM OPERATIONS**

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
Management fee	72,198.45	52,788.16
Portfolio management fee	478.02	439.66
Portfolio advisory fee	982.04	943.51
<b>Total</b>	<b>73,658.51</b>	<b>54,171.33</b>

**20 OTHER INCOME**

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
Gains on sale /redemption of current investments	3,050.49	361.95
Gains on sale /redemption of non-current investments	143.34	-
Dividend income from current investments	468.95	418.39
Dividend income from non-current investments	90.55	-
Interest		
- banks deposits	125.13	127.18
- staff loans	4.56	10.97
- Income tax refunds	194.12	-
Net gain on sale of assets	-	0.44
Net gain on foreign currency transactions and translations	-	9.11
Miscellaneous Income	76.78	157.52
<b>Total</b>	<b>4,153.92</b>	<b>1,085.56</b>



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

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
Salaries and allowances	12,141.98	9,780.40
Contribution to provident and other funds	668.25	224.13
Staff welfare expenses	517.89	474.63
<b>Total</b>	<b>13,328.12</b>	<b>10,479.16</b>

\*Refer note no. 28 for related party disclosures

**22 DEPRECIATION AND AMORTISATION EXPENSES\***

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
Depreciation on Property plant and equipment	847.30	822.38
Amortisation of Intangible assets	413.44	152.34
<b>Total</b>	<b>1,260.74</b>	<b>974.72</b>

**23 OTHER EXPENSES**

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
Rent	807.76	602.81
Rates and taxes	152.91	68.98
Electricity charges	208.34	178.12
<b>Repairs and maintenance</b>		
- Equipment	158.77	239.50
- Others	988.39	508.64
Insurance	17.10	21.32
Travelling and conveyance	752.60	713.90
Recruitment and training	73.99	81.76
Printing and stationery	170.74	151.03
Postage and courier	94.31	87.03
Communication	473.70	427.93
Scheme expenses	3,288.29	1,534.21
Brokerage	13,377.06	7,842.56
Business promotion	4,536.57	2,683.98
Advertising and publicity	35.34	29.85
Outsource manpower services	1,209.06	956.89
Legal and professional fees	2,142.01	954.64

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
SEBI filing fee and annual fee	159.89	178.52
Auditor's remuneration:		
-Audit fee	25.70	25.50
-Tax audit fee	2.50	2.50
-Certification fee	4.20	4.80
Directors' sitting fees	15.64	14.77
Royalty to SBI for logo	330.71	326.87
Corporate social responsibility (refer note no 37)	484.50	396.97
Net loss on foreign currency transactions and translations	2.13	-
Membership and subscription	537.55	535.39
Loss on sale of assets (net)	1.54	-
Miscellaneous expenses	204.79	136.32
<b>Total</b>	<b>30,256.09</b>	<b>18,704.79</b>

**24 EARNINGS PER SHARE**

	<b>For the Year Ended 31-Mar-2017 ₹ (in lacs)</b>	<b>For the Year Ended 31-Mar-2016 ₹ (in lacs)</b>
(a) Nominal Value of an Equity Share (₹)	100	100
(b) Net profit available to Equity Shareholders (₹)	22,430.26	16,488.20
(c) Number of shares outstanding	50,00,000	50,00,000
(d) Basic and Diluted EPS (₹) = (b) / (c)	<b>448.61</b>	<b>329.76</b>

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

Claims against the Company not acknowledged as debts – Investor claims pending in Consumer Courts ₹ 42.49 Lacs (Previous Year ₹ 134.92 Lacs), other disputed payables ₹ Nil (Previous year ₹ 78.45 Lacs) and disputed tax liability ₹ Nil (Previous Year ₹ 16.44 Lacs).

**26. CAPITAL COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 972.95 Lacs (Previous Year ₹ 846.20 Lacs).

**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:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Employer's contribution to Provident Fund, Superannuation Fund & National Pension Scheme	449.31	433.08

**(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 Lacs)

Change in Defined benefit obligations	As at 31.03.2017	As at 31.03.2016
Present value of funded benefit obligations, 1st April	649.78	748.27
Service cost	68.73	71.56
Interest cost	52.37	59.86
Benefits paid	(62.03)	(76.45)
Actuarial (gains)/losses on obligations	44.95	(153.46)
<b>Present value of funded benefit obligations as at 31st March</b>	<b>753.81</b>	<b>649.78</b>

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

(₹ in Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Fair value of plan assets ,as at beginning of the year	702.56	671.16
Expected return on plan assets	56.63	53.69
Actuarial gains/(losses)	(9.25)	(2.49)
Employer contribution	-	56.65
Benefits paid	(62.03)	(76.45)
Fair value of plan assets at the year end	687.90	702.56

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

(₹ in Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Present value of obligation	753.81	649.78
Fair value of plan assets	687.90	702.56
Amount recognized in Balance Sheet	(65.91)	52.78

**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 Lacs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Current Service Cost	68.73	71.56
Interest Cost	(4.25)	59.86
Expected return on plan assets	-	(53.69)
Actuarial (gains) / losses	54.21	(150.97)
<b>Net Cost</b>	<b>118.69</b>	<b>(73.23)</b>

**(27.2.5) Experience Adjustments**

(₹ in Lacs)

Experience Adjustments	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
(Gains) / Losses on Plan Liabilities	(9.54)	(16.06)	(19.40)	(16.13)	23.88
Gains / (Losses) on Plan Assets	(9.26)	(2.49)	(3.78)	1.78	0.79
Estimated Contribution for next year	146.73	15.95	204.33	71.51	95.40

**(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 31.03.2017	For the year ended 31.03.2016
Discount rate	7.29%	8.06%
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	7.29%	8.06%

**(27.3) Other Employee Benefits:**

Other long term employee benefits comprise of leave encashment. Actuarial assumption used for determining the liability in respect of these benefits are as follows:-

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Discount rate	7.29%	8.06%
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

**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

***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>
Key Management Personnel	<ul style="list-style-type: none"> <li>• Mr. Dinesh Khara (Managing Director &amp; Chief Executive Officer) upto 9th August, 2016</li> <li>• Ms. Anuradha Rao (Managing Director &amp; Chief Executive Officer) from 25th August, 2016</li> <li>• Mr. Philippe Batchvitch (Deputy Chief Executive Officer) upto 30th November 2015</li> <li>• Mr. Nicolas Simon (Deputy Chief Executive Officer) from 21st October 2015</li> </ul>
Key Management Personnel of SBI Funds Management (International) Private Limited	<ul style="list-style-type: none"> <li>• Mr. Shyam Swaroop Asthana</li> <li>• Mr. Mohamed Hyder Aboobakar from 15th January 2016</li> <li>• Mr. Bashir Nabeebokus upto 15th January 2016</li> <li>• Mr. Sahjahan Ally Nauthoo upto 28th September 2015</li> <li>• Mr. Deven Cooposamy upto 7th April 2015</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</li> <li>• (a wholly owned subsidiary of Amundi)</li> <li>• Amundi Hong Kong Limited</li> <li>• (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>

***Transactions with related parties:*****(₹ in Lacs)**

Particulars	Holding Company	Enterprise having significant influence	Fellow Subsidiaries	Enterprise under Common control	Mutual Fund Managed by the Company	KMP	Associate
Management and other Fees				466.12 [457.06]	72,142.15 [52,772.70]		
Other income	70.83 [67.61]						
Dividend received on units					559.50 [418.39]		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Holding Company	Enterprise having significant influence	Fellow Subsidiaries	Enterprise under Common control	Mutual Fund Managed by the Company	KMP	Associate
Brokerage and Common Cost	8,972.34 [2,380.87]		887.48 [463.89]	0.30 [0.32]			2.00 [-]
Insurance premium			17.35 [37.18]				
Remuneration						108.33 [118.33]	
Interim Dividend payable	4,410.00 [3,780.00]	2,590.00 [2,220.00]					
Reimbursement of salaries deputed employees	265.53 [277.61]		75.24 [69.29]				
Units purchased					81,888.83 [61,444.75]		
Scheme Expenses					2,263.54 [817.04]		
Recovery of salaries for deputed employees	82.03 [ 86.54 ]						
Recovery of Expenses			20.38 [15.00]				
Units Sold					65,884.96 [53,119.24]		
Administrator and secretary				0.84 [0.82]			
Advance to Mutual Fund					40.00 [ - ]		
Payments on behalf of Mutual Fund					55.85 [ - ]		
Investment in Equity Shares				0.10 [ - ]			
Balance Outstanding Receivable/(Payable)	(4.08) [(11.19)]		(51.79) [(34.54)]	97.17 [129.44]	(514.90) [638.80]		
Balance in Current Accounts	7,676.77 [6,181.06]						
Term Deposit	957.59 [847.97]						

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 : DIFFERENCE

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****30. OPERATING LEASE :**

(₹ in Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Lease expense for the year</b>	807.76	602.81
Minimum Lease Payments:		
Not later than one year	717.24	637.28
Later than one year but not later than five years	1,755.81	1,560.01
Later than five years	693.98	574.34

**31. PROVISIONS:**

The Company has made provisions, towards loyalty programs for business promotion ₹ 1,079.96 Lacs (Previous year ₹ 871.96 Lacs), as per the Accounting Standard on "Provisions, Contingent Liabilities and Contingent Assets" (AS-29). The movement for the same is as under:

Particulars	As at 2016-17	As at 2015-16
<b>Carrying amount as at the beginning of the year</b>	871.96	1,131.43
Additions during the year	1,070.47	810.00
Utilised during the year	723.51	719.62
Reversed during the year	138.96	349.85
Carrying amount as at the end of the year	1,079.96	871.96

**32. EXPENDITURE IN FOREIGN CURRENCY:**

(₹ in Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Travelling Expenses	51.01	57.84
Business Promotion and Advertisement	45.17	32.60
Salary	160.73	142.80
Rent and Subscription	142.46	165.72
Professional Fees and others	57.94	36.82

**33. EARNINGS IN FOREIGN CURRENCY:**

(₹ in Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Portfolio Advisory /Management fees	1,086.58	1,055.26

**34. The year-end foreign currency exposures that have not been hedged by derivative instruments or otherwise are detailed below:****Cash/Bank Balance:**

(inlacs)

Year ended	₹	AED
31 <sup>st</sup> March 2017	11.25	0.64
31 <sup>st</sup> March 2016	10.30	0.58

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Payables: (in lacs)**

Year ended	₹	USD	BHD
31 <sup>st</sup> March 2017	13.42	0.08	0.05
31 <sup>st</sup> March 2016	17.96	0.16	0.04

**Receivables: (in lacs)**

Year ended	₹	USD	AUD	JPY	SGD
31 <sup>st</sup> March 2017	267.46	1.50	0.06	117.48	2.14
31 <sup>st</sup> March 2016	281.40	1.96	0.09	112.67	1.66

**35. Dividend remittances to non-resident shareholders:**

Sr.No	Particulars	2016-2017	2015-2016
(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 Lacs)	2,220.00	2,035.00
(d)	Year to which dividend relates	2015-16	2014-15

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

The Board of Directors of the company has declared an Interim dividend of ₹ 7,000 Lacs/- @ ₹ 140/- per share in its meeting held on 23rd March, 2017.

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

An amount of ₹ 484.50 Lacs (Previous year ₹ 396.97 Lacs) was spent on CSR activities during the year as against an amount of ₹ 482.67 Lacs (Previous year ₹ 395.38 Lacs) available for spending as provided under the Companies Act, 2013.

**(₹ in Lacs)**

		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.	484.50	Nil	484.50

**38. DISCLOSURE ON SPECIFIED BANK NOTES (SBN)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of SBN held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBN and other notes as per the notification is given below:



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	SBN*	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	0.02	0.04	0.05
(+) Permitted receipts	-	0.80	0.80
(-) Permitted payments	-	(0.77)	(0.77)
(-) Amount deposited in Banks**	(0.02)	-	(0.02)
Closing cash in hand as on December 30, 2016	-	0.07	0.07

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

\*\* This represents the SBN exchanged with Bank.

**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 Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**40. Additional information, as required under schedule III of the companies Act 2013, of enterprises consolidated as Subsidiary/ Associates.**

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	98.97% [99.69%]	76,493.16 [63,091.04]	100.01% [100.24%]	22,431.86 [16,535.56]
<b>II</b>	<b>SUBSIDIARY</b>				
<b>A</b>	<b>FOREIGN</b>				
	SBI Funds Management (International) Private Limited	0.11% [0.17%]	82.63 [106.38]	(0.10%) [(0.29%)]	(22.43) [(47.36)]
<b>III</b>	<b>ASSOCIATE (Investment as per Equity Method)</b>				
<b>B</b>	<b>Indian</b>				
	SBI Pension Funds Private Limited	0.92% [1.08%]	717.17 [681.52]	0.09% [0.05%]	20.62 [8.23]

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.

As per our attached report of even date

**For SUDIT K. PAREKH & CO.**  
Chartered Accountants  
Firm Registration No. 110512W

**Sd/-**  
**Nemish Kapadia**  
Partner  
Membership No: 111929

Place: Mumbai  
Date : April 26, 2017

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

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

**Sd/-**  
**Jean-Yves Glain**  
Director  
DIN 07761090

Place: Mumbai  
Date : April 25, 2017

**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, 2017)



**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. Kanhaiyalal Agarwal**  
Chief Operating Officer

**Registered Office Address :**

SBI Funds Management Private Limited  
(A Joint Venture between SBI & AMUNDI)  
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