

SBI FUNDS MANAGEMENT PRIVATE LIMITED

(A joint Venture between SBI & AMUNDI)

23rd Annual Report
2014-2015



Board of Directors of SBI Funds Management Private Limited

(As on June 30, 2015)



**Smt. Arundhati
Bhattacharya**
Chairman



Mr. Fathi Jerfel
Director



**Mr. Dinesh Kumar
Khara**
Managing Director
& CEO



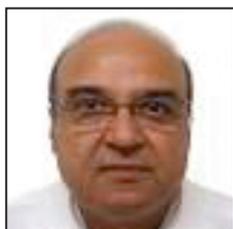
Mr. Jashvant Raval
Director



Mr. V. G. Kannan
Director



Smt. Madhu Dubhashi
Director



Mr. O. P. Gahrotra
Director



**Mr. Thierry
Mequillet**
Director



**Mr. Shishir
Joshipura**
Director



**Mr. Philippe
Batchevitch**
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

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DIRECTORS' REPORT

TO,

THE MEMBERS

The Directors have pleasure in presenting the 23rd annual report together with the Statement of Profit and Loss and the Cash Flow Statement of SBI Funds Management Private Limited for the year ended March 31, 2015 together with the Balance Sheet as at that date.

I. FINANCIAL RESULTS:

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

(₹ in lakh)

Particulars	Consolidated*	Standalone	
	Year under Report	Year under Report	Previous year
	2014-15	2014-15	2013-14
Total Income	45,275	45,246	40,145
Profit before depreciation	24,824	24,846	23,904
Less : Depreciation	537	537	766
Profit before tax	24,287	24,309	23,138
Less : Provision for tax	7,966	7,966	7,562
Profit after tax	16,321	16,343	15,576
Add: Net profit of share from associates	41	-	-
Balance brought forward from previous year (net)	31,736	31,558	23,389
Amount available for Appropriation	48,098	47,901	38,965

*No previous year reporting as FY 2014-15 is the first year of reporting

APPROPRIATIONS:

Transfer to General Reserve	500	500	1,558
Interim Dividend	5,500	5,500	5,000
Dividend Distribution Tax	1,099	1,099	849
Transitional adjustment on account of adoption of schedule II	92	92	-
Appropriation for CSR expenditure	193	193	-
Balance/(Loss) to be carried forward	40,714	40,517	31,558

SUBSIDIARY:

SBI Funds Management (International) Private Limited, a fully owned subsidiary of the Company provides investment management services to the SBI Resurgent India Opportunities Fund.

The audited statement of accounts of SBI Funds Management (International) Private Limited for the year ended 31st March, 2015, together with the Report of Directors and Auditors, as required under Section 129 of the Companies Act, 2013, are enclosed.

SBI FUNDS MANAGEMENT PRIVATE LIMITED

The highlights of the financial results are as under:

(₹ in lakh)

Particulars	Year Under Report	Previous Year	Year Under Report	Previous Year
	USD 2014-15	USD 2013-14	INR 2014-15	INR 2013-14
Total Income	0.49	0.35	31	20.78
Profit before depreciation	(0.36)	(0.76)	(22)	(45.77)
Less : Depreciation	NIL	NIL	NIL	NIL
Profit before tax	(0.36)	(0.76)	(22.31)	(45.77)
Less : Provision for tax	(0.00)	(0.00)	(0.31)	(0.11)
Profit after tax	(0.36)	(0.76)	(22.62)	(45.88)
Balance brought forward from previous year	2.19	2.95	137.10	177.53
Amount available for Appropriation	1.83	2.19	114.48	131.65

[USD Conversion rate Source: Last closing rate from RBI website- Year under Report ₹ 62.5908 (PY: ₹ 60.0998)]

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 & 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.

The highlights of the financial results of the Associate Company are as under:

(₹ in lakh)

Particulars	Year Under Report	Previous Year
	2014-15	2013-14
Total Income	748	744
Profit before depreciation	299	386
Less : Depreciation	5	6
Profit before tax	294	380
Less : Provision for tax	95	121
Profit after tax	199	259
Balance brought forward from previous year	159	(100)
Amount available for Appropriation	358	159

II. DIVIDEND:

An interim dividend of ₹ 110 per Equity Share, subject to tax, was declared on 24th March, 2015 on the paid-up equity share capital of the Company, involving a total outgo of ₹ 6,600 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 2014-15.

III. CAPITAL:

During the year under review, the Company has not made any fresh issue of capital. The net worth of the Company increased to ₹ 53,055 lakh as at the end of March, 2015 from ₹ 44,318 lakh as at the end of March, 2014.

IV. BUSINESS ENVIRONMENT:

OUTLOOK

The new Government initiated major reforms in a number of areas. As a result, the macroeconomic fundamentals dramatically improved during the year and inflation also declined significantly. The current account deficit also came down during the year 2014-15. The macroeconomic response was favourable with increased government savings as well as private consumption and the foreign portfolio flows stabilized the rupee. The interest rates are also in downward trend which indicates improvement in the economic condition and the equity market. In the coming year, real GDP growth at market prices is estimated to be higher.

CAPITAL MARKETS

Indian equity markets rallied in 2014-15 with the BSE Sensex gaining 24.9% to end the year at a new closing high of 27,957. Post the decisive General Election outcome, market gains were front-ended with the Sensex gaining 19% in the first half of the year itself. Smallcaps & Midcaps did even better than largecaps, with the BSE Midcap & Smallcap Indices gaining 49.5% and 54.0% respectively. FIIs net bought equities to the extent of ₹111,333 Crore in financial year 2014-15 as compared to net purchases of ₹ 79,709 Crore in the financial year 2013-14. The Healthcare, Financials and Industrials outperformed the market; while Energy, Materials & Utilities underperformed the market.

MUTUAL FUND INDUSTRY

During the year, the following important developments took place in the Mutual Fund Industry:

- 1) The Union Budget 2015 has proposed that merger of two or more schemes of Mutual Fund will not attract Capital Gain Tax.
- 2) The holding period for availing Long term Capital Gain has been extended from one year to three years for Debt Funds by the Finance Act, 2014.
- 3) SEBI increased the limit of cash transactions in mutual funds from the existing limit of ₹20,000/- to ₹50,000/- per investor, per mutual fund, per financial year subject to compliance with Anti Money Laundering guidelines.
- 4) SEBI allowed non-demat transactions in the Mutual fund through stock exchange platform in addition to the demat transactions.
- 5) To ensure adherence to the investment objectives as stated in Scheme Information Document and compliance with investment restriction, SEBI prescribed the minimum mobilization / AUM limit for debt oriented schemes.
- 6) SEBI issued circular to comply Foreign Accounts Tax Compliance Act (FATCA) and requires Indian Financial Institutions to register with US authorities and obtain a Global Intermediary Identification number (GIIN).
- 7) To create one record for all financial assets of every individual, SEBI decided to enable a single consolidated view of all the investments of an investor in Mutual Funds and securities held in demat form with the Depositories.
- 8) SEBI notified new regulations on Prohibition of Insider Trading.
- 9) Foreign Portfolio Investors (FPI) were prohibited from investing in liquid and money market mutual fund schemes.
- 10) As a part of risk management framework and to strengthen the risk management practices, SEBI issued guidelines on stress testing of Liquid Funds and Money Market Mutual Fund Schemes.
- 11) The sponsor or asset management company shall invest not less than one percent of the amount which would be raised in the new fund offer or ₹ 50 lakhs, whichever is less, in the growth option of the open ended schemes and such investment shall not be redeemed unless the scheme is wound up. In case of existing schemes, the AMC shall invest not less than one percent of the assets under management of the scheme as on date of notification or ₹ 50 lakhs, whichever is less.

During the year, the total assets mobilized by the mutual fund industry stood at ₹ 1,10,86,260 Crore (Previous year ₹ 97,68,401 Crore) while the total repurchase/redemption amount was ₹ 1,09,82,972 Crore (Previous year ₹ 97,14,318 Crore). The industry, thus saw a net inflow of ₹ 103,288 Crore (Previous year net outflow of ₹54,083 Crore) during the year. The total average assets under management during the quarter ended 31st March, 2015 stood at ₹ 11,88,690 Crore (Previous year ₹ 9,05,120 Crore). (Source: AMFI website).

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PERFORMANCE OVERVIEW

In case of Equity Funds as on 31st March, 2015 under 1 year category:

1. 66% of our equity assets were in the top two quartiles.
2. SBI Magnum Equity Fund, SBI Magnum Multi Cap Fund, SBI Small & Midcap Fund, SBI Arbitrage Opportunities Fund and SBI Magnum Multiplier Fund were in the top quartile.
3. SBI Blue Chip Fund, SBI Contra Fund, SBI Magnum Tax Gain Fund, SBI Infrastructure Fund and SBI Magnum Balanced fund were in the top two quartiles.
4. All actively managed equity funds outperformed the Benchmark Index.

In case of Debt Funds as on 31st March, 2015 under 1 year category:

5. 37% of our debt assets were in the top two quartiles.
6. The Long Term and Short Term Plans of SBI Gilt Funds were in the top two quartiles.
7. SBI Dynamic Bond Fund was in the top two quartiles.
8. In the Hybrid category, Magnum Children Benefit Fund and SBI Magnum Monthly Income Plan were in the top quartile whereas SBI Magnum Monthly Income Plan- Floater was in the top two quartiles.
9. In the Ultra Short term category, the SBI Ultra Short term Debt Fund and SBI Treasury Advantage Fund were in the top quartile.

(Source: Value Research)

SBI Mutual Fund (SBIMF) saw a total inflow of ₹ 7,82,775 Crore (Previous year ₹ 6,05,396 Crore) in the domestic open and close-ended funds during the year. The inflows took place predominantly in the liquid and debt funds. The total redemption amounted to ₹ 782,736 Crore (Previous year ₹ 5,98,686 Crore), leaving a net inflow of ₹ 39 Crore (industry net inflow ₹ 1,03,288 Crore) as against a net inflow of ₹ 6,710 Crore (industry net outflow ₹ 54,083 Crore) in the previous year.

The average domestic AUM during the quarter ended March, 2015 was ₹ 74,942 Crore whereas the average domestic AUM during the quarter ended March, 2014 was ₹ 65,499 Crore - a growth of 14.42% during the quarter year on year.

The closing assets under management of the domestic schemes of SBI Mutual Fund as on 31st March, 2015 were ₹71,077 Crore as against ₹ 62,877 Crore as on 31st March, 2014 signifying a growth of 13%.

The Company strived to evolve the investment management capability and build new investment portfolios for their clients. In our endeavor to create solutions to suit client needs, the financial year 2014-15 was no exception. The Company has a long standing track record for managing fixed income duration funds. This year we restructured one of our funds which now invests into corporate bonds and had relaunched as SBI Corporate Bond Fund. As an investment manager, we have a comprehensive range of actively managed products. To expand our offering into passive management, we launched 3 new Exchange Traded Funds. To complement our fundamental equity and duration management capability we developed quantitative asset allocation capability. We internally developed a quantitative asset allocation model and based on the same, we launched SBI Dynamic Asset Allocation Fund, a pure dynamic asset allocation fund. The fund is our venture into tactical asset allocation space.

During the year, SBIMF launched thirty five funds under SBI Debt Fund Series. The schemes received good response from the investors and total funds mobilized under these schemes amounted to ₹ 3,682 Crore. In addition, SBIMF launched number of SBI Dual Advantage Funds, SBI Long term Advantage Funds, Open and Close Ended Equity and Debt Funds and Exchange Traded Funds which mobilized ₹ 2,116 Crore.

The value of assets under Portfolio Management/Advisory Services went up by 38.52% during the financial year 2014-15 with ₹ 20,798 Crore as on 31st March, 2015 as against ₹ 15,013 Crore as on 31st March, 2014.

SBI Resurgent India Opportunities Fund, the off-shore fund managed by the Company, witnessed a fall in the assets under management from ₹ 32 Crore as on 31st March, 2014 to ₹ 17 Crore as on 31st March, 2015 due to the profit booking by investors.

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DISTRIBUTION NETWORK

We had 35,041 AMFI certified Agents as on 31st March, 2015 as against 30,500 AMFI certified Agents as on 31st March, 2014. The number of AMFI certified employees in State Bank Group, however, increased to 22,000 as on 31st March, 2015 from 20,491 as on 31st March, 2014.

As on 31st March, 2015, SBI Mutual Fund had 161 branches spread all over India and 1 Overseas Points of presence.

CORPORATE SOCIAL RESPONSIBILITY

We at SBI Funds Management Private Limited understand our responsibilities to all stakeholders including the society at large. Every year, the company spends a portion of its 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, the Company formed a Corporate Social Responsibility (CSR) Committee of Directors to decide activities to be undertaken, expenditure to be incurred and to monitor the performance of the CSR activities undertaken by the Company.

The composition of the Corporate Social Responsibility committee is as follows:

Mrs. Madhu Dubhashi, Chairperson	Independent
Mr. Fathi Jerfel	Associate
Mr. O. P. Gahrotra	Independent
Mr. Dinesh Kumar Khara	Associate
Mr. Philippe Batchevitch	Alternate Director to Mr.Fathi Jerfel

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/Foundation/ 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 Act.

The CSR policy adopted by the Company is available on its website i.e. www.sbimf.com.

Details of activities undertaken on CSR during the year

In line with our approved CSR policy, we have incurred the following expenses which were made in the form of vehicle donation across various geographical locations with details as under:

S. No	Name of the Organization	Activity of the Organization	Amount contributed (₹ in Lakh)	No. of vehicles	Area Covered
1	Akshay Patra Foundation	Mid-day meal services at government schools across India	50.00	7 vans for meals distribution	Jaipur, Lucknow, Guwahati
2	Agastya International Foundation	Runs mobile vans to provide hands on science, maths and financial literacy in government schools	43.67	4 vans to provide maths and financial literacy	Hyderabad, Ahmedabad, Mumbai, Dehradun
3	Bombay Leprosy Project	Comprehensive Leprosy Management	8.72	1 van for leprosy management	Across Cities in Maharashtra
4	ADAPT	Education, vocational training and therapy to disabled in India	14.13	2 vehicles(1 for transportation of food and 1 for transporting children and adults)	Mumbai, Pelhar
5	Iskcon Food Relief Foundation	Mid-day meal services at government schools across India	45.50	8 vans for meals distribution	Cities in Maharashtra

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6	Children Toy Foundation	Toy vans and toy libraries for economically disadvantaged children	31.40	2 vans for mobile toy library	Uttar Pradesh and Maharashtra
			193.42		

The Company could not spend the requisite amount of ₹ 2.9 crore on the CSR activities during the year ending 31st March, 2015 because of the time taken in formulating the CSR Policy which was approved by the Board in September 2014.

INVESTOR EDUCATION

During the year, the company carried out various investor education programs across the country with a 360 degree marketing approach, which included advertisements through print, outdoor, digital and social media. The programs helped the existing/prospective investors to understand the complexities of investing in mutual funds.

NEW INITIATIVES

During the year, we introduced Online Investment Platform for Non Individual Investors, which enables them to track their portfolio and transact in SBIMF schemes online.

We also introduced Online Investment Module for Retail Investors without registration, which enables them to perform purchase transactions by using Folio Number and PAN as authentication.

FUTURE PLANS

- 1) We intend to grow our market share to 10% in the next 2 years and aspire to be among the top 3 players in the industry in the next 2 to 3 years.
- 2) Our primary objective is to grow our business in retail segment by creating awareness among investors and we are investing significantly in investor awareness programmes to achieve our objectives.
- 3) We will continue to strengthen and grow our distribution base by increasing engagement with IFAs, developing alternative distribution channels and creating products to suit wealth managers.
- 4) We will continue to innovate in the product category to provide attractive investment opportunities across all risk and asset segments.

V. 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 ₹ 753.49 lakh in foreign exchange as portfolio management fee. The foreign exchange outgo on account of traveling and business promotion was ₹ 313.18 lakh. An amount of ₹ 1,850 lakh was remitted to non-resident shareholder 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. An Enterprise Risk approach is followed and the Policy covers Investment Risk, Operational Risk, Strategic Risk and Financial Risk. The risk control framework, escalation and monitoring mechanism is outlined in the Policy and is in place within the Company. We follow the Risk Control Self-Assessment approach for identification of risks and the same is duly escalated to the Risk Management Committee of the Board.

4. INTERNAL FINANCIAL CONTROLS

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

5) LOANS, GUARANTEES OR INVESTMENTS

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

6) DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

7) RELATED PARTY TRANSACTIONS

All the related party Transactions covered under section 188 of the Companies Act, 2013 are entered on an arm's length basis and are in compliance with the applicable provisions of the Act. All related party transactions are presented to the Audit Committee of Board. The related party transactions have been disclosed under Note 28 to the Notes to the Financial Statements.

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.

9) EXTRACT OF ANNUAL RETURN

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

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 voluntary basis.

11) MATERIAL ORDERS BY REGULATOR, COURT, TRIBUNALS IMPACTING THE 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.

VI. DIRECTORS

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

- 1) Dr. H. Sadhak (DIN: 00203098) resigned as an Independent Director with effect from September 22, 2014.
- 2) Mr. O. P. Gahrotra (DIN: 00936696) was appointed as an Independent Director on October 22, 2014.
- 3) Mr. V. G. Kannan (DIN: 03443982) was appointed as an Associate Director on November 17, 2014.
- 4) Dr. H. K. Pradhan (DIN: 02607244) resigned as an Independent Director with effect from April 18, 2015.
- 5) Dr. Prafulla Agnihotri (DIN: 07238278) was appointed as an Independent Director with effect from July 17, 2015.

The Board places on record its appreciation of the valuable contributions made by Dr. H. Sadhak & Dr. H. K. Pradhan during their tenure as Directors of the Company and extends a warm welcome to Mr. O. P. Gahrotra, Mr. V. G. Kannan & Dr. Agnihotri, who have joined the Board of the Company.

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VII. BOARD MEETINGS:

Nine Board meetings were held during the financial year under review on 23/04/14, 28/05/14, 24/07/14, 17/09/14, 22/10/14, 05/12/14, 19/01/15, 05/03/15 & 24/03/15.

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

Name	Category of Director	Director Identification Number (DIN)	Number of meetings attended
Mrs Arundhati Bhattacharya	Associate	2011213	1
Mr. S. Vishvanathan *	Associate	2255828	1
Mr. Dinesh Kumar Khara, Managing Director & CEO	Associate	6737041	9
Mr. H. K. Pradhan *	Independent	2607244	6
Mrs. Madhu Dubhashi	Independent	36846	8
Mr. Thierry Mequillet	Associate	5118685	7
Mr. Shishir Joshipura	Independent	574970	4
Dr. Hira Sadhak *	Independent	203098	2
Mr. Fathi Jerfel	Associate	5225974	1
Mr. Philippe Batchevitch, (As Alternate Director to Mr. Fathi Jerfel)	Associate	3588321	8
Mr. Jashvant Raval	Independent	171896	9
Mr. O. P. Gahrotra **	Independent	936696	3
Mr. V. G. Kannan **	Associate	3443982	2

* Resigned/ ceased during the period under review as specified in para VI

** Appointed during the period under review as specified in para VI

VIII. AUDIT COMMITTEE OF DIRECTORS:

The Committee reviews the reports of internal and statutory auditors placed before them from time to time. An independent director who is a Chartered Accountant, chairs the audit committee. The Committee met nine times during the year.

IX. 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 2014-15.

X. 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 2014-15.

The Directors hereby confirm that:

1. In the preparation of the annual accounts of the Company for the year ended 31st March, 2015, 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.

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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.

XI. 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.

XII. PARTICULARS OF EMPLOYEES

The details of employees covered by Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 are given in the annexure to the Directors' Report. In terms of the provisions of Section 136 of the Companies Act, 2013, the Directors' Report is being sent to the shareholders of the company excluding the annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

XIII. AUDITORS

The Comptroller and Auditor General of India, New Delhi had appointed M/s. Sudit K Parekh & Co. as the Statutory Auditors of the Company, who will retire at the conclusion of the Twenty third Annual General Meeting. However, the Comptroller and Auditor General of India, New Delhi has reappointed M/s Sudit K Parekh & Co as the Statutory Auditors of the Company for the year 2015-16.

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, shall be fixed by the Company in the Annual General Meeting. Accordingly, Notice of the Annual General Meeting will include an item pertaining to remuneration of the Auditors for the year 2015-16.

XIV. ACKNOWLEDGEMENTS

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

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

-Sd/-

Mumbai
Dated: 27th July, 2015

ARUNDHATI BHATTACHARYA
CHAIRMAN

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

as on the financial year ended on March 31, 2015

[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	66301	97.68

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, 2014				No. of shares held at the end of the year March 31, 2015				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual* / HUF	-	20	20	0.0004	-	20	20	0.0004	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Bank / FI	3149980	-	3149980	62.9996	3149980	-	3149980	62.9996	NIL
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	3149980	20	3150000	63.00	3149980	20	3150000	63.00	NIL
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	1850000	-	1850000	37.00	1850000	-	1850000	37.00	NIL
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	1850000	-	1850000	37.00	1850000	-	1850000	37.00	NIL
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	4999980	20	5000000	100.00	4999980	20	5000000	100.00	NIL
B. Public Shareholding									
1. Institutions									
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 (specify)	-	-	-	-	-	-	-	-	-
Sub- total (B) (1)	-	-	-	-	-	-	-	-	-

SBI FUNDS MANAGEMENT PRIVATE LIMITED

Category of Shareholders	No. of shares held at the beginning of the year April 01, 2014				No. of shares held at the end of the year March 31, 2015				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2.Non-Institutions									
a)Bodies Corp.	-	-	-	-	-	-	-	-	-
i)Indian	-	-	-	-	-	-	-	-	-
ii)Overseas	-	-	-	-	-	-	-	-	-
b)Individuals	-	-	-	-	-	-	-	-	-
i)Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDR's & ADR's	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4999980	20	5000000	100.00	4999980	20	5000000	100.00	NIL

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

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

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	State Bank of India	3149980	62.9996	NA	3149980	62.9996	NA	NIL
2	Amundi India Holding	1850000	37.00	NA	1850000	37.00	NA	NIL
3	Shri Dinesh Kumar Khara	10*	0.0002	NA	10*	0.0002	NA	NIL
4	Shri Rajeev Nandan Mehra^	10*	0.0002	NA	-	-	-	-
5	Shri Ramesh Babu^	-	-	-	10*	0.0002	NA	NIL
	Total	5000000	100.00	NA	5000000	100.00	NA	NIL

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

^10 shares held by Shri Rajeev Nandan Mehra were transferred to Shri Ramesh Babu on July 24, 2014

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):

NOT APPLICABLE

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
At the beginning of the year	10*	0.0002	10*	0.0002
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	10*	0.0002	10*	0.0002

*State Bank of India is the beneficial holder of the 10 shares held by Shri Dinesh Kumar Khara (Managing Director & CEO).

V) INDEBTNESS – NIL

SBI FUNDS MANAGEMENT PRIVATE LIMITED**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****(Rs. in lacs)**

S. No	Particulars of Remuneration	Name of Managing Director	Total Amount
		Shri Dinesh Kumar Khara	
1	Gross Salary		
	a)Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	24.97	24.97
	b)Value of perquisites u/s 17(2) Income-tax Act, 1961	7.77	7.77
	c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	--	--
	Total (A)	32.74	32.74
	Ceiling as per the Act	NA	NA

B. Remuneration to others directors

Sl. No.	Particulars of Remuneration	Name of Director	Total Amount
1	Independent Directors#	--	--
	• Fee for attending board committee meetings • Commission • Others, please specify	--	--
	Total (1)	--	--
2	Other Non-Executive Directors	--	--
	• Fee for attending board committee meetings • Commission • Others, please specify	--	--
	Total (2)	--	--
	Total (B)=(1+2)	--	--
	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.

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, 2015.

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, 2015, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the 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 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 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 31 March 2015, 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, 2015 ('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 statement on the matters specified in paragraphs 3 and 4 of the Order.

SBI FUNDS MANAGEMENT PRIVATE LIMITED

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, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) 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, 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 financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The relevant section related to the Investor Education and Protection Fund has not been notified under the Companies Act, 2013. However, there are no amounts due to be transferred to the said fund by the Company as per the provisions of the Companies Act, 1956.

III. As required by Section 143 (5) of the Act, we report that clauses 1, 2 and 3 of the directions issued by the Comptroller and Auditor-General of India are not applicable to the Company. With respect to reporting on clause 4 of the directions, related to the report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency, refer Note 25 to the financial statements. Further, based on the information and explanations provided to us by the management, there exists an effective monitoring mechanism for expenditure on all legal cases during the year.

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

Sd/-
(Mayank Lakhani)
Partner
Membership No: 113732

Place :Mumbai

Dated: April 25, 2015

ANNEXURE TO AUDITORS' REPORT

(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) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (ii) Since the Company is a service provider, the clause (ii) of Para 3 of the Order is not applicable to the Company.
- (iii) As informed, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions stated in clauses (iii) (a) and (b) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.
- (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 provisions of the Companies Act, 2013 and the rules framed there under; hence clause (v) of the Order is not applicable to the Company.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act for any of the services rendered by the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, wealth tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, wealth tax, cess and other undisputed statutory dues were outstanding, 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 (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	39,55,499/-	A.Y. 2005-2006	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	21,11,228/-	A.Y. 2006-2007	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	13,73,194/-	A.Y. 2008-2009	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	17,46,842/-	A.Y. 2011-2012	Income Tax Appellate Tribunal

- (c) According to the information and explanations given us, there is no amount due for transferring to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules framed there under.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) The Company has not taken any loans from financial institutions, banks and nor has it issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) The Company has not obtained any term loans.
- (xii) To the best of our knowledge and according to the information and explanations given to us by the management, we have not come across any instance of fraud by the Company, noticed or reported during the year.

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

(Mayank Lakhani)
Partner
Membership No: 113732

Place : Mumbai;

Dated: April 25, 2015

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ACCOUNTS OF SBI FUNDS MANAGEMENT PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of financial statements of SBI Funds Management Private Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 April 2015.

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 have not looked 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 decided not to conduct the supplementary audit of the financial statements of SBI Funds Management Private Limited for the year ended 31 March 2015 and as such have no comments to make under section 143(6)(b) of the Act.

**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, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	Notes	As at 31-Mar-2015 ₹ (in lacs)	As at 31-Mar-2014 ₹ (in lacs)
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	5,000.00	5,000.00
(b) Reserves and surplus	3	48,776.94	39,318.36
		<u>53,776.94</u>	<u>44,318.36</u>
Non-current liabilities			
(a) Deferred tax liabilities (Net)	4	443.06	189.97
(b) Other long term liabilities	5	160.44	271.83
(c) Long-term provisions	6	612.12	553.39
		<u>1,215.62</u>	<u>1,015.19</u>
Current liabilities			
(c) Trade payables	7	1,838.22	987.41
(d) Other current liabilities	8	435.00	237.13
(e) Short-term provisions	9	10,246.33	9,126.30
		<u>12,519.55</u>	<u>10,350.84</u>
TOTAL		67,512.11	55,684.39
ASSETS			
Non-current assets			
(a) Fixed Assets	10		
(i) Tangible assets		17,032.14	17,323.35
(ii) Intangible assets		118.27	107.24
(iii) Capital work-in-progress		2.39	12.92
(b) Non-current investments	11	10,995.15	4,498.66
(c) Long-term loans and advances	12	7,834.73	2,202.29
(d) Other non-current assets	13	82.91	82.22
		<u>36,065.59</u>	<u>24,226.68</u>
Current assets			
(a) Current investments	14	14,376.24	22,034.60
(b) Trade receivables	15	1,863.76	1,558.10
(c) Cash and bank balances	16	8,036.28	6,564.82
(d) Short-term loans and advances	17	7,118.94	1,223.30
(e) Other current assets	18	51.30	76.89
		<u>31,446.52</u>	<u>31,457.71</u>
TOTAL		67,512.11	55,684.39
Significant Accounting Policies and Notes to the Accounts	1		
The notes are an integral part of these financial statements.			

As per our attached report of even date

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

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

Sd/-
Mayank Lakhani
Partner
Membership No.: 113732

Sd/-
Arundhati Bhattacharya
Chairman

Sd/-
Dinesh Khara
Managing Director & CEO

Sd/-
Thierry Mequillet
Director

Sd/-
Vinaya Datar
Company Secretary

Place: Mumbai
Date : April 25, 2015

Place: Mumbai
Date : April 23, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Notes	Year Ended 31-Mar-2015 ₹ (in lacs)	Year Ended 31-Mar-2014 ₹ (in lacs)
Revenue from operations	19	43,397.70	38,516.96
Other income	20	1,847.84	1,627.59
Total revenue		45,245.54	40,144.55
Expenses:			
Employee benefits expense	21	10,483.09	9,196.37
Other expenses	22	9,916.76	7,043.70
Depreciation and amortization expenses	23	536.68	765.63
Total expenses		20,936.53	17,005.70
Profit before Tax		24,309.01	23,138.85
Tax expenses:			
- Current tax		7,665.15	7,100.00
- Deferred tax		300.36	461.95
Profit (Loss) for the period		16,343.50	15,576.90
Earnings per equity share:			
(1) Basic	24	326.87	311.54
(2) Diluted		326.87	311.54
Significant Accounting Policies and Notes to the Accounts	1		
The notes are an integral part of these financial statements.			

As per our attached report of even date

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

Sd/-
Mayank Lakhani
Partner
Membership No.: 113732

Place: Mumbai
Date : April 25, 2015

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

Sd/-
Arundhati Bhattacharya
Chairman

Sd/-
Thierry Mequillet
Director

Place: Mumbai
Date : April 23, 2015

Sd/-
Dinesh Khara
Managing Director & CEO

Sd/-
Vinaya Datar
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	For Year end 31-Mar-2015 ₹ (in lacs)	For Year end 31-Mar-2014 ₹ (in lacs)
Cash Flow from Operating Activities		
Net profit Before Tax	24,309.01	23,138.85
Adjustments for:		
Depreciation and amortisation	536.68	765.63
(Profit) /Loss on sale of fixed assets (Net)	(0.03)	20.80
Expenses on CSR	(193.42)	-
Profit on sale of investments (Net)	(1,184.09)	(1,050.56)
Interest income	(102.36)	(180.72)
Dividend income	(475.50)	(306.90)
Operating profit before working capital changes	22,890.29	22,387.10
Decrease / (Increase) in trade receivables	(305.67)	355.73
Decrease / (Increase) in long term loans and advances	(5,572.62)	(368.55)
Decrease / (Increase) in other current assets	(3.03)	(5.10)
Decrease / (Increase) in Short term loans & advances	(5,635.04)	(345.24)
Decrease / (Increase) in other non-current assets	(0.68)	(4.45)
(Decrease) / Increase in trade payables	850.83	(139.96)
(Decrease) / Increase in non-current liabilities	(52.66)	(4.26)
(Decrease) / Increase in other current liabilities	197.86	(80.30)
(Decrease) / Increase in short term provisions	370.10	125.54
Net cash generated from operations	12,739.38	21,920.51
Income taxes paid	(7,985.58)	(7,260.28)
Net cash generated from Operating Activities (A)	4,753.80	14,660.23
Cash Flow from Investing Activities		
Purchase of Intangible Fixed Assets(including advances for capital)	(77.22)	(118.72)
Purchase of tangible Fixed Assets(including advances for capital)	(308.70)	(1,130.21)
Sale of Fixed Assets	0.93	5.99
Purchase of Investments (Current and long-term investments)	(54,384.42)	(64,593.77)
Sale of Investments (Current and long-term investments)	56,730.37	52,934.14
Fixed Deposits placed during the year	(821.83)	(1,297.00)
Fixed Deposits matured during the year	1,297.00	3,329.00
Interest received	130.97	550.17
Dividend received	475.50	306.90
Net Cash generated from Investing Activities (B)	3,042.60	(10,013.50)
Cash Flow from Financing Activities		
Dividend paid	(5,000.00)	(3,800.00)
Tax on Dividend	(849.75)	(616.46)
Net cash used in Financing Activities (C)	(5,849.75)	(4,416.46)
Net Increase in Cash and Cash Equivalents (A + B + C)	1,946.65	230.27
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	5,267.80	5,037.53
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7,214.45	5,267.80

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	For Year end 31-Mar-2015 ₹ (in lacs)	For Year end 31-Mar-2014 ₹ (in lacs)
Components of Cash and Cash Equivalents		
Cash & Cash Equivalents		
Cash in hand	0.42	0.21
Cheques in hand	290.83	0.12
Balance with banks		
-in Current Accounts	1,423.20	267.47
-in Current Accounts - Dividend Payable	5,500.00	5,000.00
Total Cash & Cash Equivalent (Note no. 16)	7,214.45	5,267.80

- The Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- The corresponding figures of the previous year are re-grouped wherever necessary.

As per our attached report of even date

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

Sd/-
Mayank Lakhani
Partner
Membership No.: 113732

Place: Mumbai
Date : April 25, 2015

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

Sd/-
Arundhati Bhattacharya
Chairman

Sd/-
Thierry Mequillet
Director

Place: Mumbai
Date : April 23, 2015

Sd/-
Dinesh Khara
Managing Director & CEO

Sd/-
Vinaya Datar
Company Secretary

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.

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 notified by the Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Central Government in consultation with National Advisory Committee on Accounting Standards ("NACAS"), specified under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 1956 to the extent applicable and Companies Act, 2013 to the extent notified and 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

Tangible Assets

Tangible assets 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.

Subsequent expenditure related to an item of fixed asset is added to its book value, only if it increases the future benefits from existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, 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 fixed assets that are not ready for their intended use.

Gains or losses arising from disposal of fixed 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

1.4 Depreciation on Tangible and Intangible Fixed Assets

During the year, the Company has adopted the estimated useful life of the tangible assets as stipulated by Schedule II to the Companies Act, 2013 for the purpose of computing depreciation, on straight line method basis that takes an effect from 1st April 2014.

The revised estimated useful life of all other tangible assets 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
Tangible assets		
Building	60 years	SLM
Electrical Installation	5 years	SLM
Building Management Systems (Fire Detection, Fire Alarm, CCTV, Fire Alarm Access Control)	5 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	5 years	SLM
Vehicles	8 years	SLM
Intangible Assets		
Computer software	3 years	SLM
Website	3 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 maybe, up to the date on which 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 and copyright licenses are amortised over a period of five years. All other intangible assets are amortised over a period of three years.

1.5 Impairment of Tangible and Intangible Fixed 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.

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 short term 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.

1.7 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 and Portfolio Management services income 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.

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.

1.8 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 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. 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

NOTES TO THE FINANCIAL STATEMENTS

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.

1.9 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 recognized 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

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with Income Tax Act, 1961. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent years.

Deferred tax adjustments comprise of changes in the deferred tax assets and liabilities. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized subject to prudence and judgment that realization is more likely than not. 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. Changes in deferred tax assets/ liabilities on account of changes in enacted tax rates are given effect to in the Statement of Profit and Loss in the period of the change.

At each balance sheet date, the Company re-assesses the unrecognised deferred tax assets. It recognizes deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future

NOTES TO THE FINANCIAL STATEMENTS

taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized 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 recognized 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 earning per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at period/year end.

1.14 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.

1.15 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.

NOTES TO THE FINANCIAL STATEMENTS

2 SHARE CAPITAL

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Authorised		
5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 Equity Share of ₹ 100 each)	5,000	5,000
Issued, Subscribed and Paid Up		
5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 Equity Share of ₹ 100 each)	5,000	5,000

2.1 Reconciliation of number of shares

Particulars	31-Mar-2015		31-Mar-2014	
	No of Shares	₹ (in lacs)	No of Shares	₹ (in lacs)
Balance at the beginning of the year	50,00,000	5,000	50,00,000	5,000
Add : Shares issued during the year	-	-	-	-
Balance at the end of the year	50,00,000	5,000	50,00,000	5,000

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 interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.3 Details of Shares held by Holding Company

Particulars	31-Mar-2015		31-Mar-2014	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India	3,150,000	63%	3,150,000	63%

2.4 Details of share holders holding more than 5% shares

Particulars	31-Mar-2015		31-Mar-2014	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India	3,150,000	63%	3,150,000	63%
Amundi India Holding, a wholly owned subsidiary of Amundi	1,850,000	37%	1,850,000	37%

NOTES TO THE FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
General Reserve		
Balance at the beginning of the year	7,760.09	6,202.40
Add: Transfer from statement of profit and loss	500.00	1,557.69
Balance at the end of the year (A)	8,260.09	7,760.09
Surplus in statement of profit and loss		
Balance at the beginning of the year	31,558.27	23,388.81
Less: Transitional adjustment on account of adoption of schedule II*	91.82	-
Less: Appropriation for CSR expenditure **	193.42	-
Add: Profit for the year	16,343.50	15,576.90
Less: Transfer to general reserve	500.00	1,557.69
Less: Interim dividend	5,500.00	5,000.00
Less: Tax on interim dividend	1,099.68	849.75
Balance at the end of the year (B)	40,516.85	31,558.27
Total (A+B)	48,776.94	39,318.36

*-Refer note 29

**-Refer note 37

4 DEFERRED TAX ASSETS /(LIABILITIES)

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Deferred tax assets/(liabilities)		
- Provision for compensated absences	245.56	267.43
- Provision for gratuity	26.68	3.12
- Amortization /Depreciation on tangible /intangible assets	(910.30)	(460.52)
- Other 43B items	195.00	-
Deferred tax (liabilities)/assets (net)	(443.06)	(189.97)

5 OTHER LONG TERM LIABILITIES

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Others :		
Rent payables	139.11	271.83
Retention money payable	21.33	-
Total	160.44	271.83

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

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Provision for employee benefits	612.12	553.39
Total	612.12	553.39

7 TRADE PAYABLES

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Trade Payables	1,838.22	987.41
Total	1,838.22	987.41

(Refer note no.28 for related party & note no. 38 for micro small and medium enterprises disclosures)

8 OTHER CURRENT LIABILITIES

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Statutory dues	388.73	156.22
Income received in advance	2.07	1.31
Other payables		-
- Earnest money deposit	1.68	0.70
- Retention money	10.23	72.77
Creditors for capital expenditure	32.29	6.13
Total	435.00	237.13

9 SHORT TERM PROVISIONS

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Provision for employee benefits	2,158.69	2,121.07
Others		
- Proposed interim dividend *	5,500.00	5,000.00
- Tax on proposed interim dividend	1,099.67	849.75
- Provision for expenses	1,487.97	1,155.48
Total	10,246.33	9,126.30

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

NOTES TO THE FINANCIAL STATEMENTS

10 FIXED ASSETS

10.1 Tangible Assets

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2014	Additions for the Year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2015	Upto 01.04.2014	For the Year*	Deductions/ Adjustments/ Reclassification for the year*	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Building	16,017.51	-	-	16,017.51	198.85	266.32	-	465.17	15,552.34	15,818.66
Plant and Equipments (including Building Management Systems)	261.36	-	-	261.36	27.69	41.13	-	68.82	192.54	233.67
Furniture and Fixtures	727.49	24.61	5.85	746.25	161.05	(11.00)	4.52	145.53	600.72	566.44
Vehicles	61.13	0.23	-	61.36	18.57	3.45	-	22.02	39.34	42.56
Office Equipments	336.85	28.68	4.71	360.82	131.95	4.62	(68.53)	205.10	155.72	204.90
Computers	1,310.70	199.67	105.60	1,404.77	884.96	141.32	39.88	986.40	418.37	425.74
Leasehold Improvements	277.29	53.43	-	330.72	245.91	11.70	-	257.61	73.11	31.38
Total Tangible Assets	18,992.33	306.62	116.16	19,182.79	1,668.98	457.54	(24.13)	2,150.65	17,032.14	17,323.35
<i>Previous Year</i>	<i>1,651.38</i>	<i>17,528.27</i>	<i>187.32</i>	<i>18,992.33</i>	<i>1,188.75</i>	<i>638.65</i>	<i>158.41</i>	<i>1,668.99</i>	<i>17,323.35</i>	

10.2 Intangible Assets

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2014	Additions for the Year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2015	Upto 01.04.2014	For the Year*	Deductions/ Adjustments/ Reclassification for the year*	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Computer Software (Acquired)	582.81	67.16	-	649.97	507.18	60.44	-	567.62	82.35	75.63
Copyright-License	-	23.00	-	23.00	-	1.31	-	1.31	21.69	-
Investment Management Rights	57.40	-	-	57.40	31.34	12.82	-	44.16	13.24	26.05
Website Development Cost	101.78	-	-	101.78	96.22	4.57	-	100.79	0.99	5.56
Total Intangible Assets	741.99	90.16	-	832.15	634.74	79.14	-	713.88	118.27	107.24
<i>Previous Year</i>	<i>632.28</i>	<i>112.41</i>	<i>2.71</i>	<i>741.98</i>	<i>510.46</i>	<i>126.99</i>	<i>2.71</i>	<i>634.74</i>	<i>107.24</i>	

*- Refer note 29

10.3 Capital Work in Progress

Particulars	NET BLOCK	
	As at 31.03.2015	As at 31.03.2014
- Intangible Assets	-	12.92
- Tangible Assets	2.39	-
Total	2.39	12.92

NOTES TO THE FINANCIAL STATEMENTS

11 NON-CURRENT INVESTMENTS

	31-Mar-15		31-Mar14	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
Investment in Equity Instruments (Valued at cost unless stated otherwise)				
(Unquoted)(Non-trade)				
Investment in subsidiaries				
Equity shares of \$1 held in SBI Funds Management (International) Pvt. Ltd.(100% Holding)	50,000	4.44	50,000	4.44
Investments in Associates				
20% Equity shares of ₹ 10 each held in SBI Pension Funds Pvt. Ltd.	60,00,000	600.25	60,00,000	600.25
Others				
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each	5,00,000	5.00	-	-
Quoted Investments				
Investment in Mutual Fund (Valued at cost unless stated otherwise)				
Units of SBI Mutual Fund				
SBI Debt Fund Series (SDFS)				
SDFS 18 month - 13 (Growth) face value of ₹ 10 per unit	-	-	1,20,00,000	1,200.00
SBI Capital Protection Fund-II face value of ₹ 10 per unit	-	-	10,00,000	118.97
SDFS 36 months - 4 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	1,00,00,000	1,000.00
SDFS 36 months - 5 (Growth) face value of ₹ 10 per unit	5,00,000	50.00	5,00,000	50.00
SDFS 36 months - 6 (Growth) face value of ₹ 10 per unit	2,50,000	25.00	2,50,000	25.00
SDFS A-1-15 months (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 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 - 44 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS 366 Days - 46 (Growth) face value of ₹ 10 per unit	50,00,000	500.00	-	-
SDFS 366 Days - 47 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS 366 Days - 51 (Growth) face value of ₹ 10 per unit	40,00,000	400.00	-	-
SDFS 366 Days - 52 (Growth) face value of ₹ 10 per unit	90,00,000	900.00	-	-
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	-	-

NOTES TO THE FINANCIAL STATEMENTS

	31-Mar-15		31-Mar14	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
Mandatory Investments				
SBI Inflation Indexed Bond Fund-(Growth) face value of ₹ 10 per unit	2,02,000	20.20	-	-
SBI Banking and Financial Services-(Growth) face value of ₹ 10 per unit	5,00,000	50.00	-	-
SBI ETF Nifty Junior face value of ₹ 10 per unit	5,874	11.50	-	-
SBI ETF Banking face value of ₹ 10 per unit	6,180	11.50	-	-
SBI ETF BSE 100 face value of ₹ 86.3097 per unit	20,000	17.26	-	-
SBI Dynamic Asset Allocation Fund (Growth) face value of ₹ 10 per unit	5,00,000	50.00	-	-
Total		10,995.15		4,498.66
Aggregate amount of quoted investments		10,385.46		3,893.97
Market value/NAV of quoted investments		11,674.01		4,062.44
Aggregate amount of unquoted investments		609.69		604.69

12 LONG TERM LOANS & ADVANCES

	31-Mar-2015	31-Mar-2014
	₹ (in lacs)	₹ (in lacs)
Secured , Considered good		
Loans to employees against hypothecation of property	104.43	133.12
Unsecured, Considered good unless stated otherwise		
Security deposits	248.74	181.89
Advance for expenses	14.52	-
Unamortised upfront brokerage	5,543.95	482.07
Income tax (net of provisions)	1,488.33	1,167.91
Prepaid expenses	76.74	115.03
Other advances	358.02	122.27
Total	7,834.73	2,202.29

13 OTHER NON- CURRENT ASSETS

	31-Mar-2015	31-Mar-2014
	₹ (in lacs)	₹ (in lacs)
Secured, Considered good unless stated otherwise		
Interest accrued on loans to employees	82.91	82.22
Total	82.91	82.22

NOTES TO THE FINANCIAL STATEMENTS

14 CURRENT INVESTMENTS

	31-Mar-15		31-Mar-14	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
Investment in Mutual Fund (lower of cost and fair value)				
Quoted Investments (Non-trade) : Units of SBI Mutual Fund				
a) SBI Debt Fund Series (SDFS)				
SDFS 366 Days - 30 (Growth) face value of ₹ 10 per unit	-	-	1,50,00,000	1,500.00
SDFS 366 Days - 31 (Growth) face value of ₹ 10 per unit	-	-	2,00,00,000	2,000.00
SDFS 366 Days - 32 (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS 366 Days - 33 (Growth) face value of ₹ 10 per unit	-	-	1,18,95,800	1,189.58
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 - 44 (Growth) face value of ₹ 10 per unit	-	-	1,00,00,000	1,000.00
SDFS 366 Days - 46 (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	-	-	4,00,00,000	4,000.00
SDFS 366 Days - 52 (Growth) face value of ₹ 10 per unit	-	-	1,20,00,000	1,200.00
SDFS 366 Days - 51 (Growth) face value of ₹ 10 per unit	-	-	40,00,000	400.00
SFIDFS 90 Days - 85 (Growth) face value of ₹ 10 per unit	-	-	30,00,000	300.00
SDFS 36 Months - 1 (Growth) face value of ₹ 10 per unit	-	-	63,21,780	633.21
SDFS 18 Months - 11 (Growth) face value of ₹ 10 per unit	-	-	60,00,000	600.00
SDFS A - 1 15 Months (Growth) face value of ₹ 10 per unit	50,00,000	500.00	-	-
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	72,56,780	727.59	-	-
SDFS A - 20 - 366 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
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	-	-
SDFS A - 25 - 366 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS A - 27 - 366 Days (Growth) face value of ₹ 10 per unit	20,00,000	200.00	-	-
SDFS A - 28 - 367 Days (Growth) face value of ₹ 10 per unit	1,80,00,000	1,800.00	-	-
SDFS A - 31 - 367 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SFIDFS 90 DAYS -1 (Growth) face value of ₹ 10 per unit	44,74,913	500.00	-	-
SBI Capital Protection Fund-II face value of ₹ 10 per unit	10,00,000	118.97	-	-
SBI Treasury Advantage Fund Direct Plan Daily Dividend ₹ 1000 per unit	1,80,825	1,817.28	-	-
SBI Inflation Indexed Bond Fund-(Growth) face value of ₹ 10 per unit	2,48,000	24.38	-	-
b) SBI Mutual Funds - Exchange traded funds				
SBI ETF Nifty Junior face value of ₹ 10 per unit	5,04,933	973.51	-	-
SBI ETF Banking face value of ₹ 10 per unit	5,31,270	972.22	-	-
c) SBI Mutual Funds - Others				
SBI Premier Liquid Fund Direct Plan Daily Dividend ₹ 1000 per unit	1,13,859	1,142.29	79,829	800.88
SBI Magnum Insta Cash Direct Plan Daily Dividend ₹ 1000 per unit	-	-	2,03,634	3,410.93
Total		14,376.24		22,034.60
Aggregate amount of quoted investments		14,376.24		22,034.60
Market value/NAV of quoted investments		15,234.03		23,049.46

NOTES TO THE FINANCIAL STATEMENTS

15 TRADE RECEIVABLES

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Unsecured, Considered good unless stated otherwise		
Management fee receivable	1,484.83	1,067.02
Portfolio Management fee receivables	160.35	278.05
Portfolio Advisory fee receivables	218.58	189.27
Overdue for more than six months	-	23.76
Total	1,863.76	1,558.10

16 CASH & BANK BALANCES

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Cash & Cash Equivalents		
Cash on hand	0.42	0.21
Cheques in hand	290.83	0.12
Balance with banks *		
-in Current accounts	1,423.20	267.49
-in Current accounts - dividend payable	5,500.00	5,000.00
	7,214.45	5,267.82
Other Bank Balances *		
Deposits with original maturity		
- more than 12 months	821.83	1,297.00
	821.83	1,297.00
Total	8,036.28	6,564.82

*Refer note no.28 for related party disclosures

17 SHORT TERM LOANS & ADVANCES

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Secured, Considered good		
Loans to employees against hypothecation of property	32.10	40.98
Unsecured, Considered good unless stated otherwise		
Security deposits	95.47	99.97
Advance for expenses	65.64	53.01
Loans to employees	14.37	18.08
Balance with statutory/Government authorities	67.46	46.26
Unamortised upfront brokerage	5,405.38	309.97
Prepaid expenses	229.07	186.49
Expenses recoverable*	16.88	0.79
Others	1,192.57	467.75
Total	7,118.94	1,223.30

*Refer note no. 28 for related party disclosures

NOTES TO THE FINANCIAL STATEMENTS

18 OTHER CURRENT ASSETS

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Secured, Considered good		
Interest accrued on loans to employees	8.86	6.21
Unsecured, Considered good unless stated otherwise		
Interest accrued on bank fixed deposits*	33.93	62.54
Other Bank Balance **		
Deposit (Security against bank guarantee)	8.51	8.14
Total	51.30	76.89
*Refer note no. 28 for related party disclosures		
** includes AED 50,000 (₹ 8,51,000) [Previous year AED 50,000 (₹ 8,13,500)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of branch at Dubai		

19 REVENUE FROM OPERATIONS

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Management fee	42,389.47	37,442.01
Portfolio management fee	352.61	430.95
Portfolio advisory fee	655.62	644.00
Total	43,397.70	38,516.96

20 OTHER INCOME

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Gains on sale /redemption of current investments	1,184.09	1,050.56
Dividend income from current investments	475.50	306.90
Interest		
- banks deposits	102.36	180.72
- staff loans	15.53	18.66
Net Gain on sale of assets	0.03	-
Net gain on foreign currency transactions and translations	-	4.78
Miscellaneous Income	70.33	65.97
Total	1,847.84	1,627.59

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

	31-Mar-2015	31-Mar-2014
	₹ (in lacs)	₹ (in lacs)
Salaries and allowances	9,163.74	8,042.65
Contribution to provident and other funds	597.95	471.11
Staff welfare expenses	721.40	682.61
Total	10,483.09	9,196.37
*Refer note no. 28 for related party disclosures		

22 OTHER EXPENSES

	31-Mar-2015	31-Mar-2014
	₹ (in lacs)	₹ (in lacs)
Rent	531.19	571.16
Rates and taxes	104.28	164.28
Electricity charges	165.50	138.96
Repairs and maintenance		
- Equipment	248.99	241.70
- Others	234.25	191.76
Insurance	16.03	17.46
Travelling and conveyance	555.39	531.39
Recruitment and training	39.32	23.22
Printing and stationery	125.86	102.53
Postage and courier	87.31	61.96
Communication	410.02	373.23
Scheme expenses	1,221.20	342.02
Brokerage	2,166.67	1,173.32
Business promotion	1,934.32	1,442.33
Advertising and publicity	530.62	186.71
Legal and professional fees	470.88	507.31
Filing Fee for schemes	94.10	107.24
Auditor's remuneration:		
-Audit fee	19.25	17.25
-Tax audit fee	2.00	1.50
-Certification fee	3.05	1.50
Directors' sitting fees	12.70	8.65
Royalty to SBI for logo	311.54	171.37
Loss on sale of assets/discarded (Net)	-	20.80
Net loss on foreign currency transactions and translations	1.31	-
Membership and subscription	401.91	390.07
Miscellaneous expenses	229.07	255.98
Total	9,916.76	7,043.70

NOTES TO THE FINANCIAL STATEMENTS**23 DEPRECIATION AND AMORTISATION EXPENSES***

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
Depreciation on Tangible Assets	457.54	638.64
Amortisation of Intangible Assets	79.14	126.99
Total	536.68	765.63
* Refer note no 29		

24 EARNING PER SHARE

	31-Mar-2015 ₹ (in lacs)	31-Mar-2014 ₹ (in lacs)
(a) Nominal Value of an Equity Share (₹)	100	100
(b) Net profit available to Equity Shareholders (₹)	16,343.50	15,576.90
(c) Number of shares outstanding	50,00,000	50,00,000
(d) Basic and Diluted EPS (₹) = (b) / (c)	326.87	311.54

25. CONTINGENT LIABILITIES (NOT PROVIDED FOR):

Claims against the Company not acknowledged as debts – Investor claims pending in Consumer Courts ₹ 154.76 Lacs (Previous Year ₹ 166.41 Lacs), other disputed payables ₹ 78.45 Lacs (Previous year ₹ 78.45 Lacs) and disputed tax liability ₹ 90.84 Lacs- (Previous Year v 90.84 Lacs).

Ageing analysis of Investor claims pending in Consumer Courts:-

Ageing	2014-15		2013-14	
	Nos.	₹ in Lacs	Nos	₹ in Lacs
Less than 6 months	7	13.45	4	4.24
Greater than 6 months and less than 1 year	2	0.78	7	3.77
Greater than 1 year	58	140.54	61	158.40
Total	67	154.77	72	166.41

All the cases are pending in the normal course of legal process.

26. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 565.06 Lacs (Previous Year ₹ 26.26 Lacs).

27. EMPLOYEE BENEFITS

In accordance with the Accounting Standard on "Employee Benefits" (AS-15) (Revised 2005) notified by the Companies (Accounting Standards) Rules, 2006, the Company has classified the various benefits provided to the employees as under:

(27.1) Defined Contribution Plan - Provident Fund

The Company has recognised the following amounts in the Statement of Profit and Loss, which are included under Contributions to Provident & Other Funds:

(₹ in Lacs)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Employer's contribution to Provident Fund	347.03	365.03

NOTES TO THE FINANCIAL STATEMENTS

(27.2) Defined Contribution 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 31.03.2015	As at 31.03.2014
Present value of funded benefit obligations, 1 st April	621.07	613.80
Service cost	62.33	70.36
Interest cost	57.76	50.64
Liability Transfer out	(Nil)	(Nil)
Benefits paid	(45.84)	(29.87)
Actuarial (gains)/losses on obligations	52.95	(83.86)
Present value of funded benefit obligations as at 31st March	748.27	621.07

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

(₹ in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
Fair value of plan assets ,as at beginning of the year	611.89	588.76
Expected return on plan assets	53.23	51.22
Actuarial gains/(losses)	(3.78)	1.78
Employer contribution	55.66	-
Benefits paid	(45.84)	(29.87)
Transfer to other company	-	-
Fair value of plan assets at the year end	671.16	611.89

(27.2.3) Reconciliation of Fair Value of Assets and Obligations

(₹ in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
Present value of obligation	748.27	621.07
Fair value of plan assets	671.16	611.89
Amount recognized in Balance Sheet	77.11	9.18

(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 31.03.2015	For the year ended 31.03.2014
Current Service Cost	62.33	70.36
Interest Cost	57.76	50.64
Expected return on plan assets	(53.23)	(51.22)
Actuarial (gains) / losses	56.73	(85.64)
Net Cost	123.59	(15.86)

NOTES TO THE FINANCIAL STATEMENTS

(27.2.5) Experience Adjustments

(₹ in Lacs)

Experience Adjustments	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
(Gains) / Losses on Plan Liabilities	(19.40)	(16.13)	23.88	(1.28)	35.20
Gains / (Losses) on Plan Assets	(3.78)	1.78	0.79	(3.82)	(6.76)
Estimated Contribution for next year	204.33	71.51	95.40	110.09	120.88

(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 31.03.2015	For the year ended 31.03.2014
Discount rate	8%	9.31%
Salary escalation rate	8% p.a. for next 4 years and 5% p.a. thereafter	10% p.a. for first 2 years ; 8% p.a. for next 2 years and 5% p.a. thereafter
Expected return on plan assets Indian Assured Lives Mortality (2006-08) ultimate	8%	8.70%

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.)

NOTES TO THE FINANCIAL STATEMENTS

Other Related parties:-

Fellow Subsidiaries	<ul style="list-style-type: none"> • SBI Capital Markets Limited (SBICAPS.) • SBI Life Insurance Company Limited (SBI LIC Ltd.) • SBI General Insurance Limited (SBI GI Ltd.) • State Bank of Patiala (SBOP) • State Bank of Mysore (SBM) • State Bank of Hyderabad (SBH) • State Bank of Travancore (SBT) • State Bank of Bikaner & Jaipur (SBBJ) • SBI Mutual Fund Trustee Company Private Limited (SBI MFTCP Ltd.) • SBI-SG Global Securities Services Private Limited (SBI- SG GSSPL) • SBICAP Securities Limited
Associates	<ul style="list-style-type: none"> • SBI Pension Funds Private Limited (SBI PFP Ltd.)
Key Management Personnel	<ul style="list-style-type: none"> • Mr. Deepak Chatterjee (Managing Director & Chief Executive Officer) upto 31st Oct 2013 • Mr. Dinesh Khara (Managing Director & Chief Executive Officer) from 11th November 2013 • Mr. Philippe Batchevitch (Deputy Chief Executive Officer)
Mutual Fund managed by the company	SBI Mutual Fund
Enterprise under common control	<ul style="list-style-type: none"> • Amundi Singapore Limited (a wholly owned subsidiary of Amundi)

Transactions with related parties:

(₹ in Lacs)

Particulars	Holding Company	Fellow Subsidiaries	Amundi	Mutual Fund Managed by the Company	KMP
Management and other Fees			182.16 (161.36)	42,389.47 (37,442.01)	
Other income	105.00 (62.45)				
Dividend received on units				475.50 (306.90)	
Brokerage and Common Cost	3,892.63 (495.14)	453.00 (413.53)			
Insurance premium		30.66 (12.47)			
Other Expenses	270.17 (277.20)	45.32 (80.71)			
Remuneration					90.04 (83.71)
Dividend paid /Proposed	3,465.00 (3,150.00)		2,035.00 (1,850.00)		
Units purchased				54,379.41 (64,593.77)	
Units Sold				55,546.28 (52,934.14)	
Balance Outstanding Receivable/(Payable)		(21.47) (26.69)	63.91 (34.82)	786.95 (341.47)	
Balance in Current Accounts	6,933.50 (5,299.09)				
Term Deposit	321.83 (297.00)				

NOTES TO THE FINANCIAL STATEMENTS

Note:

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

29. CHANGE IN ACCOUNTING POLICY AND ESTIMATES OF FIXED ASSETS

During the year ended 31st March 2015, the company has changed its method of charging depreciation on Computers, Furniture and Fixtures, Plant and Machinery and Office equipments from written down value method to straight line method. Accordingly, the company has retrospectively calculated the depreciation as per straight line method. Accordingly, the net surplus of ₹ 346.52 lacs as at 1st April 2014 is netted off against depreciation charge of the current year in the Statement of Profit and Loss.

Had the company continued to calculate the depreciation as per earlier method, the depreciation for the year would have been higher by ₹ 85.48 lacs and consequently the profit for the year would have been lower by the same amount.

Pursuant to adoption of the estimated useful life of the fixed assets as stipulated by Schedule II to the Companies Act, 2013, during the year, for the purpose of computing depreciation effective from 1st April 2014, an amount of ₹ 91.82 lacs (net of taxes) pertaining to the depreciation on fixed assets whose useful life is already exhausted as at 1st April 2014 has been adjusted against opening balance of retained earnings. The depreciation charge during the year of ₹ 536.68 lacs includes an amount of ₹ 27.55 lacs calculated based on the revision in the useful life of the fixed assets on adoption of the said Schedule II.

Further effective 1st April, 2014, the management has also changed its depreciation policy prospectively for fixed assets costing less than ₹ 5,000/- whereby these assets are depreciated based on their useful life as stipulated in Schedule II. This change in accounting, however, does not have any material impact on the financial statements

30. SEGMENTAL REPORTING:

The segmental reporting disclosure as required by Accounting Standard (AS) – 17 on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006 is not applicable, since the company has a single reportable business segment of providing asset management services to the schemes floated by SBI Mutual Fund.

31. OPERATING LEASE :

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Lease expense for the year	531.19	571.16
Minimum Lease Payments:		
Not later than one year	473.48	418.37
Later than one year but not later than five years	1009.28	845.99
Later than five years	399.21	298.01

32. EXPENDITURE IN FOREIGN CURRENCY:

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Travelling Expenses	36.46	58.50
Business Promotion and Advertisement	101.71	47.22
Salary	82.44	78.09
Rent and Subscription	63.56	22.07
Professional Fees and others	29.01	28.71

NOTES TO THE FINANCIAL STATEMENTS**33. EARNINGS IN FOREIGN CURRENCY:**

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Portfolio Advisory /Management fees	753.49	742.45

34. The year-end foreign currency exposures (Payables/PMS Receivables) that have not been hedged by derivative instruments or otherwise are detailed below:

Year ended	₹ in Lacs	USD	AUD	JPY	SGD
31 st March 2015	229.71	1.02	0.05	132.99	2.06
31 st March 2014	(202.10)	(0.58)	(0.11)	(141.17)	(1.67)

35. Dividend remittances to non-resident shareholders:

Sr.No	Particulars	2014-2015	2013-2014
(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)	1850.00	1406.00
(d)	Year to which dividend relates	2013-14	2012-13

36. INTERIM DIVIDEND DURING THE CURRENT YEAR

The Board of Directors of the company have declared an Interim dividend of ₹ 5500 lacs/- @ ₹ 110/- per share in its meeting held on 24th March, 2015.

37. CORPORATE SOCIAL RESPONSIBILITY (CSR)

An amount of ₹ 193 lacs was spent on CSR activities during the year as against an amount of ₹ 290 Lacs available for spending as provided under the Companies Act, 2013.

38. SUNDRY CREDITORS

Sundry Creditors 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.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
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

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

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

**Sd/-
Arundhati Bhattacharya**
Chairman

**Sd/-
Dinesh Khara**
Managing Director & CEO

**Sd/-
Thierry Mequillet**
Director

**Sd/-
Vinaya Datar**
Company Secretary

Place: Mumbai
Date : April 23, 2015

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 Company"), its subsidiary and associate (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2015 and the Consolidated Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management 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 and consolidated financial performance of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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, 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 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 Group'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 management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the considerations of the reports of the other auditors on the financial statements of the subsidiary and associate as noted below in the Other Matters paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2015; and
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date.

Other Matters

I. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 165.77 lacs as at 31st March, 2015, total revenues of Rs. 29.84 lacs and net cash flows amounting to Rs. 26.90 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. 41.45 lacs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of its associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

II. As required by Section 143 (5) of the Act, we report that clauses 1, 2 and 3 of the directions issued by the Comptroller and Auditor-General of India are not applicable to the Group. With respect to reporting on clause 4 of the directions, related to the report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency, refer 'Annexure A' to the audit report on consolidated financial statements. Further, based on the information and explanations provided to us by the management, there exists an effective monitoring mechanism for expenditure on all legal cases during the year, to the extent applicable to the Group.

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

Sd/-
(Mayank Lakhani)
Partner
Membership No: 113732

Place :Mumbai
Dated: April 25, 2015

Annexure 'A' to the Audit Report on Consolidated Financial Statements**(figures in lacs)****Details of Contingent liabilities**

Claims against the company not acknowledged as debts:

1. Investor claims pending in Consumer Courts Rs. 154.76 lacs (PY: Rs. 166.41 lacs)
2. Other disputed payables Rs. 78.45 lacs (PY: 78.45 lacs)
3. Disputed Tax liability Rs. 90.84 lacs (PY: 90.84 lacs)

Ageing Analysis of cases pending in various Courts:

Ageing	2014-15		2013-14	
	Nos.	₹ in Lacs	Nos	₹ in Lacs
Less than 6 months	7	13.45	4	4.24
Greater than 6 months and less than 1 year	2	0.78	7	3.77
Greater than 1 year	58	140.54	61	158.40
Total	67	154.77	72	166.41

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

Sd/-
(Mayank Lakhani)
Partner
Membership No: 113732

Place :Mumbai
Dated: April 25, 2015

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Notes	As at 31-Mar-2015 ₹ (in lacs)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	2	5,000.00
(b) Reserves and surplus	3	49,006.15
		54,006.15
Non-current liabilities		
(a) Deferred tax liabilities (Net)	4	443.06
(b) Other long term liabilities	5	160.44
(c) Long-term provisions	6	612.12
		1,215.62
Current liabilities		
(a) Trade payables	7	1,855.45
(b) Other current liabilities	8	435.00
(c) Short-term provisions	9	10,249.30
		12,539.75
TOTAL		67,761.52
ASSETS		
Non-current assets		
(a) Fixed Assets	10	
(i) Tangible assets		17,032.14
(ii) Intangible assets		118.27
(iii) Capital work-in-progress		2.39
(b) Non-current investments	11	11,078.79
(c) Long-term loans and advances	12	7,834.76
(d) Other non-current assets	13	82.91
		36,149.26
Current assets		
(a) Current investments	14	14,376.24
(b) Trade receivables	15	1,866.19
(c) Cash and bank balances	16	8,197.87
(d) Short-term loans and advances	17	7,119.92
(e) Other current assets	18	52.04
		31,612.26
TOTAL		67,761.52
Significant Accounting Policies and Notes to the Accounts	1	
The notes are an integral part of these financial statements.		

As per our attached report of even date

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

Sd/-
Mayank Lakhani
Partner
Membership No.: 113732

Place: Mumbai
Date : April 25, 2015

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

Sd/-
Arundhati Bhattacharya
Chairman

Sd/-
Thierry Mequillet
Director

Place: Mumbai
Date : April 23, 2015

Sd/-
Dinesh Khara
Managing Director & CEO

Sd/-
Vinaya Datar
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Notes	Year Ended 31-Mar-2015 ₹ (in lacs)
Revenue from operations	19	43,425.82
Other income	20	1,849.56
Total revenue		45,275.38
Expenses:		
Employee benefits expense	21	10,483.09
Other expenses	22	9,968.40
Depreciation and amortization expenses	23	536.68
Total expenses		20,988.17
Profit before Tax		24,287.21
Tax expenses:		
- Current tax		7,665.45
- Deferred tax		300.36
Profit for the year		16,321.40
Net share of Profit from Associates		41.45
Consolidated Profit for the period		16,362.85
Earnings per equity share:	24	
(1) Basic		326.43
(2) Diluted		326.43

Significant Accounting Policies and Notes to the Accounts
The notes are an integral part of these financial statements.

1

As per our attached report of even date

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

Sd/-
Mayank Lakhani
Partner
Membership No.: 113732

Place: Mumbai
Date : April 25, 2015

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

Sd/-
Arundhati Bhattacharya
Chairman

Sd/-
Thierry Mequillet
Director

Place: Mumbai
Date : April 23, 2015

Sd/-
Dinesh Khara
Managing Director & CEO

Sd/-
Vinaya Datar
Company Secretary

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.

1.(b) Summary of Significant accounting policies

1.1 Basis of preparation

The accompanying consolidated 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 notified by the Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Central Government in consultation with National Advisory Committee on Accounting Standards ("NACAS"), specified under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014, Pension Fund Regulatory and Development Authority (PFRDA) and relevant provisions of the said Act.

1.2 Use of Estimates:

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of consolidated 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 relate to SBI Funds Management Private Limited (the Company), its subsidiary SBI Funds Management (International) Private Limited(100%) and its associate SBI Pension Funds Private Limited (20%). The Company and its subsidiary constitute the Group.

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 (Accounting Standards) Rules, 2006. 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.

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.

NOTES TO THE CONSOLIDATED 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.

Foreign operations

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

- a. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the balance sheet date.
- b. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates.
- c. Exchange differences arising on net investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the net investment.
- d. The Assets and Liabilities of foreign company in foreign currency (other than local currency of the foreign offices/subsidiaries/joint ventures) are translated into local currency using spot rates applicable to that country.

Associates

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

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

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

1.4 Fixed Assets and Capital Advances

Tangible Assets

Tangible assets 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.

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

The capital work in progress includes cost of fixed assets that are not ready for their intended use.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Consolidated Statement of Profit and Loss when the asset is disposed.

Depreciation on Tangible and Intangible Fixed Assets

During the year, the Company has adopted the estimated useful life of the tangible assets as stipulated by Schedule II to the Companies Act, 2013 for the purpose of computing depreciation, on straight line method basis that takes an effect from 1st April 2014.

The revised estimated useful life of all other tangible assets 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
Tangible assets		
Building	60 years	SLM
Electrical Installation	5 years	SLM
Building Management Systems (Fire Detection, Fire Alarm, CCTV, Fire Alarm Access Control)	5 years	SLM
Computers- Servers and networks	6 years	SLM
Computers- End user devices, such as, desktops, laptops, etc.	3 years	SLM
Furniture & fixtures	10 years	SLM
Mobile Phones	3 years	SLM
Office Equipments	5 years	SLM
Vehicles	8 years	SLM
Intangible Assets		
Computer software	3 years	SLM
Website	3 years	SLM
Investment Management Rights (DAIWA Schemes)		Amortisation

Depreciation on assets purchased or sold during the year is recognised in the consolidated Statement of Profit and Loss on a pro-rata basis from the date of addition or, as the case maybe, up to the date on which 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 softwares, 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 and copyright licenses are amortised over a period of five years. All other intangible assets are amortised over a period of three years.

1.5 Impairment of Tangible and Intangible Fixed Assets

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Consolidated 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.

NOTES TO THE CONSOLIDATED 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 short term 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.

1.7 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 and Portfolio Management services income 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 Consolidated 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 recognized 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Superannuation

Superannuation fund is a defined contribution scheme. 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.

(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.

1.9 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 recognized in the Consolidated 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 Consolidated 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

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with Income Tax Act, 1961. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent years.

Deferred tax adjustments comprise of changes in the deferred tax assets and liabilities. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized subject to prudence and judgment that realization is more likely than not. Deferred tax

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted before the Balance Sheet date. Changes in deferred tax assets/ liabilities on account of changes in enacted tax rates are given effect to in the Consolidated Statement of Profit and Loss in the period of the change.

At each balance sheet date, the Company re-assesses the unrecognised deferred tax assets. It recognizes deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized 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 recognized as an expense in the Consolidated 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 earning per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at period/year end.

1.14 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.

1.15 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SHARE CAPITAL

31-Mar-2015
₹ (in lacs)**Authorised**

5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 Equity Share of ₹ 100 each)

5,000

Issued, Subscribed and Paid Up

5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 Equity Share of ₹ 100 each)

5,000

2.1 Reconciliation of number of shares

Particulars	31-Mar-2015	
	No of Shares	₹ (in lacs)
Balance at the beginning of the year	50,00,000	5,000
Add : Shares issued during the year	-	-
Balance at the end of the year	50,00,000	5,000

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 interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.3 Details of Shares held by Holding Company

Particulars	31-Mar-2015	
	No of Shares	% of Holding
State Bank of India	31,50,000	63%

2.4 Details of share holders holding more than 5% shares

Particulars	31-Mar-2015	
	No of Shares	% of Holding
State Bank of India	31,50,000	63%
Amundi India Holding, a wholly owned subsidiary of Amundi	18,50,000	37%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS

	31-Mar-2015 ₹ (in lacs)
General Reserve	
Balance at the beginning of the year	7,760.09
Add: Transfer from statement of profit and loss	500.00
Balance at the end of the year (A)	8,260.09
Foreign currency translation reserve (B)	
	32.02
Surplus in statement in profit and loss	
Balance at the beginning of the year	31,736.11
Less: Transitional adjustment on account of adoption of schedule II*	91.82
Less: Appropriation for CSR expenditure	193.42
Add: Profit for the year	16,362.85
Less: Transfer to general reserve	500.00
Less: Interim dividend	5,500.00
Less: Tax on interim dividend	1,099.68
Balance at the end of the year (C)	40,714.04
Total (A+B+C)	49,006.15
*-Refer note 26	

4 DEFERRED TAX ASSETS /(LIABILITIES)

	31-Mar-2015 ₹ (in lacs)
Deferred tax assets/(liabilities)	
- Provision for compensated absences	245.56
- Provision for gratuity	26.68
- Amortization /Depreciation on tangible /intangible assets	(910.30)
- Other 43B items	195.00
Deferred tax (liabilities)/assets (net)	(443.06)

5 OTHER LONG TERM LIABILITIES

	31-Mar-2015 ₹ (in lacs)
Others :	
Rent payables	139.11
Retention money payable	21.33
Total	160.44

6 LONG TERM PROVISIONS

	31-Mar-2015 ₹ (in lacs)
Provision for employee benefits	612.12
Total	612.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 TRADE PAYABLES

	31-Mar-2015 ₹ (in lacs)
Trade Payables	1,855.45
Total	1,855.45
* (Refer Note no. 25 for related parties)	

8 OTHER CURRENT LIABILITIES

	31-Mar-2015 ₹ (in lacs)
Statutory dues	388.73
Income received in advance	2.07
Other payables	
- Earnest money deposit	1.68
- Retention money	10.23
Creditors for capital expenditure	32.29
Total	435.00

9 SHORT TERM PROVISIONS

	31-Mar-2015 ₹ (in lacs)
Provision for employee benefits	2,158.69
Others	
- Proposed interim dividend *	5,500.00
- Tax on proposed interim dividend	1,099.67
- Provision for expenses	1,490.94
Total	10,249.30
* (Refer Note no. 25 for related parties)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 FIXED ASSETS

10.1 Tangible Assets

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01.04.2014	Additions for the Year	Deductions/ Reclassification for the year	As at 31.03.2015	Upto 01.04.2014	For the Year*	Deductions/ Adjustments/ Reclassification for the year*	Upto 31.03.2015	As at 31.03.2015
Building	16,017.51	-	-	16,017.51	198.85	266.32	-	465.17	15,552.34
Plant and Equipments (including Building Management Systems)	261.36	-	-	261.36	27.69	41.13	-	68.82	192.54
Furniture and Fixtures	727.49	24.61	5.85	746.25	161.05	(11.00)	4.52	145.53	600.72
Vehicles	61.13	0.23	-	61.36	18.57	3.45	-	22.02	39.34
Office Equipments	336.85	28.68	4.71	360.82	131.95	4.62	(68.53)	205.10	155.72
Computers	1,310.70	199.67	105.60	1,404.77	884.96	141.32	39.88	986.40	418.37
Leasehold Improvements	277.29	53.43	-	330.72	245.91	11.70	-	257.61	73.11
Total Tangible Assets	18,992.33	306.62	116.16	19,182.79	1,668.98	457.54	(24.13)	2,150.65	17,032.14

₹ (in lacs)

10.2 Intangible Assets

₹ (in lacs)

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01.04.2014	Additions for the Year	Deductions/ Reclassification for the year	As at 31.03.2015	Upto 01.04.2014	For the Year*	Deductions/ Adjustments/ Reclassification for the year*	Upto 31.03.2015	As at 31.03.2015
Computer Software (Acquired)	582.81	67.16	-	649.97	507.18	60.44	-	567.62	82.35
Copyright-License	-	23.00	-	23.00	-	1.31	-	1.31	21.69
Investment Management Rights	57.40	-	-	57.40	31.34	12.82	-	44.16	13.24
Website Development Cost	101.78	-	-	101.78	96.22	4.57	-	100.79	0.99
Total Intangible Assets	741.99	90.16	-	832.15	634.74	79.14	-	713.88	118.27

*- Refer note 26

10.3 Capital Work in Progress

NET BLOCK	
Particulars	As at 01.04.2014
- Intangible Assets	-
- Tangible Assets	2.39
Total	2.39

₹ (in lacs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. NON-CURRENT INVESTMENTS

	31-Mar-2015	
	No of units	₹ (in lacs)
Investment in Equity Instruments (Valued at cost unless stated otherwise) (Unquoted)(Non-trade)		
Investments in Associates		
20% Equity shares of ₹ 10 each held in SBI Pension Funds Pvt. Ltd. of which Goodwill of ₹ 15.04 Lacs	60,00,000	688.33
Others		
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each	5,00,000	5.00
Quoted Investments		
Investment in Mutual Fund (Valued at cost unless stated otherwise)		
Units of SBI Mutual Fund		
SBI Debt Fund Series (SDFS)		
SDFS 36 months - 4 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00
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 - 44 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00
SDFS 366 Days - 46 (Growth) face value of ₹ 10 per unit	50,00,000	500.00
SDFS 366 Days - 47 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00
SDFS 366 Days - 51 (Growth) face value of ₹ 10 per unit	40,00,000	400.00
SDFS 366 Days - 52 (Growth) face value of ₹ 10 per unit	90,00,000	900.00
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
Mandatory Investments		
SBI Inflation Indexed Bond Fund-(Growth) face value of ₹ 10 per unit	2,02,000	20.20
SBI Banking and Financial Services-(Growth) face value of ₹ 10 per unit	5,00,000	50.00
SBI ETF Nifty Junior face value of ₹ 10 per unit	5,874	11.50
SBI ETF Banking face value of ₹ 10 per unit	6,180	11.50
SBI ETF BSE 100 face value of ₹ 86.3097 per unit	20,000	17.26
SBI Dynamic Asset Allocation Fund (Growth) face value of ₹ 10 per unit	5,00,000	50.00
Total		11,078.79
Aggregate amount of quoted investments		10,385.46
Market value/NAV of quoted investments		11,674.01
Aggregate amount of unquoted investments		609.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 LONG TERM LOANS AND ADVANCES

	31-Mar-2015 ₹ (in lacs)
Secured, Considered good	
Loans to employees against hypothecation of property	104.43
Unsecured, Considered good unless stated otherwise	
Security deposits	248.74
Advance for expenses	14.52
Unamortised upfront brokerage	5,543.95
Income tax (net of provisions)	1,488.36
Prepaid expenses	76.74
Other advances	358.02
Total	7,834.76

13 OTHER NON-CURRENT ASSETS

	31-Mar-2015 ₹ (in lacs)
Secured, Considered good unless stated otherwise	
Interest accrued on loans to employees	82.91
Total	82.91

14 CURRENT INVESTMENTS

	31-Mar-2015	
	No of units	₹ (in lacs)
Investment in Mutual Fund (lower of cost and fair value)		
Quoted Investments (Non-trade) : Units of SBI Mutual Fund		
a) SBI Debt Fund Series (SDFS)		
SDFS A - 1 15 Months (Growth) face value of ₹ 10 per unit	50,00,000	500.00
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	72,56,780	727.59
SDFS A - 20 - 366 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00
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
SDFS A - 25 - 366 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00
SDFS A - 27 - 366 Days (Growth) face value of ₹ 10 per unit	20,00,000	200.00
SDFS A - 28 - 367 Days (Growth) face value of ₹ 10 per unit	1,80,00,000	1,800.00
SDFS A - 31 - 367 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00
SFIDFS 90 DAYS -1 (Growth) face value of ₹ 10 per unit	44,74,913	500.00
SBI Capital Protection Fund-II face value of ₹ 10 per unit	10,00,000	118.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	31-Mar-2015	
	No of units	₹ (in lacs)
SBI Treasury Advantage Fund Direct Plan Daily Dividend ₹1000 per unit	1,80,825	1,817.28
SBI Inflation Indexed Bond Fund-(Growth) face value of ₹ 10 per unit	2,48,000	24.38
b) SBI Mutual Funds - Exchange traded funds		
SBI ETF Nifty Junior face value of ₹ 10 per unit	5,04,933	973.51
SBI ETF Banking face value of ₹10 per unit	5,31,270	972.22
c) SBI Mutual Funds - Others		
SBI Premier Liquid Fund Direct Plan Daily Dividend ₹1000 per unit	1,13,859	1,142.29
SBI Magnum Insta Cash Direct Plan Daily Dividend ₹1000 per unit	-	-
Total		14,376.24
Aggregate amount of quoted investments		14,376.24
Market value/NAV of quoted investments		15,234.03

15 TRADE RECEIVABLES

	31-Mar-2015 ₹ (in lacs)
Unsecured, Considered good unless stated otherwise	
Management fee receivable	1,487.26
Portfolio Management fee receivables	160.35
Portfolio Advisory fee receivables	218.58
Overdue for more than six months	-
Total	1,866.19

16 CASH AND BANK BALANCES

	31-Mar-2015 ₹ (in lacs)
Cash and Cash Equivalents	
Cash on hand	0.42
Cheques in hand	290.83
Balance with banks *	
-in Current accounts	1,434.79
-in Current accounts - dividend payable	5,500.00
	7,226.04
Other Bank Balances *	
Deposits with original maturity	
- Less than 12 months	150.00
- more than 12 months	821.83
	971.83
Total	8,197.87

*Refer note no. 25 for related party disclosures

17 SHORT TERM LOANS AND ADVANCES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	31-Mar-2015 ₹ (in lacs)
Secured, Considered good	
Loans to employees against hypothecation of property	32.10
Unsecured, Considered good unless stated otherwise	
Security deposits	95.47
Advance for expenses	65.64
Loans to employees	14.37
Balance with statutory/Government authorities	67.46
Unamortised upfront brokerage	5,405.38
Prepaid expenses	230.05
Expenses recoverable*	16.88
Others	1,192.57
Total	7,119.92

*Refer note no. 25 for related party disclosures

18 OTHER CURRENT ASSETS

	31-Mar-2015 ₹ (in lacs)
Secured, Considered good	
Interest accrued on loans to employees	8.86
Unsecured, Considered good unless stated otherwise	
Interest accrued on bank fixed deposits*	34.67
Other Bank Balances **	
Deposit (Security against bank guarantee)	8.51
Total	52.04

*Refer note no. 25 for related party disclosures

** includes AED 50,000 (₹ 8,51,000) [Previous year AED 50,000 (₹ 8,13,500)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of branch at Dubai.

19 REVENUE FROM OPERATIONS

	31-Mar-2015 ₹ (in lacs)
Management fee	42,417.59
Portfolio management fee	352.61
Portfolio advisory fee	655.62
Total	43,425.82

20 OTHER INCOME

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	31-Mar-2015 ₹ (in lacs)
Gains on sale /redemption of current investments	1,184.09
Dividend income from current investments	475.50
Interest	
- banks deposits	104.08
- staff loans	15.53
Net Gain on sale of assets	0.03
Net gain on foreign currency transactions and translations	-
Miscellaneous Income	70.33
Total	1,849.56

21 EMPLOYEE BENEFITS EXPENSE*

	31-Mar-2015 ₹ (in lacs)
Salaries and allowances	9,163.74
Contribution to provident and other funds	597.95
Staff welfare expenses	721.40
Total	10,483.09

*Refer note no. 25 for related party disclosures

22 OTHER EXPENSES

	31-Mar-2015 ₹ (in lacs)
Rent	531.19
Rates and taxes	106.76
Electricity charges	165.50
Repairs and maintenance	
- Equipment	248.99
- Others	234.25
Insurance	16.03
Travelling and conveyance	555.39
Recruitment and training	39.32
Printing and stationery	125.86
Postage and courier	87.31
Communication	410.02
Scheme expenses	1,254.84
Brokerage	2,172.39
Business promotion	1,934.32
Advertising and publicity	530.62
Legal and professional fees	475.72
Filing Fee for schemes	94.10
Auditor's remuneration:	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	31-Mar-2015 ₹ (in lacs)
-Audit fee	20.66
-Tax audit fee	2.00
-Certification fee	3.05
Directors' sitting fees	13.47
Royalty to SBI for logo	311.54
Net loss on foreign currency transactions and translations	1.31
Membership and subscription	401.91
Miscellaneous expenses	231.85
Total	9,968.40

23 DEPRECIATION AND AMORTISATION EXPENSES *

	31-Mar-2015 ₹ (in lacs)
Depreciation on Tangible Assets	457.54
Amortisation of Intangible Assets	79.14
Total	536.68

* Refer note no 26

24 EARNING PER SHARE

	31-Mar-2015 ₹ (in lacs)
(a) Nominal Value of an Equity Share (₹)	100
(b) Net profit available to Equity Shareholders (₹)	16,321.40
(c) Number of shares outstanding	50,00,000
(d) Basic and Diluted EPS (₹) = (b) / (c)	326.43

25 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:-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fellow Subsidiaries	<ul style="list-style-type: none"> • SBI Capital Markets Limited (SBICAPS.) • SBI Life Insurance Company Limited (SBI LIC Ltd.) • SBI General Insurance Limited (SBI GI Ltd.) • State Bank of Patiala (SBOP) • State Bank of Mysore (SBM) • State Bank of Hyderabad (SBH) • State Bank of Travancore (SBT) • State Bank of Bikaner & Jaipur (SBBJ) • SBI Mutual Fund Trustee Company Private Limited (SBI MFTCP Ltd.) • SBI-SG Global Securities Services Private Limited (SBI- SG GSSPL) • SBICAP Securities Limited
Key Management Personnel	<ul style="list-style-type: none"> • Mr. Deepak Chatterjee (Managing Director & Chief Executive Officer) upto 31st Oct 2013 • Mr. Dinesh Khara (Managing Director & Chief Executive Officer) from 11th November 2013 • Mr. Philippe Batchevitch (Deputy Chief Executive Officer)
Key Management Personnel of SBI Funds Management (International) private Limited	<ul style="list-style-type: none"> • Mr. Jagadish Shivalingayya Hiremath) upto 14th Oct 2014 • Mr. Deven Coopoosamy upto 7th April 2015 • Mr. Sahjahan Ally Nauthoo upto 5th Nov 2014 • Mr. Shyam Swaroop Asthana from 5th Nov 2014 • Mr. Sahjahan Ally Nauthoo from 7th April 2015
Mutual Fund managed by the company	<ul style="list-style-type: none"> • SBI Mutual Fund
Enterprise under common control	<ul style="list-style-type: none"> • Amundi Singapore Limited (a wholly owned subsidiary of Amundi)

Transactions with related parties:
(₹ in lacs)

Particulars	Holding Company	Fellow Subsidiaries	Amundi	Mutual Fund Managed by the Company	KMP
Management and other Fees			182.16	42,417.59	
Other income	105.00				
Dividend received on units				475.50	
Brokerage and Common Cost	3,892.63	453.00			
Insurance premium		30.66			
Other Expenses	270.17	45.32		585.01	
Remuneration					90.81
Dividend paid /Proposed	3,465.00		2,035.00		
Units purchased				54,379.41	
Units Sold				55,546.28	
Balance Outstanding Receivable/(Payable)		(21.47)	63.91	786.95	
Balance in Current Accounts	6,945.09				
Term Deposit	471.83				

Note:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

26. CHANGE IN ACCOUNTING POLICY AND ESTIMATES OF FIXED ASSETS

During the year ended 31 March 2015, the company has changed its method of charging depreciation on Computers, Furniture and Fixtures, Plant and Machinery and Office equipments from written down value method to straight line method. Accordingly, the company has retrospectively calculated the depreciation as per straight line method. Accordingly, the net surplus of Rs.346.52 Lacs as at 1st April 2014 is netted off against depreciation charge of the current year in the Statement of Profit and Loss.

Had the company continued to calculate the depreciation as per earlier method, the depreciation for the year would have been higher by Rs. 85.48 lacs and consequently the profit for the year would have been lower by the same amount.

Pursuant to adoption of the estimated useful life of the fixed assets as stipulated by Schedule II to the Companies Act, 2013, during the year, for the purpose of computing depreciation effective from 1st April 2014, an amount of Rs 91.82 lacs (net of taxes) pertaining to the depreciation on fixed assets whose useful life is already exhausted as at 1st April 2014 has been adjusted against opening balance of retained earnings. The depreciation charge during the year of Rs. 536.68 lacs includes an amount of Rs. 27.55 lacs calculated based on the revision in the useful life of the fixed assets on adoption of the said Schedule II.

Further effective 1st April, 2014, the management has also changed its depreciation policy prospectively for fixed assets costing less than Rs 5,000/- whereby these assets are depreciated based on their useful life as stipulated in Schedule II. This change in accounting, however, does not have any material impact on the financial statements

27. As per the transitional provisions of AS-21, comparative figures for the previous period have not been given as the Consolidated Financial Statements are being presented for the first time.

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

**Sd/-
Arundhati Bhattacharya**
Chairman

**Sd/-
Dinesh Khara**
Managing Director & CEO

**Sd/-
Thierry Mequillet**
Director

**Sd/-
Vinaya Datar**
Company Secretary

Place: Mumbai
Date : April 23, 2015

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

CORPORATE DATA

		Date of appointment	Date of resignation
Directors	: Mr. Jagadish Shivalingayya Hiremath	11 January 2011	14 October 2014
	Mr. Deven Cooposamy	22 October 2013	07 April 2015
	Mr. Sahjahan Ally Nauthoo	15 October 2014	05 November 2014
	Mr. Shyam Swaroop Asthana	05 November 2014	-
	Mr. Sahjahan Ally Nauthoo	07 April 2015	-
Administrator & Secretary	: Cim Fund Services Ltd 33, Edith Cavell Street Port Louis Republic of Mauritius		
Registered office	: C/o Cim Fund Services Ltd 33, Edith Cavell Street Port Louis Republic of Mauritius		
Banker	: SBI (Mauritius) Ltd SBI Tower Mindspace Bhumi Park, 45, Cybercity Ebene Republic of Mauritius		
Auditors	: Grant Thornton Ebene Tower 52 Cybercity Ebene Republic of Mauritius		
FII sub accounts	: SBI India Access Fixed Tenure Debt Fund Suite 450, Barkly Wharf East Le Caudan Waterfront Port Louis Republic of Mauritius		
	SBI India Opportunities Fund Suite 450, Barkly Wharf East Le Caudan Waterfront Port Louis Republic of Mauritius		
Investment advisor	: SBI Funds Management Private Limited 9 th Floor, C-38 & 39, Crescenzo, G Block Bandra Kurla Complex Bandra (East) Mumbai - 400 051 Republic of India		

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2015

General Information

SBI Funds Management (International) Private Limited, (the "Company"), was incorporated in Mauritius on 17 January 2006 as a private company limited by shares. The Company's principal activity is to provide investment management services and the Company is licenced by the Financial Services Commission to operate as a CIS Manager.

The Company's registered office is C/o Cim Fund Services Ltd, 33, Edith Cavell Street, Port Louis, Mauritius.

The Company has obtained a Foreign Institutional Investor ("FII") licence from the Securities and Exchange Board of India ("SEBI") on 22 June 2012.

The Company provides investment management services to SBI Resurgent India Opportunities Fund, a fund incorporated in the Republic of Mauritius. The Company has also promoted two entities in Mauritius namely SBI India Access Fixed Tenure Debt Fund and SBI India Opportunities Fund, for which it is acting as promoter and investment manager. These two new entities have obtained FII sub-accounts licences based on the FII licence of the Company.

The Company holds standards of corporate governance through awareness of business ethics and supervision of its operations by the Board of Directors.

The main objects and functions of the Board as regards Corporate Governance are to:

- determine, agree and develop the Company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- select candidates for eventual Board appointments; and
- review the terms and conditions of all service agreements between the Company and service providers.

The Board is satisfied that it has discharged its responsibilities for the year in respect of Corporate Governance.

The Board of Directors

The Board is composed of directors who have been selected based on their professional background and expertise to positively contribute to the Board's activities. The Board is currently made up of two resident directors.

Directors

Resident

Mr. Jagadish Shivalingayya Hiremath (resigned on 14 October 2014)

Mr. Shyam Swaroop Asthana (appointed on 05 November 2014)

Mr. Deven Cooposamy (resigned on 07 April 2015)

Mr. Sahjahan Ally Nauthoo (appointed on 07 April 2015)

The Board is responsible for directing the affairs of the Company in the best interests of its shareholders, in conformity with legal and regulatory frameworks, and consistent with its constitution, the Mauritius Companies Act 2001 and best governance practices.

The Directors' Profile

Mr. Jagadish Shivalingayya Hiremath (resigned on 14 October 2014)

Mr. Jagadish Shivalingayya Hiremath was appointed as Director of the Company on 11 January 2011. Mr Hiremath has over 28 years of experience in banking sector. Mr Hiremath joined the State Bank of India as a probationary Officer in December 1984. Over the years, Mr Hiremath has worked as the Branch Head, Corporate Banking, Personal and Retail Banking, Credit Management, Forex and Trade Finance Operations with India's largest Bank. He also has experience in Life Insurance Industry as a Regional Head / Regional Director for South 1 Region of SBI Insurance Co Ltd. Mr Hiremath is currently the managing director and chief executive officer of SBI (Mauritius) Limited.

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2015

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

The Directors' Profile (Continued)

Mr. Shyam Swaroop Asthana (appointed on 05 November 2014)

Mr. Shyam Swaroop Asthana was appointed as director of the Company on 05 November 2014. Mr. Asthana has over 29 years experience in the banking sector. Mr. Asthana joined the State Bank of India as a probationary Officer in October 1985.

Mr. Shyam Swaroop Asthana (appointed on 05 November 2014) (Continued)

Over the years, Mr. Asthana has worked in all verticals, namely General Banking, Agri Finance, SME and Corporate Finance, Forex, Stressed Assets Management & Corporate Debt Restructuring (CDR) Cell through which cases of restructuring of viable Corporate entities, having exposure of Rs 10 crore and above from two or more banks are routed. He is a Fellow of the Certified Associate of Indian Institution of Bankers (CAIIB) and is currently the Managing Director and CEO of SBI (Mauritius) Limited..

Mr. Deven Coopoosamy (resigned on 07 April 2015)

Deven Coopoosamy holds a Certificate in Offshore Finance and Administration. He has been extensively involved in the financial services industry in Mauritius for the last 16 years and has during this time, advised several multinational corporations, fund managers and high net worth individuals on structuring, implementation and administration of companies, funds and trusts in Mauritius. Prior to joining the Cim Group, Deven has also worked in the audit practice of a leading CA Firm which was the representative of Arthur Andersen in Mauritius. Deven also acts as director for several client companies of Cim Global Management, including collective investment schemes and asset management companies as well as listed entities.

Mr. Sahjahan Ally Nauthoo (appointed on 07 April 2015)

Mr Nauthoo is a Fellow of the Association of Chartered Certified Accountants - UK and holds a Bachelor of Business Science (Hons) degree in the field of Accountancy with the University of Mauritius. He is also a Member of the Mauritius Institute of Professional Accountants and Mauritius Institute of Directors.

He has over 10 years of experience in the global business sector and 2 years of experience in the field of banking and finance. He has gained wide experience in the structuring, setting up and administration including secretarial, accounting, taxation and compliance of offshore funds and companies. He serves as director and authorized signatory for a large number of funds/companies administered by Cim Global Business. He is currently a Senior Manager and prior to joining Cim Global Business, he also worked for 5 years with International Financial Services Limited.

Constitution

The Constitution of the Company was adopted on 01 June 2012 through a special resolution of shareholder and was amended on 30 December 2014 to include the arbitration clause. It is in line with the Mauritius Companies Act 2001.

Board Meetings

The Board has at least 4 quarterly meetings, and in addition, board meetings are convened as and when required. The matters being considered at the meetings are as follows:

1. to examine all statutory matters;
2. to approve the audited financial statements and reviews important accounting issues;
3. to review the Company's performance;
4. to ensure compliance of the Company with the legislations;
5. to take note of changes in the legislations which may affect the Company;
6. to approve the quarterly management accounts; and

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2015

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

7. to discuss any other business.

The Board papers are usually sent to the directors one week in advance, except where urgent meetings are convened.

The Board promotes, encourages and expects open and frank discussions at meetings. Board meetings provide a forum for challenging and constructive debate.

During the year under review, the Board met three times and the table below shows the attendance of directors either physically or by alternates at meetings held during the year ended 31 March 2015:

Directors	Attendance at Board
Jagadish Shivalingayya Hiremath (resigned on 14 October 2014)	2/2
Deven Coopoosamy (resigned on 07 April 2015)	3/3
Shyam Swaroop Asthana (appointed on 05 November 2014)	1/1
Sahjahan Ally Nauthoo (appointed on 07 April 2015)	0/0

Board Committees

The Board of Directors collectively consider the measures in respect of the Code of Corporate Governance issues. Due to the size of the Board, no sub-committees (Audit Committees, the Corporate Governance Committee, Board Risk Committee, Remuneration Committee and the Nomination Committee) have been established.

Statement of Remuneration Policy

A director's fee of USD 1,250 per annum is paid for one director.

Identification of Key Risks for the Company

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

Financial Risk Factors

The financial risk factors have been set out in note 9 of these financial statements.

Related Party Transactions

The related party transactions have been set out in note 13 of these financial statements.

Code of Ethics, Health and Safety and Social issues

These issues are not applicable to the Company given the nature of activities of the Company and the Company has no employees. The Company is managed under service agreements with third parties detailed in the Corporate Data section.

Environment

Due to the nature of its activities, the Company has no adverse impact on the environment.

Corporate Social Responsibility and Donations

During the year, the Company has not made any donations (2014: Nil).

Nature of business

The principal activity of the Company is to provide management services.

Auditor's Report and Financial Statements

The auditor's report is set out on pages 7 and 8 and the statement of comprehensive income is set out on page 10 of this financial statements.

Audit fees

Audit fees payable to Grant Thornton for the year amounted to USD 2,000 (2014: USD 2,000), exclusive of VAT and disbursements.

Appreciation

The Board expresses its appreciation and gratitude to all those involved for their contribution during the year..

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

COMMENTARY OF THE DIRECTORS

The Directors present their commentary, together with the audited financial statements of SBI Funds Management (International) Private Limited for the year ended 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide investment management services.

RESULTS AND DIVIDENDS

The Company's loss for the year under review is USD 36,145 (2014: loss of USD 76,338).

The Directors do not recommend the payment of a dividend for the year under review (2014: USD Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (IFRS) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business."

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not be a going concern in the year ahead.

AUDITORS

The auditors, GRANT THORNTON, have indicated their willingness to continue in office.

SBI FUNDS MANAGEMENT PRIVATE LIMITED

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

SECRETARY'S CERTIFICATE

As per Section 166(d) of Companies Act 2001

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of SBI Funds Management (International) Private Limited under the Mauritius Companies Act 2001 during the financial year ended 31 March 2015.

Sd/-
For Cim Fund Services Ltd
Secretary

Date: 10 April 2015

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SBI Funds Management (International) Private Limited, the "Company", which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 9 to 21 give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SBI FUNDS MANAGEMENT
(INTERNATIONAL) PRIVATE LIMITED**

Others

This report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton

Chartered Accountants

K RAMCHURUN, FCCA

Licensed by FRC

Date: 10th April, 2015

Ebene, Republic of Mauritius

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Notes	2015 USD	2014 USD
ASSETS			
Non-current assets			
Available-for-sale financial assets	4	<u>2</u>	<u>2</u>
Current assets			
Receivables and prepayments	5	6,633	4,834
Income tax receivable	8	263	263
Cash and cash equivalents		2,58,537	3,14,610
Total current assets		<u>2,65,433</u>	<u>3,19,707</u>
Total assets		<u>2,65,435</u>	<u>3,19,709</u>
EQUITY AND LIABILITIES			
Equity			
Stated capital	6	50,000	50,000
Retained earnings		1,82,904	2,19,049
Total equity		<u>2,32,904</u>	<u>2,69,049</u>
Current liabilities			
Payables and accruals	7	32,321	50,605
Income tax liability	8	210	55
Total liabilities		<u>32,531</u>	<u>50,660</u>
Total equity and liabilities		<u>2,65,435</u>	<u>3,19,709</u>

Approved by the Board of Directors on 10 April 2015 and signed on its behalf by:

NAME OF DIRECTORS

Sd/-

Mr. Sahjahan Ally Nauthoo

Sd/-

Mr. Shyam Swaroop Asthana

The notes on pages 13 to 21 form an integral part of these financial statements.

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 USD	2014 USD
INCOME			
Management fee	13 & 14	45,984	30,997
Finance income		2,805	3,581
		<u>48,789</u>	<u>34,578</u>
EXPENSES			
Expenses incurred on behalf of investee companies	10	55,013	82,949
Trail commission fees		9,347	8,034
Professional fees		4,200	4,200
Licence fees and annual registration fees		4,060	4,061
Bank charges		2,650	1,755
Audit fees		2,300	2,845
Secretarial fees		1,500	1,502
Accounting fees		1,500	1,500
Administration fees		1,500	1,500
Directors' fees		1,254	1,253
Legal fees		500	-
Other expenses		413	930
TRC service fee		200	200
Foreign exchange loss		-	4
		<u>84,437</u>	<u>1,10,733</u>
LOSS BEFORE TAX			
		(35,648)	(76,155)
Tax expense	8	(497)	(183)
LOSS FOR THE YEAR		<u>(36,145)</u>	<u>(76,338)</u>
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(36,145)</u>	<u>(76,338)</u>

The notes on pages 13 to 21 form an integral part of these financial statements.

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Stated capital USD	Retained earnings USD	Total USD
At 01 April 2013	<u>50,000</u>	<u>2,95,387</u>	<u>3,45,387</u>
Loss for the year	-	(76,338)	(76,338)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	<u>-</u>	<u>(76,338)</u>	<u>(76,338)</u>
At 31 March 2014	<u>50,000</u>	<u>2,19,049</u>	<u>2,69,049</u>
At 1 April 2014	<u>50,000</u>	<u>2,19,049</u>	<u>2,69,049</u>
Loss for the year	-	(36,145)	(36,145)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	<u>-</u>	<u>(36,145)</u>	<u>(36,145)</u>
At 31 March 2015	<u>50,000</u>	<u>1,82,904</u>	<u>2,32,904</u>

The notes on pages 13 to 21 form an integral part of these financial statements.

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 USD	2014 USD
Operating activities			
Loss before tax		(35,648)	(76,155)
<i>Adjustment for:</i>			
Finance income		(2,805)	(3,581)
Operating loss before working capital changes		(38,453)	(79,736)
<i>Changes in working capital:</i>			
Change in receivables and prepayments		(1,799)	(1,104)
Change in payables and accruals		(18,284)	11,931
Net cash used in operations		(58,536)	(68,909)
Income tax paid	8	(342)	(128)
Finance income received		2,805	3,581
Net cash flows used in operating activities		(56,073)	(65,456)
Net change in cash and cash equivalents		(56,073)	(65,456)
Cash and cash equivalents, beginning of year		3,14,610	3,80,066
Cash and cash equivalents, end of year		2,58,537	3,14,610
Cash and cash equivalents consist of :			
Cash at bank in USD		2,58,537	3,14,610

The notes on pages 13 to 21 form an integral part of these financial statements.

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. GENERAL INFORMATION

SBI Funds Management (International) Private Limited (the "Company"), was incorporated in the Republic of Mauritius on 17 January 2006 as a private company limited by shares. The Company's principal activity is to provide investment management services and the Company is licensed by the Financial Services Commission to operate as a CIS Manager.

The Company's registered office is C/o Cim Fund Services Ltd, 33, Edith Cavell Street, Port Louis, Republic of Mauritius.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

2.1 New and revised standards that are effective for the annual year beginning on 01 April 2014

In the current year, the following new and revised Standards issued by the International Accounting Standards Board ("IASB") are mandatory for the first time for the financial year beginning on 01 April 2014:

IAS 32 - Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) IFRS 10, 12 & IAS 27 - Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IFRIC 21 - Levies

IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

The directors have assessed the impact of these revised standards and amendments and concluded that none of these have an impact on these financial statements.

2.2 Standards, Amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new Standards, Amendments and Interpretations to existing Standards have been published by the IASB but not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new Standards, Amendments and Interpretations is provided below.

IAS 19	Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38)
IAS 16 and IAS 41	Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
IAS 27	Equity Method in Separate Financial Statements (Amendments to IAS 27)
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment to IFRS 10 and IAS 28)
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

IFRS 9 (2014)	Financial Instruments
IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
IAS 1	Disclosure Initiative (Amendments to IAS 1 Presentation of Financial Statements)
Various	Annual Improvements to IFRSs 2010-2012, 2011-2013 and 2012-2014 cycles

3. SUMMARY OF ACCOUNTING POLICIES

(i) Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

(ii) Foreign currency

Functional and presentation currency

The financial statements are presented in United States Dollar ("USD") which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

(iii) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, the Company's financial assets are classified into the category of available-for-sale financial assets and loans and receivables upon initial recognition.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company's available-for-sale financial assets comprise of investments in two unlisted companies incorporated in the Republic of Mauritius.

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(iii) Financial instruments (continued)

Unlisted investments are stated at cost less any impairment charges as their fair values cannot be estimated reliably since they are neither traded in an active market nor reliable inputs are available to fair value these instruments using fair valuation models. Impairment charges are recognised in the statement of comprehensive income. On disposal of the investments, the difference between the net disposal proceeds and the carrying amounts are charged or credited to the statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and other receivables fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of payables and accruals.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(iv) Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank and short-term deposits in banks. Cash and cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

(v) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income.

(vi) Equity

Stated capital represents the value of shares that have been issued.

Retained earnings include all current and prior years' results as disclosed in the statement of comprehensive income.

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(vii) Taxation

Tax expense recognised in the statement of comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

(viii) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received.

Investment management fees are accounted for on an accruals basis, and the calculation is based on the Net Assets Value ("NAV") of SBI Resurgent India Opportunities Fund ("the Fund") which is computed on a daily basis.

Interest income is recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

(ix) Expense recognition

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

(x) Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

(xi) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. Timing or amount of the outflow may still be uncertain. All known risks at reporting date are reviewed in detail and provision is made when necessary.

(xii) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

(xiii) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Significant management judgement

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements is set out below.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Control over SBI India Access Fixed Tenure Debt Fund and SBI India Opportunities Fund

As disclosed in Note 4 to the financial statements, the Company holds 100% of the Management Shares in SBI India Access Fixed Tenure Debt Fund and SBI India Opportunities Fund. The director have assessed whether the Company has control over the investee companies based on the following three criteria in accordance with IFRS 10, Consolidated Financial Statements:

- power over the investee
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the investor's returns

In making their judgements, the directors considered whether the Company, as a holder of Management Shares, meets the above criteria. After assessment, the directors concluded that the Company does not have control over the investee companies as the Company has not met the above criteria.

There were no estimates that will have significant effect on the recognition and measurement of assets, liabilities, income and expenses.

4. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015	2014
	USD	USD
SBI India Access Fixed Tenure Debt Fund	<u>1</u>	<u>1</u>
SBI India Opportunities Fund	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

The Company had promoted two Funds in the Republic of Mauritius namely SBI India Access Fixed Tenure Debt Fund and SBI India Opportunities Fund, for which it is acting as promoter and investment manager. The Company holds only management shares in SBI India Access Fixed Tenure Debt Fund and SBI India Opportunities Fund does not exercise control over these investee companies.

The Company, in the capacity of management shareholder, has the following rights in the funds:

- (i) Voting rights in any Members Meeting, being the right to one vote per share on a poll;
- (ii) Not entitled to any dividend; and
- (iii) Upon winding up of the funds, the Company is entitled to receive payment of sums up to the par value paid thereon out of the General Assets of the funds and does not exercise control over these investee company.

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

5. RECEIVABLES AND PREPAYMENTS

	2015	2014
	USD	USD
Management fees receivable	<u>3,882</u>	<u>1,981</u>
Interest receivable	1,181	1,283
Prepayments	1,570	1,570
	<u>6,633</u>	<u>4,834</u>

Management fees receivable are non-interest bearing and are generally on 30-90 days term.

6. STATED CAPITAL

	2015	2014
	USD	USD
<i>Issued and fully paid up</i>		
50,000 Ordinary shares of USD 1 each	<u>50,000</u>	<u>50,000</u>

The Ordinary shares are issued at par value of USD 1 each and is not redeemable. The holder of Ordinary shares have the rights to attend and exercise one vote at any shareholder meeting, the right to dividend or any other form of distributions and in case of liquidation, dissolution or winding up of the Company, is entitled to an equal share of any surplus assets attributable to that class of shares

7. PAYABLES AND ACCRUALS

	2015	2014
	USD	USD
Trail commission fees payables	<u>27,572</u>	<u>22,398</u>
Accruals	4,749	4,862
Expenses incurred on behalf of investee companies	-	23,345
	<u>32,321</u>	<u>50,605</u>

Trail commission fees payables are non-interest bearing and are normally settled on 30-90 day terms. The accruals are non-interest bearing and are normally settled within 30 day terms.

8. TAXATION

The Company is a "Category 1 Global Business Licence company" for the purpose of the Financial Services Act 2007. The profit of the Company, as adjusted for tax purposes, is subject to income tax in the Republic of Mauritius at the rate of 15%.

It is, however, entitled to a tax credit equivalent to the higher of the foreign taxes paid or 80% of the Republic of Mauritius tax on its foreign source income. There is no capital gains tax on disposal of securities in the Republic of Mauritius. As at reporting date, the Company had an income tax receivable of USD 263 (2014: USD 263) and an income tax liability of USD 210 (2014: USD 55).

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015
(a) *Statement of comprehensive income*

	2015	2014
	USD	USD
Mauritian income tax, based on profit for the year as adjusted for tax purposes	<u>497</u>	<u>183</u>

(b) *Statement of financial position*

	2015	2014
	USD	USD
<i>Income tax receivable</i>		
At 01 April and 31 March	263	263
<i>Income tax liability</i>		
At 01 April	55	-
Charge for the year	497	183
Paid during the year	(342)	(128)
At 31 March	<u>210</u>	<u>55</u>

(c) *A reconciliation of the applicable tax rate of 15% to the effective tax rate of 3% is as follows:*

	2015	2014
	USD	USD
Loss before tax	<u>(35,648)</u>	<u>(76,155)</u>
Tax at 15%	(5,347)	(11,423)
Non allowable expenses	-	432
Income not subject to tax	(421)	(537)
Expenses paid on behalf of investee companies	8,252	12,442
	2,484	914
Foreign tax credit	(1,987)	(731)
Tax charge	<u>497</u>	<u>183</u>

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

9. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

9.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which results from both operating and financing activities.

Foreign exchange sensitivity

The Company is not exposed to any currency risk as all its financial assets and financial liabilities are denominated in USD at the reporting date.

Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Company's financial assets and liabilities are non-interest bearing. As a result, the Company is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

9.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, as summarised below:

	2015	2014
	USD	USD
Non- current		
Available-for-sale financial assets	<u>2</u>	<u>2</u>
Current		
Other receivables	5,063	3,264
Cash and cash equivalents	2,58,537	3,14,610
	<u>2,63,600</u>	<u>3,17,874</u>
Total	<u>2,63,602</u>	<u>3,17,876</u>

The credit risk for the cash and cash equivalents is considered negligible, since the Company transacts with a reputable bank.

The directors consider that the receivables have no credit risk and are fully recoverable.

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015**
9. FINANCIAL INSTRUMENT RISK (CONTINUED)**9.3 Liquidity risk analysis**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board who also monitors the Company's short, medium and long term funding and liquidity management requirements. The Company manages its liquidity risk by maintaining adequate bank balances through timely recovery of receivables.

The following are the contractual maturities of financial liabilities including interest payments:

	Carrying amount	Less than 1 year
	USD	USD
31 March 2015		
Payables and accruals	<u>32,321</u>	<u>32,321</u>
31 March 2014		
Payables and accruals	<u>50,605</u>	<u>50,605</u>

10. EXPENSES INCURRED ON BEHALF OF INVESTEE COMPANIES

The Company has made payment on behalf of its two sub accounts, SBI India Access Fixed Tenure Fund and SBI India Opportunities Fund. The breakdown has been summarised as follows:

	2015	2014
	USD	USD
Payments effected for SBI India Access Fixed Tenure Fund	<u>27,009</u>	<u>56,554</u>
Payments effected for SBI India Opportunities Fund	<u>28,004</u>	<u>26,395</u>
Total	<u>55,013</u>	<u>82,949</u>

11. CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to the shareholder.

The capital structure of the Company consists of equity attributable to its shareholder, comprising of stated capital and reserves. The Company reviews the capital structure on a regular basis. As per Regulation 38 (1) of the Securities (Collective Investment Schemes and Closed - end Funds) Regulations 2008, the Company is required to maintain an unimpaired stated capital of MUR 1,000,000 (approx USD 34,000). As at 31 March 2014 and 2015, the Company was not geared.

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015
12. FAIR VALUE MEASUREMENT*Fair value measurement of financial instruments*

The Company's financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

Fair value measurement of non-financial assets

The Company's non-financial assets consist of prepayments and income tax receivable. The Company's non-financial liabilities consist of income tax liability. For these non-financial instruments, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position.

13. RELATED PARTY DISCLOSURES

During the year ended 31 March 2015, the Company transacted with related parties. The nature, volume and type of transactions with the related parties were as follows:

Directors' fees and expenses

A director's fee of USD 1,250 per annum is paid for each director.

Name of companies	Relationship	Nature of transaction	Amount transacted	Debit balances at 31 March 2015	Balances at 31 March 2014
			USD	USD	USD
SBI Resurgent India Opportunities Fund	Investment manager and Company holder of management shares	Investment management fee	<u>45,984</u>	<u>3,882</u>	<u>1,981</u>
SBI India Access Fixed Tenure Debt Fund	Promoter and Investment manager	Expenses paid on behalf of investee company	<u>27,009</u>	<u>-</u>	<u>-</u>
SBI India Opportunities Fund	Promoter and Investment manager	Expenses paid on behalf of investee company	<u>28,004</u>	<u>-</u>	<u>-</u>
Cim Fund Services Ltd	Administrator and Secretary	Directors fees	<u>1,254</u>	<u>(313)</u>	<u>(311)</u>

SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. MANAGEMENT FEES

The Company was previously receiving a management fee from SBI Resurgent India Opportunities Fund at the maximum rate of 1.0% per annum of the daily net assets under the retail plan of both USD Class and EUR Class and 0.5% per annum of the daily net assets under the institutional plan of both USD Class and EUR Class. Effective from 15 December 2014, the management fee rate for retail and institutional plan of both USD Class and EUR Class was changed to 1.50% and 0.75% respectively. At 31 March 2015, investment management fees receivable were USD 3,882 (31 March 2014: USD 1,981).

Effective from 15 December 2014, following assessment done by the Company, the management fee rate for retail and institutional plan of both USD Class and EUR Class was increased to 1.50% and 0.75% respectively.

15. HOLDING COMPANY

SBI Funds Management Private Limited, a company incorporated in the Republic of India, is regarded as the Company's holding company.

16. EVENTS AFTER THE REPORTING DATE

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2015.

SBI Funds Management Private Limited

Top Management Team
(As on June 30, 2015)



Mr. Dinesh Kumar Khara
Managing Director & CEO



Mr. Philippe Batchevitch
Dy. Chief Executive Officer



Mr. Navneet Munot
Executive Director &
Chief Investment Officer



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



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



Mr. Arun Agrawal
Chief Operating Officer

Registered Office Address :

SBI Funds Management Private Limited
(A Joint Venture between SBI & AMUNDI)
(CIN : U65990MH1992PTC06589)

9th Floor, Crescenzo, C-38 & 39, G Block,
Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

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