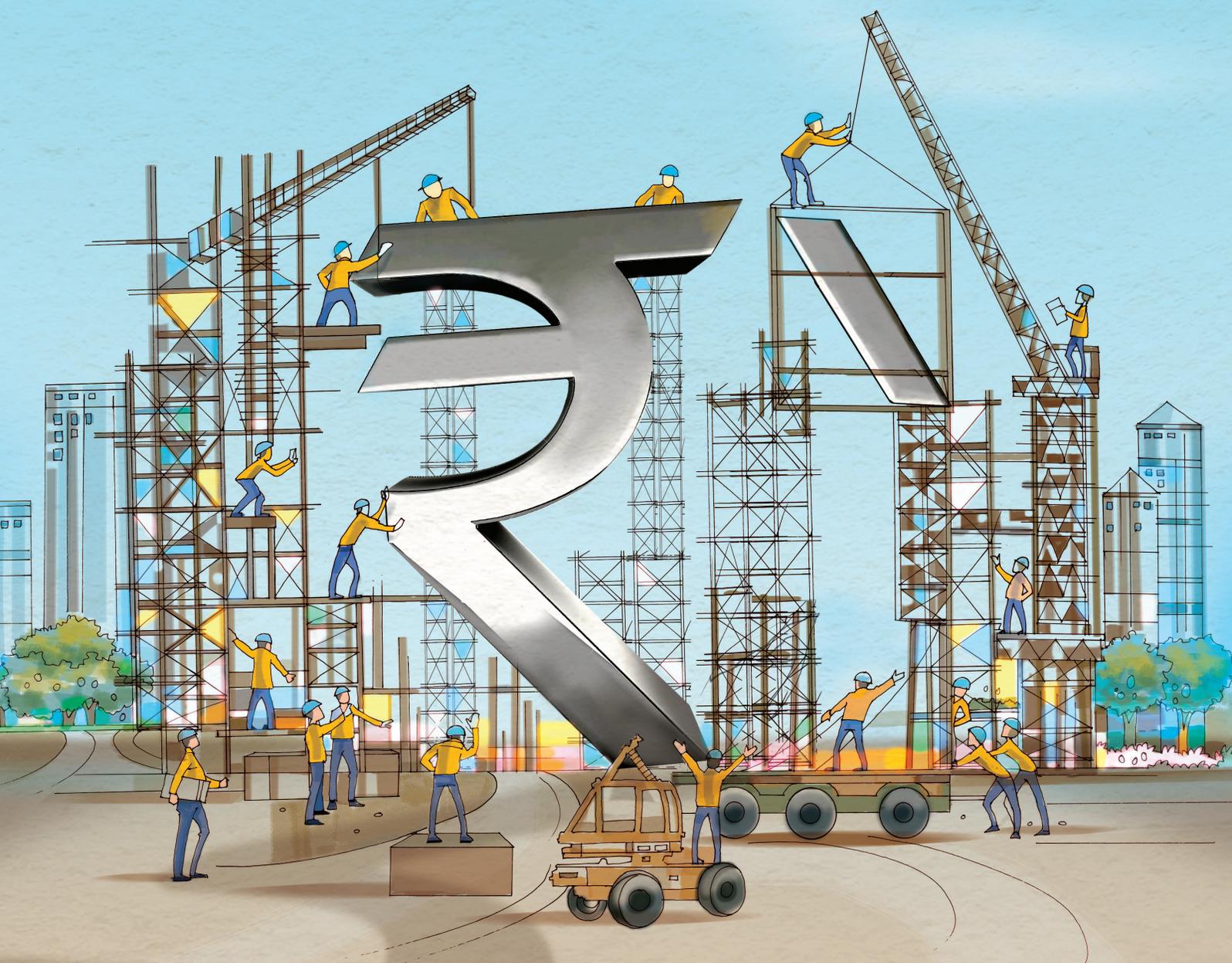


# SBI FUNDS MANAGEMENT PRIVATE LIMITED

(A Joint Venture between SBI & AMUNDI)

24<sup>th</sup> Annual Report  
2015-2016



# Board of Directors of SBI Funds Management Private Limited

(As on June 30, 2016)



**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



**Dr. Prafulla Agnihotri**  
Director



**Mr. Nicolas Simon**  
Alternate Director to  
Mr. Fathi Jerfel

## Auditors

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

## Bankers

State Bank of India

## Registered Office

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

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## **DIRECTORS' REPORT**

**TO,**

**THE MEMBERS**

The Directors have pleasure in presenting the 24th Annual Report together with the audited accounts of SBI Funds Management Private Limited for the year ended March 31, 2016.

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

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

(₹ in lakh)

Particulars	Consolidated		Standalone	
	Year under Report	Previous year	Year under Report	Previous year
	2015-16	2014-15	2015-16	2014-15
Total Income	55,257	45,275	55,240	45,246
Profit before depreciation	26,073	24,824	26,121	24,846
Less : Depreciation	975	537	975	537
Profit before tax	25,098	24,287	25,146	24,309
Less : Provision for tax	8,610	7,966	8,610	7,966
Profit after tax	16,488	16,321	16,536	16,343
Add: Net share of profit from associates	8	41	-	-
Balance brought forward from previous year (net)	40,714	31,736	40,517	31,558
Balance carried forward to the Balance sheet	57,210	48,098	57,053	47,901

### **II. DIVIDEND:**

An interim dividend of ₹ 120 per Equity Share, subject to tax, was declared on 21<sup>st</sup> March, 2016 on the paid-up equity share capital of the Company, involving a total outgo of ₹ 7,221 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 2015-16.

### **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 ₹ 62,137 lakh as at the end of March, 2016 from ₹ 53,655 lakh as at the end of March, 2015.

### **IV. 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 financial statements of SBI Funds Management (International) Private Limited for the year ended 31st March, 2016, together with the Report of Directors and Auditors, as required under Section 129 of the Companies Act, 2013, are enclosed as Annexure to the Directors Report.

## SBI FUNDS MANAGEMENT PRIVATE LIMITED

The highlights of the financial results are as under:

(₹ in lakh)

Particulars	Year under Report		Previous Year	
	USD 2015-16	USD 2014-15	INR 2015-16	INR 2014-15
Total Income	0.25	0.49	17	31
Profit before depreciation	(0.72)	(0.36)	(47.76)	(22.31)
Less : Depreciation	NIL	NIL	NIL	NIL
Profit before tax	(0.72)	(0.36)	(47.76)	(22.31)
Less : Provision for tax	(0.00)	(0.00)	(0.00)	(0.31)
Profit after tax	(0.72)	(0.36)	(47.76)	(22.62)
Balance brought forward from previous year	1.83	2.19	114.48	137.10
Amount available for Appropriation	1.11	1.83	66.72	114.48

[USD Conversion Rate Source: Last closing rate from RBI website- Year under Report ₹ 66.3329 (PY: ₹ 62.5908)]

### V. ASSOCIATE COMPANY:

The Company has an investment of 20% in the Equity Share Capital of 'SBI Pension Funds Private Limited' which has been appointed as the Pension Fund Manager by the Pension Fund Regulatory Authority of India (PFRDA) to manage pension funds for Government Sector and Private Sector employees in accordance with the applicable provisions of the Investment Management Agreement for the New Pension Scheme, the guidelines / notifications issued by the PFRDA, the Ministry of Finance and the Government of India from time to time.

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

(₹ in lakh)

Particulars	Year under Report		Previous Year	
	2015-16	2014-15	2014-15	2013-14
Total Income	659	748		
Profit before depreciation	81	299		
Less : Depreciation	6	5		
Profit before tax	75	294		
Less : Provision for tax	24	95		
Profit after tax	51	199		
Balance brought forward from previous year	358	159		
Amount available for Appropriation	409	358		

### VI. BUSINESS ENVIRONMENT:

#### OUTLOOK

Despite global slowdown and a truant monsoon, India registered a robust growth of 7.6 per cent in 2015-16 and emerged as the fastest growing major economy in the world. The other macroeconomic parameters like inflation, fiscal deficit and current account balance have also shown signs of improvement. Wholesale price inflation has been in negative territory for more than a year and the all-important consumer prices inflation has declined. The index of industrial production rose an annual 2% in February after three months of contraction. Meanwhile, the International Monetary Fund, in its World Economic Outlook, has also stated that India remains a bright spot against the backdrop of a sluggish global economy and will expand by 7.5% in 2016. The interest rates are also having a continuous downward trend, which indicates positive sentiment for equity market. The Meteorological Department has also predicted an 'above normal' monsoon during 2016, which is expected to revive the economy and boost the investment environment.

**CAPITAL MARKETS**

Indian equity markets corrected in 2015-16, with the BSE Sensex losing 9.4% to end the year at 25,342. Midcaps & Smallcaps outperformed largecaps, with the BSE Midcap Index ending almost flat & BSE Smallcap Index losing 3.2%. FIIs net sold equities to the extent of ₹ 14,172 Crore in the financial year 2015-16; as compared to net purchases of ₹111,333 Crore in the financial year 2014-15. Energy, IT and Consumer Staples outperformed the market; while Industrials, Telecoms and Financials underperformed the market.

**MUTUAL FUND INDUSTRY**

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

**A. Key SEBI Regulations and Guidelines:**

- 1) SEBI notified new listing regulations known as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) which are applicable to Mutual Funds and Asset Management Companies.
- 2) SEBI modified the Product labeling requirements in Mutual funds and increased the level of risk investment in mutual fund schemes from 3 to 5 levels.
- 3) SEBI notified Foreign Accounts Tax Compliance Act (FATCA) and Common Reporting Standard Rules.
- 4) SEBI amended prudential limit in sector exposure and introduced new limits on group exposure limits in debt-oriented mutual funds schemes.
- 5) Introduction of various disclosure requirements for mutual funds towards enhanced scheme related disclosure requirements in the Statement of Additional Information (SAI) and Key Information Memorandum (KIM) documents of mutual fund schemes. In addition, key information of the schemes managed by the Asset Management Company is also required to be updated as a dash board on the website of the fund. The disclosure of executive remuneration and soft dollar arrangements was also made mandatory.
- 6) SEBI issued fresh guidelines on treatment of unclaimed redemption and dividend amounts.

**B. Changes introduced by Union Budget 2016:**

- 1) The capital gains tax on transfer of units in case of merger or consolidation of plans of mutual fund scheme was removed.
- 2) The services provided by Mutual Fund Agents / Distributors to a Mutual Fund or Asset Management Company were made liable to Service Tax under the forward charge mechanism with effect from 1st April, 2016.
- 3) Income Tax Surcharge was increased from 12% to 15% on persons other than Companies, Firms and Cooperative societies having income more than ₹ 1 Crore.
- 4) Krishi Kalyan Cess @0.5% has been introduced on all services effective from 1st June, 2016.

**MUTUAL FUND INDUSTRY DATA**

<b>Particulars</b>	<b>Year under Report ₹ in Crore</b>	<b>Previous Year ₹ in Crore</b>
Total Assets mobilized	1,37,65,555	1,10,86,260
Total Redemptions/ Repurchases	1,36,31,375	1,09,82,972
Net Inflows	134,180	103,288
Average Assets Under Management (year ended quarter)	13,53,443	11,88,690

(Source: AMFI website).

**PERFORMANCE REVIEW**

The Fund House has achieved a growth of 42.48% in terms of the average AUM on a year on year basis in the FY 2015-16 and the growth of the average AUM was the highest among the top ten AMCs during the year.

## SBI FUNDS MANAGEMENT PRIVATE LIMITED

Our Fund House has emerged as the largest ETF Asset Manager in India, with AUM of ₹ 9,144 Crore and have also crossed 1 Million Systematic Investment Plan investors during the financial year ended 31st March, 2016. The Company has launched SBI PIPE Fund – 1 under the Alternate Investment Fund umbrella. The various business performance indicators are as under:

Particulars	Year under Report ₹ in Crore	Previous Year ₹ in Crore
Average Assets Under Management*	1,06,781	74,942
Inflows / Purchase	11,66,317	7,82,775
Redemptions/ Repurchase	11,40,348	7,82,736
Net Inflows (net of dividend payout)	25,969	39
Market Share*	7.89%	6.30%
Ranking in terms of AAUM*	5	6
Systematic Investment Plan(SIPs) market share	10.3%	7.9%

\*For the year-end quarter

As on 31st March, 2016, under the one year category:

- 69% of our equity assets were in the top two quartiles with 62% of total AUM in the top quartile.
- SBI Magnum Equity Fund, SBI Emerging Businesses Fund, SBI Magnum Midcap Fund, SBI Blue Chip Fund, SBI Magnum Balanced Fund, SBI Magnum Multi Cap Fund, SBI Small & Midcap Fund and SBI Magnum Multiplier Fund were in the top quartile.
- 73% of our Fixed Income assets under management were in the top two quartiles.
- SBI Corporate Bond Fund was in the top quartile.
- In the Hybrid category, SBI Magnum Children Benefit Plan, SBI Magnum Monthly Income Plan, SBI Magnum Monthly Income Plan Floater and SBI Regular Savings Fund were in the top quartile.
- In the Ultra Short term category, the SBI Savings Fund and SBI Treasury Advantage Fund were in the top quartiles.
- 98% of our Liquid assets under management were in the top quartile.

### Awards and Recognition

The Fund has won several accolades for investment performance from India Today (the Best Long Term Equity Asset Management house), Outlook Money (the 2nd Best Debt Fund House), Lipper Award (Mixed Asset Classes), Lipper Fund Awards (the Best Bond Fund – SBI GILT Fund and the Best Equity Fund – SBI Small & Midcap Fund), Morningstar Award (the Best Equity Fund – SBI Blue chip Fund).

The Company has been continuously striving to evolve the investment management capabilities and build new investment portfolios for our clients. In our endeavor to create solutions to suit client needs and to expand our offering into passive management, we launched new Exchange Traded, SBI Equity Savings Fund - a hybrid fund with three pronged investments strategy which falls under the category of actively managed products.

During the year, the Company launched eighteen funds under SBI Debt Fund Series. The schemes received good response from the investors and total funds mobilized under these schemes amounted to ₹ 2,995 Crore. In addition, the Company launched SBI Dual Advantage Funds, SBI Equity Opportunities Fund Series, SBI Long term Advantage Funds, Open and Close Ended Equity, Debt Funds and Exchange Traded Funds which mobilized ₹ 2,032 Crore.

The value of assets under Portfolio Management/Advisory Services went up by 35.74% during the financial year 2015-16 with ₹ 28,231 Crore as on 31<sup>st</sup> March, 2016 as against ₹ 20,798 Crore as on 31<sup>st</sup> March, 2015.

The value of Assets under Management in SBI Resurgent India Opportunities Fund, the off-shore fund managed by the Company, however, did not change during the year and remained static at ₹ 17 Crore as on 31st March, 2016.

## **DISTRIBUTION NETWORK**

We had 34,357 AMFI certified Agents as on 31st March, 2016 as against 31,732 AMFI certificates Agents as on 31st March, 2015. The number of Employee Unique Identification Number holders in the State Bank Group also increased to 8,018 as on 31st March, 2016 from 5,027 as on 31st March, 2015.

As on 31st March, 2016, SBI Mutual Fund had 162 branches spread all over India and 1 Overseas Point 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 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, a Corporate Social Responsibility (CSR) Committee of Directors decides about the activities to be undertaken, expenditure to be incurred and also monitors the performance of the CSR activities undertaken by the Company. The Annual report on CSR Activities is annexed as **Annexure I** and forms part of Director's Report.

## **INVESTOR EDUCATION**

The Company remains committed to its goal of bringing financial awareness to a larger population in the country, especially those living in the smaller towns and villages. The Fund House has made numerous efforts to educate prospective and existing investors on the ease and benefits of investing through mutual funds through nation-wide various investor education campaigns and awareness programs. The list of investor awareness activities undertaken by us during the year are as under:

1. Development and Dissemination of Investor education material using Audio, Radio, Cinema, Visual Media, etc. Articles and books on mutual fund and financial planning concepts like SIP, various types of mutual funds (Equity/Balanced/ Debt/ Liquid/ ETFs) and the benefits of long-term investing etc.
2. Partnering Investor Awareness events with Business magazines, VIT University, 5nance.com Financial Empowerment Conclave, with publications like MINT and Hindu Business Line, various Banks, etc to disseminate financial literacy among Students, Working Professionals, Young Entrepreneurs and future thought leaders.
3. Online Media Campaigns – online media like personal finance websites, mass sites, Google search advertisements etc. were used extensively for investment awareness. We promoted concepts like ELSS, SIP, and Start Investing in Mutual funds on sites like Economic Times, Moneycontrol, Times of India, India Today, Value Research etc, supplemented with online landing pages which talk in detail about the campaign messages. The Social Media (Facebook, LinkedIn, Twitter) as also used extensively to promote Investment awareness messages.
4. A tactical campaign was organised on the Women's Day through business publications- DNA, Midday, MINT and through Social Media platforms, to urge women to start investing in Mutual Funds and become financially independent.
5. We conducted 1,301 Investor Education meets covering 49,586 participants during the year.

## **NEW INITIATIVES**

During the year, the Fund House introduced Online Investing. Over 3 Lakh investors registered on our online digital platform. In addition, we introduced eKYC (Aadhaar based) and Online generation of folio for KYC complied investors.

We also launched Digital App based investment tool - InvesTap and a Fund specific investment App for SBI Savings Fund, a first of its kind initiative in the industry. A dedicated Digital tool for sales activation (Darpan) was also implemented leading to higher productivity.

## **FUTURE PLANS**

- 1) Our primary objective is to grow our business in the retail segment by providing investment solutions to the retail investors for meeting their financial needs using the digital platform.
- 2) We plan to capture the increasing potential of wealth segment by institutionalizing our PMS and AIF offerings.

- 3) We plan to invest in Technology and Service delivery to improve access, transaction and service platforms for investor.
- 4) We will continue to innovate in the product category to provide attractive investment opportunity across all risk and asset segments.

**VII. 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 ₹ 1055.26 lakh in foreign exchange as portfolio management fee. The foreign exchange outgo on account of Salary, business promotion and other administrative expenses was ₹ 435.78 lakh. An amount of ₹ 2,220 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 of Directors. An Enterprise Risk approach is followed and the Policy covers Investment Risk, Operational Risk, Strategic Risk, Fraud Risk and Financial Risk. The Enterprise risk control framework, escalation and monitoring mechanism is outlined in the Policy and is in place within the Company. We follow the Risk Control Self-Assessment approach for identification of risks and the same is duly escalated to the Risk Management Committee of the Board.

**4) INTERNAL FINANCIAL CONTROLS**

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

**5) LOANS, GUARANTEES OR INVESTMENTS**

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

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

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has framed and implemented a detailed and comprehensive Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), to provide safe and conducive work environment for the women employees, to work without fear and prejudice, gender bias and sexual harassment. The policy clearly indicates operational guidelines and mechanism for effectively dealing with cases of sexual harassment / misdeeds against women employees. As per the policy, we have an Internal Complaints Committee which looks into the complaints and cases falling under the above Act and is uploaded on our Company website. There was no case reported during the year 2015-16.

## SBI FUNDS MANAGEMENT PRIVATE LIMITED

### 9) EXTRACT OF ANNUAL RETURN

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

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

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

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

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

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

There are no instances of fraud reported by auditors under section 143(12).

## VIII. 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 K Pradhan (DIN 02607244) ceased to be a Director with effect from April 18, 2015 on account of completion of his tenure.
- 2) Dr. Prafulla Agnihotri (DIN 07238278) was appointed as Independent Director with effect from July 17, 2015.
- 3) Mr. Philippe Batchevitch (DIN 03588321) resigned as an Alternate Director to Mr. Fathi Jerfel with effect from October 31, 2015.
- 4) Mr. Nicolas Simon (DIN 07332820) was appointed as an Alternate Director to Mr. Fathi Jerfel with effect from November 17, 2015.

The Board places on record its appreciation of the valuable contributions made by Dr. Pradhan and Mr. Philippe Batchevitch during their tenure and extends a warm welcome to Mr. Nicolas Simon and Dr. Prafulla Agnihotri who have joined the Board of the Company.

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

## IX. BOARD MEETINGS:

Eight Board meetings were held during the financial year under review on 23/04/15, 20/05/15, 27/07/15, 29/08/15, 20/10/15, 18/11/15, 18/01/16 & 21/03/16.

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, Chairman	Associate	02011213	2
Mr. Dinesh Kumar Khara, Managing Director & CEO	Associate	06737041	8
Mr. V. G. Kannan	Associate	03443982	8
Mrs. Madhu Dubhashi	Independent	00036846	6
Mr. Thierry Mequillet	Associate	05118685	6
Mr. Shishir Joshipura	Independent	00574970	5
Mr. Fathi Jerfel	Associate	05225974	1

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

Name	Category of Director	Director Identification Number (DIN)	Number of meetings attended
Mr. Philippe Batchevitch *	Alternate Director to Mr. Fathi Jerfel	03588321	3
Mr. Jashvant Raval	Independent	00171896	7
Mr. O. P. Gahrotra	Independent	00936696	7
Dr. Prafulla Agnihotri **	Independent	07238278	5
Mr. Nicolas Simon **	Alternate Director to Mr. Fathi Jerfel	07332820	2

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

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

**X. 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.

**XI. 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 2015-16.

**XII. 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 2015-16.

The Directors hereby confirm that:

1. In the preparation of the annual accounts of the Company for the year ended 31st March, 2016, 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. Internal financial controls in the Company are adequate and operating effectively.
5. The annual accounts have been prepared on a going concern basis.
6. 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.

**XIII. 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.

**XIV. PARTICULARS OF EMPLOYEES**

Information as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is maintained at the registered office of the Company in the form of an 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.

**XV. 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 fourth Annual General Meeting

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 2016-17.

**XVI. ACKNOWLEDGEMENTS**

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

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

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

-Sd/-

Mumbai  
Dated: 9th June, 2016

**ARUNDHATI BHATTACHARYA**  
**CHAIRMAN**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2015-16****(1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

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

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

**(2) The Composition of the CSR Committee:**

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

Mrs. Madhu Dubhashi	Independent Director
Mr. Fathi Jerfel	Associate Director
Mr. O. P. Gahrotra	Independent Director
Mr. Dinesh Kumar Khara	Associate Director
Mr. Nicolas Simon	Alternate Director to Mr. Fathi Jerfel

**(3) Average net profit (U/S 198) of the company for last three financial years:**

Sr. No.	Financial Year	Net Profit (Rs. in Lakhs)
1	2012-13	12,053
2	2013-14	23,139
3	2014-15	24,116
	<b>Average Net Profit</b>	<b>19,769</b>

**(4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 395.38 Lakhs****(5) Details of CSR spent during the financial year:**

- (a) Total amount to be spent for the financial year: **Rs. 395.38 lakhs**
- (b) Amount unspent, if any: **Nil (The company has spent Rs. 396.97 lakhs)**

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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

Sl. No.	CSR project or activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project (Rs in lakh) or programs wise	Amount (Rs. in lakh) spent on the projects or programs Subheads:		Cumulative expenditure up to the reporting period (Rs. in lakh)	Amount Spent (Rs. in lakh)	
					Direct Expenditure on projects or programs	Over-heads		Direct	Implementing agency
1	Deepsikha - Trust for Cancer Patients Care	Healthcare	Guwahati (Assam) & Mumbai (Maharashtra)	43.00	41.67	-	41.67	41.67	-
2	Bhagvaan Mahaveer Viklang Sahayata Samiti - Provides mobility aids to Differently Abled	Healthcare	Gujarat	50.00	49.82	-	91.49	49.82	-
3	Akshay Patra Foundation - Mid-day meal services at government schools across India	Healthcare	Bhubaneswar, Gujarat	60.00	57.00	-	148.49	57.00	-
4	ISKCON Food Relief Foundation - Mid-day meal services at government schools across India	Healthcare	Maharashtra	70.00	69.34	-	217.83	69.34	-
5	Agastya International Foundation - Runs mobile vans as practical labs across government schools	Education	Uttarakhand and Karnataka	93.00	90.32	-	308.15	90.32	-
6	Sri Lakshmi Hayagriva Trust - Education (KG to Xth Standard)	Education	Thiruvandipuram	13.00	13.00	-	321.15	13.00	-
7	Brahmrishi Mission Samiti	Health & Education of under-privileged	Jabalpur	29.00	28.42	-	349.57	28.42	-
8	KK Child Trust Hospital	Healthcare services to children	Chennai	44.00	44.00	-	393.57	44.00	-
9	Muskan Foundation	Education and Therapy of Differently Abled	Mumbai	3.50	3.40	-	396.97	3.40	-
	<b>Total</b>			<b>405.5</b>	<b>396.97</b>			<b>396.97</b>	

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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

Not applicable

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

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

**For SBI Funds Management Private Limited**

**Dinesh Kumar Khara  
Managing Director & CEO**

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

Place : Mumbai

Date : June 09, 2016

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

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

## I. REGISTRATION AND OTHER DETAILS:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Investment Manager to SBI Mutual Fund & SBI Alternative Equity Fund (AIF)	66301	97.45

## 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, 2015				No. of shares held at the end of the year March 31, 2016				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual* / HUF	-	20	20	0.0004	-	20	20	0.0004	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

Category of Shareholders	No. of shares held at the beginning of the year April 01, 2015				No. of shares held at the end of the year March 31, 2016				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Bank / FI	3149980	-	3149980	62.9996	3149980	-	3149980	62.9996	NIL
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>3149980</b>	<b>20</b>	<b>3150000</b>	<b>63.00</b>	<b>3149980</b>	<b>20</b>	<b>3150000</b>	<b>63.00</b>	<b>NIL</b>
<b>(2) Foreign</b>									
a)NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)Other - Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d)Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Shareholding of Promoter <b>(A) = (A)(1) + (A)(2)</b>	<b>3149980</b>	<b>20</b>	<b>3150000</b>	<b>63.00</b>	<b>3149980</b>	<b>20</b>	<b>3150000</b>	<b>63.00</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1.Institutions</b>									
a)Mutual Funds	-	-	-	-	-	-	-	-	-
b)Banks / FI	-	-	-	-	-	-	-	-	-
c)Central Govt	-	-	-	-	-	-	-	-	-
d)State Govt(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g)FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others - Amundi India Holding, a wholly owned subsidiary of Amundi	1850000	-	1850000	37.00	1850000	-	1850000	37.00	<b>NIL</b>
<b>Sub- total (B) (1)</b>	<b>1850000</b>	<b>-</b>	<b>1850000</b>	<b>37.00</b>	<b>1850000</b>	<b>-</b>	<b>1850000</b>	<b>37.00</b>	<b>NIL</b>
<b>2.Non-Institutions</b>									
a)Bodies Corp.	-	-	-	-	-	-	-	-	-
i)Indian	-	-	-	-	-	-	-	-	-
ii)Overseas	-	-	-	-	-	-	-	-	-

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

Category of Shareholders	No. of shares held at the beginning of the year April 01, 2015				No. of shares held at the end of the year March 31, 2016				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	1850000	-	1850000	37.00	1850000	-	1850000	37.00	NIL
<b>C. Shares held by Custodian for GDR's &amp; ADR's</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4999980</b>	<b>20</b>	<b>5000000</b>	<b>100.00</b>	<b>4999980</b>	<b>20</b>	<b>5000000</b>	<b>100.00</b>	<b>NIL</b>

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

**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	Shri Dinesh Kumar Khara	10*	0.0002	NA	10*	0.0002	NA	NIL
3	Shri Ramesh Babu^	10*	0.0002	NA	-	-	-	-
4	Shri Neeraj Vyas^	-	-	-	10*	0.0002	NA	
	<b>Total</b>	<b>3150000</b>	<b>63.00</b>	<b>NA</b>	<b>3150000</b>	<b>63.00</b>	<b>NA</b>	<b>NIL</b>

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

^10 shares held by Shri Ramesh Babu were transferred to Shri Neeraj Vyas on October 14, 2015.

**iii) Change in Promoters' Shareholding**

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

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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

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	18,50,000	37	18,50,000	37
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
At the End of the year	18,50,000	37	18,50,000	37

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

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

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in lacs)

S. No	Particulars of Remuneration	Name of Managing Director	Total Amount
		Shri Dinesh Kumar Khara	
1	Gross Salary		
	a)Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	37.49	37.49
	b)Value of perquisites u/s 17(2) Income-tax Act, 1961	14.44	14.44
	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)	51.93	51.93
	Ceiling as per the Act	NA	NA

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

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ in Lac)
		Mr. Jashvant Raval	Mrs. Madhu Dubhashi	Mr. Shishir Joshipura	Mr. O. P. Gahrotra	Dr. Prafulla Agnihotri	
1	Fee for attending Board / Committee meetings (₹ in Lakh)	3.7	2.85	1.25	4.30	1.85	13.95
2	Commission	--	--	--	--	--	--
3	Others	--	--	--	--	--	--
	<b>Total (1)</b>	3.7	2.85	1.25	4.30	1.85	13.95

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

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ in Lac)
		Mrs. Arundhati Bhattacharya	Mr. V. G. Kannan	Mr. Fathi Jerfel	Mr. Thierry Mequillet	
1	Fee for attending Board / Committee meetings	--	--	--	--	--
2	Commission	--	--	--	--	--
3	Others	--	--	--	--	--
	<b>Total (2)</b>	--	--	--	--	--
	<b>Total (B)=(1+2)</b>					13.95
	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, 2016.

## **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, 2016, 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 2016, its profit, and its cash flows for the year ended on that date.

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

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

## **SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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II. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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, with respect to reporting on clause 1 of the directions issued by the Comptroller and Auditor-General of India, related to reporting on clear title/ lease deeds for freehold and leasehold land respectively, we report that the company does not have any freehold land. With respect to the premises acquired and purchased by the Company as an Assignee, it has a clear pro-rata undivided leasehold right, title and interest in the land and common areas appurtenant to the acquired and purchased premises. Further, clauses 2 and 3 of the directions are not applicable to the Company.

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

**(D. S. Khatri)**  
Partner  
Membership No.: 016316

Place: Mumbai

Dated: April 25, 2016

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

(Referred to in our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the company has formulated a phased programme for physical verification of fixed assets, designed to cover all the items over a period of three years. According to the programme, the company has during the year, physically verified the relevant assets. In our opinion, the frequency of the verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the examination of records and documents produced to us, the title deed of immovable property, forming part of fixed asset note is held in the name of the Company.
- (ii) Since the Company is a service provider, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) (a) to (c) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loans, guarantees or securities in respect of provisions of section 185 and 186 of the Companies Act, 2013. Further, in respect of investments made, the company has complied with the provisions of section 186 of the Companies Act 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained to us, the Central Government of India has not specified the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 for any of the services rendered by the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income-tax, service tax and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax and other undisputed statutory dues were outstanding as at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, are as follows:

<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Amount (₹)*</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	9,221,280	A.Y. 2008-2009	Income Tax Officer
Income Tax Act, 1961	Income Tax	3,115,500	A.Y. 2009-2010	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	628,070	A.Y. 2010-11	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	17,46,842/-	A.Y. 2011-2012	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	79,430	A.Y. 2012-13	Commissioner (Appeals)
Service Tax	Service tax and penalty	Nil	F.Y. 2006 to 2011	CESTAT, Mumbai

\* Net of amounts paid under protest

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowing from financial institutions, banks, government and nor has it issued any debentures and hence paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans and hence paragraph 3 (ix) of the Order is not applicable to the Company
- (x) 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 or any fraud on the Company by its officers or employees, noticed or reported during the year.
- (xi) According to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the company, being a private limited company and hence paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the paragraph 3 (xii) of the Order are not applicable to the Company.
- (xiii) Based on our audit procedures performed and according to the information and explanations given to us by the management, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements to the extent required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year covered by our audit and hence paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence paragraph 3 (xvi) of the Order is not applicable to the Company.

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

**(D. S. Khatri)**  
Partner  
Membership No. 016316

Place: Mumbai

Dated: 25<sup>th</sup> April, 2016

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

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of SBI Funds Management Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(D. S. Khatri)**  
Partner  
M. No: 016316

Place: Mumbai  
Dated: 25<sup>th</sup> April, 2016

**Independent Auditors' Report**

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

**Addendum to our report dated 25<sup>th</sup> April, 2016 on the Standalone Financial Statements pursuant to sub directions issued by Comptroller and Auditor General of India vide letter number GA/Group III/Direction & Sub Direction/15-16/19 dated 28<sup>th</sup> April, 2016**

1. We refer to our report on the standalone financial statements of SBI Funds Management Private Limited ("the Company") for the year ended 31<sup>st</sup> March, 2016 issued on 25<sup>th</sup> April, 2016. Subsequent to our said report, we hereby include the sub directions issued by the Comptroller and Auditor General of India, u/s 143(5) of the Companies Act, 2013 ("the Act").
2. As required by section 143(5) of the Act, with respect to reporting on the sub-directions issued by the Comptroller and Auditor-general of India, we report that the company does not have any cases of waiver of fees/reversal of accounted fees which was due but not received/written off, during the year.
3. This may be treated as an addendum to our Independent Auditors' Report issued dated 25<sup>th</sup> April, 2016 for the year ended 31<sup>st</sup> March, 2016, and the Para 2 above should be read as the last Para of the section "**Report on Other Legal and Regulatory Requirements**" of the said Auditors' Report, to which our opinion remains unmodified.

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

**(D.S. Khatri)**  
Partner  
Membership No.: 016316  
Place : Mumbai  
Dated : 2<sup>nd</sup> May, 2016

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI FUNDS MANAGEMENT PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2016.**

The preparation of financial statements of SBI Funds Management Private Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 April 2016.

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

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6) (a) of the Act of the Financial Statement of SBI Funds Management Private Limited for the year ended 31 March 2016. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

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

Sd/-

**(Roop Rashi)**

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

Place : Mumbai

Date : 18 July, 2016

**BALANCE SHEET AS AT MARCH 31, 2016**

	Notes	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	5,000.00	5,000.00
(b) Reserves and surplus	3	58,091.04	48,776.94
		63,091.04	53,776.94
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	4	1,153.08	443.06
(b) Other long term liabilities	5	67.51	160.44
(c) Long-term provisions	6	431.04	612.12
		1,651.63	1,215.62
<b>Current liabilities</b>			
(a) Trade payables	7	2,911.56	2,151.22
(b) Other current liabilities	8	186.69	435.00
(c) Short-term provisions	9	10,370.21	9,933.33
		13,468.46	12,519.55
<b>TOTAL</b>		<b>78,211.13</b>	<b>67,512.11</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets	10		
(i) Tangible assets		16,838.74	17,032.14
(ii) Intangible assets		945.35	118.27
(iii) Capital work-in-progress		-	2.39
(iii) Intangible assets under development		40.94	-
(b) Non-current investments	11	15,197.32	10,995.15
(c) Long-term loans and advances	12	6,944.42	7,834.73
(d) Other non-current assets	13	1,002.66	82.91
		40,969.43	36,065.59
<b>Current assets</b>			
(a) Current investments	14	18,499.59	14,376.24
(b) Trade receivables	15	2,297.66	1,863.76
(c) Cash and bank balances	16	6,882.40	8,036.28
(d) Short-term loans and advances	17	9,498.62	7,118.94
(e) Other current assets	18	63.43	51.30
		37,241.70	31,446.52
<b>TOTAL</b>		<b>78,211.13</b>	<b>67,512.11</b>
Summary of significant accounting policies	1		
The accompanying notes form an integral part of the financial statements.			

As per our attached report of even date

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

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

Sd/-  
**D .S. Khatri**  
Partner  
Membership No.: 016316

Sd/-  
**Arundhati Bhattacharya**  
Chairman  
DIN 2011213

Sd/-  
**Dinesh Khara**  
Managing Director & CEO  
DIN 6737041

Place: Mumbai  
Date : April 25, 2016

Sd/-  
**Thierry Mequillet**  
Director  
DIN 5118685  
Place: Mumbai  
Date : April 25, 2016

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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Notes	Year Ended 31-Mar-2016 ₹ (in lacs)	Year Ended 31-Mar-2015 ₹ (in lacs)
Revenue from operations	19	54,155.87	43,397.70
Other income	20	1,084.33	1,847.84
<b>Total revenue</b>		<b>55,240.20</b>	<b>45,245.54</b>
<b>Expenses:</b>			
Employee benefits expense	21	10,460.92	9,707.30
Depreciation and amortization expenses	22	974.70	536.68
Other expenses	23	18,659.00	10,692.55
<b>Total expenses</b>		<b>30,094.62</b>	<b>20,936.53</b>
<b>Profit before Tax</b>		<b>25,145.58</b>	<b>24,309.01</b>
<b>Tax expenses:</b>			
- Current tax		7,900.00	7,665.15
- Deferred tax		710.02	300.36
<b>Net profit after tax</b>		<b>16,535.56</b>	<b>16,343.50</b>
Earnings per equity share (Nominal value of share of ₹100 each)			
(1) Basic	24	330.71	326.87
(2) Diluted		330.71	326.87
Summary of significant accounting policies	1		

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

As per our attached report of even date

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

Sd/-  
**D .S. Khatri**  
Partner  
Membership No.: 016316

Place: Mumbai  
Date : April 25, 2016

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

Sd/-  
**Arundhati Bhattacharya**  
Chairman  
DIN 2011213  
Sd/-  
**Thierry Mequillet**  
Director  
DIN 5118685

Sd/-  
**Dinesh Khara**  
Managing Director & CEO  
DIN 6737041  
Sd/-  
**Vinaya Datar**  
Company Secretary  
M.No 15527

Place: Mumbai  
Date : April 25, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	For Year end 31-Mar-2016 ₹ (in lacs)	For Year end 31-Mar-2015 ₹ (in lacs)
<b>Cash Flow from Operating Activities</b>		
Net profit Before Tax	25,145.58	24,309.01
<b>Adjustments for:</b>		
Depreciation and amortisation	974.70	536.68
(Profit) /Loss on sale of fixed assets (Net)	(0.44)	(0.03)
Expenses on CSR	-	(193.42)
Profit on sale of investments (Net)	(361.95)	(1,184.09)
Interest income	(125.95)	(102.36)
Dividend income	(418.39)	(475.50)
Operating profit before working capital changes	25,213.55	22,890.29
Decrease / (Increase) in trade receivables	(433.90)	(305.67)
Decrease / (Increase) in long term loans and advances	2,098.00	(5,572.62)
Decrease / (Increase) in other non current assets	3.21	(3.03)
Decrease / (Increase) in Short term loans & advances	(2,379.69)	(5,635.04)
Decrease / (Increase) in other current assets	0.11	(0.68)
(Decrease) / Increase in trade payables	760.34	850.83
(Decrease) / Increase in non-current liabilities	(274.01)	(52.66)
(Decrease) / Increase in other current liabilities	(248.31)	197.86
(Decrease) / Increase in short term provisions	(184.91)	370.10
Net cash generated from operations	24,554.39	12,739.38
Income taxes paid	(9,075.76)	(7,985.58)
<b>Net cash generated from Operating Activities (A)</b>	<b>15,478.63</b>	<b>4,753.80</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Intangible Fixed Assets(including advances for capital)	(658.51)	(77.22)
Purchase of tangible Fixed Assets(including advances for capital)	(1,020.35)	(308.70)
Sale of Fixed Assets	0.44	0.93
Purchase of Investments (Current and long-term investments)	(61,082.79)	(54,384.42)
Sale of Investments (Current and long-term investments)	53,119.24	56,730.37
Fixed Deposits placed during the year	(1,590.90)	(821.83)
Fixed Deposits matured during the year	821.83	1,297.00
Interest received	81.65	130.97
Dividend received	418.39	475.50
<b>Net Cash generated from Investing Activities (B)</b>	<b>(9,911.01)</b>	<b>3,042.60</b>
<b>Cash Flow from Financing Activities</b>		
Dividend paid	(5,500.00)	(5,000.00)
Tax on Dividend	(1,099.67)	(849.75)
<b>Net cash used in Financing Activities (C)</b>	<b>(6,599.67)</b>	<b>(5,849.75)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>(1,032.05)</b>	<b>1,946.65</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>7,214.45</b>	<b>5,267.80</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6,182.40</b>	<b>7,214.45</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	For Year end 31-Mar-2016 ₹ (in lacs)	For Year end 31-Mar-2015 ₹ (in lacs)
<b>Components of Cash and Cash Equivalents</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in hand	0.15	0.42
Cheques in hand	-	290.83
Balance with banks		
-in Current Accounts	182.25	1,423.20
-in Current Accounts - Dividend Payable	6,000.00	5,500.00
Total Cash & Cash Equivalent (Note no. 16)	<b>6,182.40</b>	<b>7,214.45</b>

1. 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.
2. 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/-  
**D .S. Khatri**  
Partner  
Membership No.: 016316

Place: Mumbai  
Date : April 25, 2016

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

Sd/-  
**Arundhati Bhattacharya**  
Chairman  
DIN 2011213  
Sd/-  
**Thierry Mequillet**  
Director  
DIN 5118685

Place: Mumbai  
Date : April 25, 2016

Sd/-  
**Dinesh Khara**  
Managing Director & CEO  
DIN 6737041  
Sd/-  
**Vinaya Datar**  
Company Secretary  
M.No 15527

## **NOTES TO THE FINANCIAL STATEMENTS**

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

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

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

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

### **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 under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 as applicable to the company.

The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Companies (Accounting Standards) Amendment Rules, 2016 takes an effect from March 30, 2016. The Company believes that the Rule 3(2) of the 'principal rules' has not been withdrawn or replaced. Consequently, the Companies (Accounting Standards) Rule, 2016 will apply for the accounting periods commencing on or after March 30, 2016.

#### **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.

During the year, the company has adopted component accounting, wherever applicable, that takes effect from 1st April, 2015, as stipulated by Schedule II of the Companies Act, 2013 for the purpose of computing depreciation.

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.

## NOTES TO THE FINANCIAL STATEMENTS

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.

### 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

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.

The estimated useful life of 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 / amortization
<b>Tangible assets</b>		
Building	60 years	SLM
Computers- Servers and networks	6 years	SLM
Computers- End user devices, such as, desktops, laptops, etc.	3 years	SLM
Furniture and fixtures	10 years	SLM
Mobile Phones	3 years	SLM
Office Equipments (including Electrical Installation & Building Management systems)	5 years	SLM
Vehicles	8 years	SLM
<b>Intangible Assets</b>		
Computer software	3 - 6 years	SLM
Website development cost	3 years	SLM
Copyright licenses	5 years	SLM
Investment Management Rights (DAIWA Schemes)		Amortisation

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

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

Intangible assets include computer software, copyright licenses, website development costs and investment management rights. Investment management rights (DAIWA schemes) are amortised based on the average holding period of various schemes, copyright licenses are amortised over a period of five years. All other intangible assets are amortised over a period of three to six years.

### 1.5 Impairment of assets

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss 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 current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

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

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

### 1.7 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 the period when the employee rendered the services.

#### (b) Post Employment Benefits

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

##### Provident Fund

The Company has defined contribution plans for post employment benefits in the form of Provident fund. Under the Provident Fund plan, the company contributes to Government administered Provident Fund on behalf of employees. The Company has no further obligation beyond making the contribution. The Company's contribution to Government Provident Fund is charged to the Statement of Profit and Loss.

##### Superannuation

Superannuation fund is a defined contribution scheme. In case employee opts for superannuation fund, the Company contributes a sum equivalent to 15% of basic salary plus dearness pay of the eligible managerial cadre

## NOTES TO THE FINANCIAL STATEMENTS

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 Statement of Profit and Loss.

## 1.10 Scheme Expenses

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

## 1.11 Taxes on Income

Tax expenses comprises of current tax and deferred tax.

### Current tax:

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

### Deferred tax:

Deferred tax is recognised on timing differences, subject to the consideration of prudence in respect of deferred tax assets. Timing differences are the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted before the Balance Sheet date.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

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

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

### **1.12 Operating Lease**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term, are classified as operating leases. Operating lease rentals are 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-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
<b>Authorised</b>		
5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 Equity Share of ₹ 100 each)	5,000	5,000
<b>Issued, Subscribed and Paid Up</b>		
5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 Equity Share of ₹ 100 each)	5,000	5,000

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

Particulars	31-Mar-2016		31-Mar-2015	
	No of Shares	₹ (in lacs)	No of Shares	₹ (in lacs)
<b>Equity Shares</b>				
Outstanding at the beginning of the year	50,00,000	5,000	50,00,000	5,000
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the year	50,00,000	5,000	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-2016		31-Mar-2015	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India	31,50,000	63%	31,50,000	63%

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

Particulars	31-Mar-2016		31-Mar-2015	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India	31,50,000	63%	31,50,000	63%
Amundi India Holding, a wholly owned subsidiary of Amundi	18,50,000	37%	18,50,000	37%

## NOTES TO THE FINANCIAL STATEMENTS

## 3 RESERVES AND SURPLUS

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
<b>General Reserve</b>		
Balance at the beginning of the year	8,260.09	7,760.09
Add: Transfer from statement of profit and loss	500.00	500.00
<b>Balance at the end of the year (A)</b>	<b>8,760.09</b>	<b>8,260.09</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance at the beginning of the year	40,516.85	31,558.27
Less: Adjustment on account of adoption of schedule II	-	91.82
Less: Appropriation for CSR expenditure	-	193.42
Add: Profit for the year	16,535.56	16,343.50
Less: Transfer to general reserve	500.00	500.00
Less: Interim dividend	6,000.00	5,500.00
Less: Tax on interim dividend	1,221.46	1,099.68
<b>Balance at the end of the year (B)</b>	<b>49,330.95</b>	<b>40,516.85</b>
<b>Total (A+B)</b>	<b>58,091.04</b>	<b>48,776.94</b>

## 4 DEFERRED TAX ASSETS / (LIABILITIES)

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
Deferred tax assets/(liabilities)		
- Provision for compensated absences	181.81	245.55
- Provision for gratuity	-	26.68
- Amortization / Depreciation on tangible / intangible assets	(1,336.06)	(910.30)
- Other 40(a) and 43B items	1.17	195.01
<b>Deferred tax (liabilities)/assets (net)</b>	<b>(1,153.08)</b>	<b>(443.06)</b>

## 5 OTHER LONG TERM LIABILITIES

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
Rent payables	55.19	139.11
Retention money payable	12.32	21.33
<b>Total</b>	<b>67.51</b>	<b>160.44</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 6 LONG TERM PROVISIONS

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
Provision for employee benefits		
- compensated absences	431.04	612.12
<b>Total</b>	<b>431.04</b>	<b>612.12</b>

## 7 TRADE PAYABLES

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
Trade Payable		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises.	2,911.56	2,151.22
<b>Total</b>	<b>2,911.56</b>	<b>2,151.22</b>

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

## 8 OTHER CURRENT LIABILITIES

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
Statutory dues	109.14	388.73
Income received in advance	2.15	2.07
Other payables		
- Earnest money deposit	3.59	1.68
- Retention money payable	27.64	10.23
Creditors for capital expenditure	44.18	32.29
<b>Total</b>	<b>186.69</b>	<b>435.00</b>

## 9 SHORT TERM PROVISIONS

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
Provision for employee benefits	2,191.19	2,158.69
Others		
- Proposed interim dividend *	6,000.00	5,500.00
- Tax on proposed interim dividend	1,221.46	1,099.67
- Provision for expenses	957.56	1,174.97
<b>Total</b>	<b>10,370.21</b>	<b>9,933.33</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**10 FIXED ASSETS**

**10.1 Tangible Assets**

₹ (in lacs)

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2015	Additions for the Year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2016	Upto 01.04.2015	For the Year*	Deductions/ Adjustments/ Reclassification for the year*	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Building	16,017.51			16,017.51	465.17	267.05		732.22	15,285.29	15,552.34
Plant and Equipments (including Building Management Systems)	261.36	0.87		262.23	68.83	59.50		128.32	133.91	192.54
Furniture and Fixtures	746.25	38.69	0.93	784.01	145.55	78.83	0.70	223.68	560.33	600.72
Vehicles	61.35			61.35	22.02	6.62		28.64	32.72	39.34
Office Equipments	360.82	54.98	5.47	410.33	205.11	60.99	5.00	261.10	149.22	155.72
Computers	1,404.77	443.46	3.25	1,844.98	986.37	308.57	2.11	1,292.84	552.14	418.37
Leasehold Improvements	330.72	92.83		423.55	257.60	40.82		298.42	125.13	73.11
<b>Total Tangible Assets</b>	<b>19,182.79</b>	<b>630.82</b>	<b>9.64</b>	<b>19,803.97</b>	<b>2,150.65</b>	<b>822.38</b>	<b>7.81</b>	<b>2,965.23</b>	<b>16,838.74</b>	<b>17,032.14</b>
<b>Previous Year</b>	<b>18,992.33</b>	<b>306.62</b>	<b>116.16</b>	<b>19,182.79</b>	<b>1,668.98</b>	<b>457.54</b>	<b>(24.13)</b>	<b>2,150.65</b>	<b>17,032.14</b>	

**10.2 Intangible Assets**

₹ (in lacs)

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2015	Additions for the Year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2016	Upto 01.04.2015	For the Year	Deductions/ Adjustments/ Reclassification for the year*	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Computer Software (Acquired)	649.97	972.34	-	1,622.31	567.62	132.90	-	700.52	921.78	82.35
Copyright License	23.00	5.00	-	28.00	1.31	5.27	-	6.59	21.41	21.69
Investment Management Rights	57.40	-	-	57.40	44.16	12.82	-	56.98	0.41	13.24
Website Development Cost	101.78	2.10	-	103.88	100.80	1.34	-	102.13	1.74	0.99
<b>Total Intangible Assets</b>	<b>832.14</b>	<b>979.44</b>	<b>-</b>	<b>1,811.58</b>	<b>713.89</b>	<b>152.34</b>	<b>-</b>	<b>866.23</b>	<b>945.35</b>	<b>118.27</b>
<b>Previous Year</b>	<b>741.98</b>	<b>90.16</b>	<b>-</b>	<b>832.14</b>	<b>634.76</b>	<b>79.13</b>	<b>-</b>	<b>713.89</b>	<b>118.27</b>	

## NOTES TO THE FINANCIAL STATEMENTS

## 11 NON-CURRENT INVESTMENTS

	31-Mar-16		31-Mar15	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
<b>Investment in Equity Instruments (Valued at cost unless stated otherwise)</b>				
<b>(Unquoted)(Trade)</b>				
<b>Investment in subsidiaries</b>				
Equity shares of \$1 held in SBI Funds Management (International) Pvt. Ltd.(100%Holding) fully paid up	50,000	4.44	50,000	4.44
<b>Investments in Associates</b>				
20% Equity shares of ₹ 10 each held in SBI Pension Funds Pvt. Ltd., fully paid up	60,00,000	600.25	60,00,000	600.25
<b>Others</b>				
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each fully paid up	5,00,000	5.00	5,00,000	5.00
<b>I) Quoted Investments</b>				
<b>Investment in Mutual Fund (Valued at cost unless stated otherwise)</b>				
Units of SBI Mutual Fund				
<b>a) SBI Debt Fund Series (SDFS)</b>				
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	50,00,000	500.00
SDFS A - 42 - 1111 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	1,00,00,000	1,000.00
SDFS A - 44 - 1111 Days (Growth) face value of ₹ 10 per unit	5,00,000	50.00	5,00,000	50.00
SDFS B - 3 - 1111 Days (Growth) face value of ₹ 10 per unit	80,00,000	800.00	80,00,000	800.00
SDFS A - 20 - 366 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS A- 25 - 366 Days (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS B -19 - 1100 Days (Growth) face value of ₹ 10 per unit	1,35,00,000	1,350.00	-	-
SDFS A - 28 - 367 Days (Growth)face value of ₹ 10 per unit	1,80,00,000	1,800.00	-	-
SDFS A - 27 - 366 Days (Growth) face value of ₹ 10 per unit	20,00,000	200.00	-	-
SDFS A - 22 - 366 Days (Growth) face value of ₹ 10 per unit	15,00,000	166.67	-	-
SDFS A - 18 - 366 Days (Growth) face value of ₹ 10 per unit	40,00,000	400.00	-	-

## NOTES TO THE FINANCIAL STATEMENTS

	31-Mar-16		31-Mar15	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
SDFS A - 19 - 366 Days (Growth) face value of ₹ 10 per unit	67,56,780	677.46	-	-
SDFS A - 1 15 Months (Growth) face value of ₹ 10 per unit	50,00,000	500.00	-	-
<b>b) Other Investments including Mandatory Investments</b>				
SBI Arbitrage Opportunities Fund	43,30,692	600.00	-	-
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	5,00,000	50.00
SBI ETF Nifty face value of ₹ 10 per unit	5,79,139	500.00	-	-
SBI ETF Nifty next face value of ₹10 per unit	5,10,807	1,000.00	5,874	11.50
SBI ETF Banking face value of ₹ 10 per unit	5,37,450	1,000.00	6,180	11.50
SBI ETF BSE 100 face value of ₹ 86.3097 per unit	20,000	17.26	20,000	17.26
SBI Dynamic Asset Allocation Fund- Growth face value of ₹ 10 per unit	5,00,000	50.00	5,00,000	50.00
SBI GETS - Growth face value of ₹ 100 per unit	2,000	51.87	-	-
SBI Corporate Bond Fund - Direct - Growth face value of ₹ 10 per unit	2,25,951	50.00	-	-
SBI Magnum Gilt Fund ST - Direct - Growth face value of ₹ 10 per unit	1,72,968	50.00	-	-
SBI Treasury Advantage Fund - Direct - Growth face value of ₹ 1000 per unit	3,187	50.00	-	-
SBI Savings Fund - Direct - Growth face value of ₹ 10 per unit	2,26,745	50.00	-	-
SBI STD Fund - Direct - Growth face value of ₹ 10 per unit	3,07,905	50.00	-	-
SHF Ultra STD Fund - Direct - Growth face value of ₹ 1000 per unit	2,764	50.00	-	-
SBI Magnum Insta Cash - Direct - Growth face value of ₹ 10 per unit	1,605	50.00	-	-
SBI PLF - Direct - Growth face value of ₹ 1000 per unit	2,259	50.00	-	-
SBI Magnum MIP - Direct - Growth face value of ₹ 10 per unit	1,64,029	50.00	-	-
SBI MICF Liq Flt - Direct - Growth face value of ₹ 1000 per unit	2,075	50.00	-	-
SBI Magnum Gilt FundLTG - Direct face value of ₹ 10 per unit	1,63,779	50.00	-	-
Magnum Income Fund - Direct - Growth face value of ₹ 10 per unit	1,46,789	50.00	-	-
SBI Equity Saving Fund face value of ₹ 10 per unit	5,02,523	50.00	-	-
SBI Dynamic Bond Fund - Direct - Growth face value of ₹ 10 per unit	2,87,373	50.00	-	-
SBI Arbitrage Opportunities - Direct - Growth face value of ₹ 10 per unit	2,59,030	50.00	-	-
SBI IT Direct Plan Growth face value of ₹ 10 per unit	1,09,280	50.00	-	-
SBI FMCG - Direct - Growth face value of ₹ 10 per unit	68,823	50.00	-	-
SBI Magnum MidCap - Direct - Growth face value of ₹ 10 per unit	88,147	50.00	-	-
SBI Gold Fund - Direct - Growth face value of ₹ 10 per unit	5,50,527	50.00	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

	31-Mar-16		31-Mar15	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
SBI Magnum Multicap Fund - Direct - Growth face value of ₹ 10 per unit	1,55,591	50.00	-	-
SBI Blue Chip Fund - Direct - Growth face value of ₹ 10 per unit	1,78,324	50.00	-	-
SBI Magnum Balanced Fund - Direct - Growth face value of ₹ 10 per unit	52,370	50.00	-	-
SBI Pharma Fund - Direct - Growth face value of ₹ 10 per unit	36,831	50.00	-	-
SBI Emerging Businesses Fund- Direct - Growth face value of ₹ 10 per unit	54,853	50.00	-	-
SBI Magnum Equity Fund - Direct - Growth face value of ₹ 10 per unit	67,528	50.00	-	-
SBI Magnum Multiplier Fund- Direct - Growth face value of ₹ 10 per unit	32,993	50.00	-	-
SBI Small & Midcap Fund - Direct - Growth face value of ₹ 10 per unit	1,53,579	46.31	-	-
SBI Contra Fund - Direct - Growth face value of ₹ 10 per unit	57,582	50.00	-	-
SBI Magnum Global Fund - Direct - Growth face value of ₹ 10 per unit	37,725	50.00	-	-
SBI Magnum TaxGain Scheme - Direct - Growth face value of ₹ 10 per unit	45,066	50.00	-	-
SBI INFRA Fund - Direct - Growth face value of ₹ 10 per unit	4,30,348	50.00	-	-
SBI Magnum COMMA Fund - Direct - Growth face value of ₹ 10 per unit	1,97,293.92	50.00	-	-
SBI PSU Fund - Direct - Growth face value of ₹ 10 per unit	5,29,913.63	50.00	-	-
SBI Magnum Children's Benefit- Direct - Growth face value of ₹ 10 per unit	67,983.57	25.18	-	-
SBI Nifty Index Fund - Direct - Growth face value of ₹ 10 per unit	39,794.51	27.91	-	-
SBI Regular Savings Fund - Direct - Growth face value of ₹ 10 per unit	80,540.25	19.13	-	-
SBI MMIP Floater - Direct - Growth face value of ₹ 10 per unit	45,239.33	9.27	-	-
SBI-ETF NIFTY 50 face value of ₹ 10 per unit	12,741.00	11.00	-	-
SBI SENSEX ETF face value of ₹ 10 per unit	2,000.00	5.57	-	-
<b>II) Un-Quoted Investments</b>				
Mandatory Investment in Alternate Investment Fund	1,300	130.00	-	-
<b>Total</b>		<b>15,197.32</b>		<b>10,995.15</b>
<b>Aggregate amount of quoted investments</b>		<b>14,457.62</b>		<b>10,385.46</b>
<b>Market value /NAV of quoted investments</b>		<b>15,728.57</b>		<b>11,674.01</b>
<b>Aggregate amount of unquoted investments</b>		<b>739.69</b>		<b>609.69</b>

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

	<b>31-Mar-2016</b> ₹ (in lacs)	<b>31-Mar-2015</b> ₹ (in lacs)
<b>Secured , Considered good</b>		
Loans to employees against hypothecation of property	65.36	104.43
<b>Unsecured, Considered good unless stated otherwise</b>		
Security deposits	351.39	248.74
Advance for expenses	32.87	14.52
Capital advances	31.93	-
Unamortised upfront brokerage	2,576.22	5,543.95
Income tax (net of provisions)	2,664.09	1,488.33
Prepaid expenses	107.66	76.74
Other advances	1,114.90	358.02
<b>Total</b>	<b>6,944.42</b>	<b>7,834.73</b>

**13 OTHER NON- CURRENT ASSETS**

	<b>31-Mar-2016</b> ₹ (in lacs)	<b>31-Mar-2015</b> ₹ (in lacs)
<b>Secured, Considered good unless stated otherwise</b>		
Interest accrued on loans to employees	79.69	82.91
Deposits including interest accrued	922.97	-
<b>Total</b>	<b>1,002.66</b>	<b>82.91</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 14 CURRENT INVESTMENTS

	31-Mar-16		31-Mar-15	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
<b>Investment in Mutual Fund (lower of cost or fair value )</b>				
<b>Quoted Investments (Non-trade) : Units of SBI Mutual Fund</b>				
<b>a) SBI Debt Fund Series (SDFS)</b>				
SDFS 36 months - 5 (Growth) face value of ₹ 10 per unit	5,00,000	50.00	-	-
SDFS 36 months - 6 (Growth) face value of ₹ 10 per unit	2,50,000	25.00	-	-
SDFS 366 Days - 36 (Growth) face value of ₹ 10 per unit	1,50,00,000	1,500.00	-	-
SDFS 366 Days - 39 (Growth) face value of ₹ 10 per unit	1,50,00,000	1,500.00	-	-
SDFS 366 Days - 51 (Growth) face value of ₹ 10 per unit	40,00,000	400.00	-	-
SDFS 366 Days - 46 (Growth) face value of ₹ 10 per unit	50,00,000	500.00	-	-
SDFS 366 Days - 52 (Growth) face value of ₹ 10 per unit	90,00,000	900.00	-	-
SDFS 36 months - 4 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS 366 Days - 44 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS 366 Days - 47 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS 16 Months -1 (Growth) face value of ₹ 10 per unit	20,00,000	230.06	-	-
SDFS A - 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	1,00,00,000.00	1,000.00	1,00,00,000	1,000.00
SDFS 18 Months -13 (Growth) face value of ₹10 per unit	1,20,00,000.00	1,200.00	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	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 Treasury Advantage Fund Direct (Growth ) ₹ 1000 per unit	2,89,185	4,875.00	-	-
SBI Inflation Indexed Bond Fund (Growth) face value of ₹ 10 per unit	-	-	2,48,000	24.38
<b>b) Other Investments</b>				
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	1,675	2,819.53	-	-
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
<b>Total</b>		<b>18,499.59</b>		<b>14,376.24</b>
<b>Aggregate amount of quoted investments</b>		18,499.59		14,376.24
<b>Market value/NAV of quoted investments</b>		21,021.05		15,234.03

## NOTES TO THE FINANCIAL STATEMENTS

## 15 TRADE RECEIVABLES

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
<b>Unsecured, Considered good unless stated otherwise</b>		
Management fee receivable	1,749.87	1,484.83
Portfolio Management fee receivables	295.54	160.35
Portfolio Advisory fee receivables	252.25	218.58
Outstanding for a period exceeding six months from the date they are due for payment	-	-
<b>Total</b>	<b>2,297.66</b>	<b>1,863.76</b>

## 16 CASH &amp; BANK BALANCES

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	0.15	0.42
Cheques in hand	-	290.83
Balance with banks *		
-in Current accounts	182.25	1,423.20
-in Current accounts - dividend payable	6,000.00	5,500.00
	<b>6,182.40</b>	<b>7,214.45</b>
<b>Other Bank Balances *</b>		
Deposits with original maturity		
- more than 3 months and less than 12 months	700.00	821.83
	<b>700.00</b>	<b>821.83</b>
<b>Total</b>	<b>6,882.40</b>	<b>8,036.28</b>

\*Refer note no. 28 for related party disclosures

## 17 SHORT TERM LOANS &amp; ADVANCES

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
<b>Secured, Considered good</b>		
Loans to employees against hypothecation of property	24.78	32.10
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Security deposits	157.07	95.47
Advance for expenses	130.89	65.64
Loans to employees	13.54	14.37
Balance with statutory/Government authorities	416.44	67.46
Unamortised upfront brokerage	7,523.33	5,405.38
Prepaid expenses	334.72	229.07
Expenses recoverable*	0.50	16.88
Others	897.34	1,192.57
<b>Total</b>	<b>9,498.62</b>	<b>7,118.94</b>

\*Refer note no. 28 for related party disclosures

## NOTES TO THE FINANCIAL STATEMENTS

## 18 OTHER CURRENT ASSETS

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
<b>Secured, Considered good</b>		
Interest accrued on loans to employees	8.27	8.86
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Interest accrued on bank fixed deposits*	46.16	33.93
<b>Other Bank Balances **</b>		
Deposit ( Security against bank guarantee)	9.00	8.51
<b>Total</b>	<b>63.43</b>	<b>51.30</b>
*Refer note no. 28 for related party disclosures		
** includes AED 50,000 (₹ 8,99,500) [Previous year AED 50,000 (₹ 8,51,000)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of Branch at Dubai		

## 19 REVENUE FROM OPERATIONS

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
Management fee	52,772.70	42,389.47
Portfolio management fee	439.66	352.61
Portfolio advisory fee	943.51	655.62
<b>Total</b>	<b>54,155.87</b>	<b>43,397.70</b>

## 20 OTHER INCOME

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
Gains on sale /redemption of current/non-current investments	361.95	1,184.09
Dividend income from current investments	418.39	475.50
Interest		
- bank deposits	125.95	102.36
- staff loans	10.97	15.53
Net gain on sale of assets	0.44	0.03
Net gain on foreign currency transactions and translations	9.11	-
Miscellaneous Income	157.52	70.33
<b>Total</b>	<b>1,084.33</b>	<b>1,847.84</b>

## 21 EMPLOYEE BENEFITS EXPENSES\*

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
Salaries and allowances	9,764.91	8,626.17
Contribution to provident and other funds	224.13	653.98
Staff welfare expenses	471.88	427.15
<b>Total</b>	<b>10,460.92</b>	<b>9,707.30</b>
*Refer note no. 28 for related party disclosures		

**NOTES TO THE FINANCIAL STATEMENTS****22 DEPRECIATION AND AMORTISATION EXPENSES\***

	<b>31-Mar-2016</b> ₹ (in lacs)	<b>31-Mar-2015</b> ₹ (in lacs)
Depreciation on Tangible Assets	822.38	457.54
Amortisation of Intangible Assets	152.32	79.14
<b>Total</b>	<b>974.70</b>	<b>536.68</b>
<b>* Refer note no 29</b>		

**23 OTHER EXPENSES**

	<b>31-Mar-2016</b> ₹ (in lacs)	<b>31-Mar-2015</b> ₹ (in lacs)
Rent	602.81	531.19
Rates and taxes	66.32	110.95
Electricity charges	178.12	165.50
Repairs and maintenance		
- Equipment	239.51	248.69
- Others	271.45	235.02
Insurance	21.32	16.93
Travelling and conveyance	713.90	555.39
Recruitment and training	81.76	39.52
Printing and stationery	151.03	125.86
Postage and courier	87.03	87.31
Communication	427.93	410.02
Scheme expenses	1,484.85	1,220.30
Brokerage	7,842.56	2,166.67
Business promotion	2,702.22	1,934.32
Advertising and publicity	29.84	530.62
Outsource manpower services	956.89	775.59
Legal and professional fees	949.27	470.88
Annual and filling fee for schemes	178.52	101.60
Auditor's remuneration:		
-Audit fee	22.25	19.25
-Tax audit fee	2.50	2.00
-Certification fee	5.25	3.05
Directors' sitting fees	13.95	12.70
Royalty to SBI for logo	326.87	311.54
Corporate social responsibility ( refer note no.37)	396.97	-
Net loss on foreign currency transactions and translations	-	1.31
Membership and subscription	535.39	401.91
Miscellaneous expenses	370.49	214.43
<b>Total</b>	<b>18,659.00</b>	<b>10,692.55</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 24 EARNINGS PER SHARE (EPS)

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
(a) Nominal Value of an Equity Share (₹)	100	100
(b) Net profit available to Equity Shareholders (₹)	16,535.56	16,343.50
(c) Number of shares outstanding	50,00,000	50,00,000
(d) <b>Basic and Diluted EPS (₹) = (b) / (c)</b>	330.71	326.87

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

Claims against the Company not acknowledged as debts – Investor claims pending in Consumer Courts ₹134.92 Lacs (Previous Year ₹ 154.76 Lacs), other disputed payables ₹ 78.45 (Previous year ₹ 78.45 Lacs) and disputed tax liability ₹ 16.44 Lacs- (Previous Year ₹ 90.84 Lacs).

## 26. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 846.20 Lacs (Previous Year ₹ 565.06 Lacs).

## 27. EMPLOYEE BENEFITS

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

## (27.1) Defined Contribution Plan - Provident Fund &amp; Superannuation Fund

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

(₹ in Lacs)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Employer's contribution to Provident Fund & superannuation fund	433.08	434.45

## (27.2) Defined Benefit Plan - Gratuity

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

(₹ in Lacs)

Change in Defined benefit obligations	As at 31.03.2016	As at 31.03.2015
Present value of funded benefit obligations, 1st April	748.27	621.07
Service cost	71.56	62.33
Interest cost	59.86	57.76
Benefits paid	(76.45)	(45.84)
Actuarial (gains)/losses on obligations	(153.46)	52.95
<b>Present value of funded benefit obligations as at 31st March</b>	<b>649.78</b>	<b>748.27</b>

**NOTES TO THE FINANCIAL STATEMENTS****(27.2.2) Reconciliation of opening and closing Balance of Fair Value of Plan Assets**

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Fair value of plan assets ,as at beginning of the year	671.16	611.89
Expected return on plan assets	53.69	53.23
Actuarial gains/(losses)	(2.49)	(3.78)
Employer contribution	56.65	55.66
Benefits paid	(76.45)	(45.84)
Fair value of plan assets at the year end	702.56	671.16

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

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Present value of obligation	649.78	748.27
Fair value of plan assets	702.56	671.16
Amount recognized in Balance Sheet	52.78	(77.11)

**(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 31.03.2016	For the year ended 31.03.2015
Current Service Cost	71.56	62.33
Interest Cost	59.86	57.76
Expected return on plan assets	(53.69)	(53.23)
Actuarial (gains) / losses	(150.97)	56.73
<b>Net Cost</b>	<b>(73.23)</b>	<b>123.59</b>

## NOTES TO THE FINANCIAL STATEMENTS

## (27.2.5) Experience Adjustments

(₹ in Lacs)

Experience Adjustments	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
(Gains) / Losses on Plan Liabilities	(16.06)	(19.40)	(16.13)	23.88	(1.28)
Gains / (Losses) on Plan Assets	(2.49)	(3.78)	1.78	0.79	(3.82)
Estimated Contribution for next year	15.95	204.33	71.51	95.40	110.09

(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 31.03.2016	For the year ended 31.03.2015
Discount rate	8.06%	8%
Salary escalation rate	2% p.a. for next 4 years and 4% p.a. thereafter	8% p.a. for next 4 years and 5% p.a. thereafter
Expected return on plan assets Indian Assured Lives Mortality (2006-08) ultimate	8.06%	8%

## (27.3) Other Employee Benefits :

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

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Discount rate	8.06%	8%
Salary escalation rate	2% p.a. for next 4 years and 4% p.a. thereafter	8% p.a. for next 4 years and 5% p.a. thereafter

**NOTES TO THE FINANCIAL STATEMENTS**

**28. RELATED PARTY DISCLOSURE:**

***Parties where control exists:***

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

***Other Related parties:-***

Fellow Subsidiaries	<ul style="list-style-type: none"> <li>• SBI Life Insurance Company Limited</li> <li>• SBI General Insurance Limited</li> <li>• State Bank of Patiala</li> <li>• State Bank of Mysore</li> <li>• State Bank of Hyderabad</li> <li>• State Bank of Travancore</li> <li>• State Bank of Bikaner &amp; Jaipur</li> <li>• SBI Mutual Fund Trustee Company Private Limited</li> <li>• SBI-SG Global Securities Services Private Limited</li> <li>• SBICAP Securities Limited</li> <li>• SBI DFHI Limited</li> </ul>
Associates	<ul style="list-style-type: none"> <li>• SBI Pension Funds Private Limited</li> </ul>
Key Management Personnel	<ul style="list-style-type: none"> <li>• Mr. Dinesh Khara (Managing Director &amp; Chief Executive Officer)</li> <li>• Mr. Philippe Batchevitch (Deputy Chief Executive Officer) upto 30<sup>th</sup> November 2015</li> <li>• Mr. Nicolas Simon (Deputy Chief Executive Officer) from 21<sup>st</sup> October 2015</li> </ul>
Mutual Fund managed by the company	<ul style="list-style-type: none"> <li>• SBI Mutual Fund</li> </ul>
Enterprise under common control	<ul style="list-style-type: none"> <li>• Amundi Singapore Limited (a wholly owned subsidiary of Amundi)</li> <li>• Amundi Hong Kong Limited (a wholly owned subsidiary of Amundi)</li> <li>• Chattisgarh Gramin Bank</li> <li>• Purvanchal Gramin Bank</li> <li>• Saurashtra Gramin Bank</li> </ul>

## NOTES TO THE FINANCIAL STATEMENTS

*Transactions with related parties:*

(₹ in Lacs)

Particulars	Holding Company	Fellow Subsidiaries	Enterprise under Common control	Mutual Fund Managed by the Company	KMP
Management and other Fees			457.06 [182.16]	52772.70 [42,389.47]	
Other income	67.61 [105.00]				
Dividend received on units				418.39 [475.50]	
Brokerage and Common Cost	2380.87 [3,892.63]	505.48 [453.00]	0.32 [Nil]		
Insurance premium		37.18 [30.66]			
Remuneration					118.33 [90.04]
Interim Dividend payable	3,780.00 [3,465.00]		2,220.00 [2,035.00]		
Reimbursement of salaries deputed employees	277.61 [270.17]	69.29 [45.32]			
Units purchased				61,444.75 [54,379.41]	
Scheme Expenses				817.04 [631.00]	
Recovery of salaries for deputed employees	86.54 [ 76.78 ]				
Units Sold				53,119.24 [55,546.28]	
Balance Outstanding Receivable/(Payable)	(11.19) [Nil]	(34.55) [(21.47)]	129.44 [63.91]	638.20 [786.95]	
Balance in Current Accounts	6,181.06 [6,933.50]				
Term Deposit	847.97 [321.83]				

## Note:

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

**NOTES TO THE FINANCIAL STATEMENTS****29. SEGMENTAL REPORTING:**

The segmental reporting disclosure as required by Accounting Standard (AS) – 17 on “Segment Reporting”, 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.

**30. OPERATING LEASE :**

(₹ in Lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Lease expense for the year</b>	602.81	531.19
Minimum Lease Payments:		
Not later than one year	637.28	473.48
Later than one year but not later than five years	1560.01	1009.28
Later than five years	574.34	399.21

**31. PROVISIONS:**

In compliance with the Accounting Standard on “Provisions, Contingent Liabilities and Contingent Assets” (AS-29), balance under short term provision amounting to ₹871.96 lacs representing provisions towards loyalty programs for business promotion and the movement for the same is as under: -

Particulars	2015-16	2014-15
<b>Carrying amount as at the beginning of the year</b>	1131.43	1345.93
Additions during the year	810.00	936.84
Utilised during the year	719.62	757.68
Reversed during the year	349.85	393.66
Carrying amount as at the end of the year	871.96	1131.43

**32. EXPENDITURE IN FOREIGN CURRENCY:**

(₹ in Lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Travelling Expenses	57.84	36.46
Business Promotion and Advertisement	48.09	101.71
Salary	127.31	82.44
Rent and Subscription	165.72	63.56
Professional Fees and others	36.82	29.01

**33. EARNINGS IN FOREIGN CURRENCY**

(₹ in Lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Portfolio Advisory /Management fees	1055.26	753.49

## NOTES TO THE FINANCIAL STATEMENTS

## 34. The year-end foreign currency exposures that have not been hedged by derivative instruments or otherwise are detailed below:

Cash/Bank Balance: (in lacs)

Year ended	₹	AED
31 <sup>st</sup> March 2016	10.30	0.58
31 <sup>st</sup> March 2015	9.37	0.51

Payables: (in lacs)

Year ended	₹	USD	BHD
31 <sup>st</sup> March 2016	17.96	0.16	0.04
31 <sup>st</sup> March 2015	16.73	0.27	0.00

Receivables: (in lacs)

Year ended	₹	USD	AUD	JPY	SGD
31 <sup>st</sup> March 2016	281.40	1.96	0.09	112.67	1.66
31 <sup>st</sup> March 2015	229.71	1.02	0.05	132.99	2.06

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

Sr.No	Particulars	2015-2016	2014-2015
(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)	2035.00	1850.00
(d)	Year to which dividend relates	2014-15	2013-14

## 36. INTERIM DIVIDEND DURING THE CURRENT YEAR

The Board of Directors of the company have declared an Interim dividend of ₹ 6,000 lacs/- @ ₹ 120/- per share in its meeting held on 21st March, 2016.

## 37. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

(₹ in Lacs)

		In cash	Yet to be paid in cash	Total
i)	Construction/ acquisition of any asset	Nil	Nil	Nil
ii)	On purposes other than (i) above – midday meals, promoting education and healthcare facilities.	396.97	Nil	396.97

## NOTES TO THE FINANCIAL STATEMENTS

## 38. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

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

(₹ in Lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

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  
**DIN 2011213**

**Sd/-  
Dinesh Khara**  
Managing Director & CEO  
**DIN 6737041**

**Sd/-  
Thierry Mequillet**  
Director  
**DIN 5118685**

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

Place: Mumbai  
Date : April 25, 2016

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of SBI Funds Management Private Limited ("the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, 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 Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31<sup>st</sup> March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## **Other Matters**

We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 129.65 lacs as at 31<sup>st</sup> March, 2016, total revenues of Rs. 16.69 lacs and net cash flows amounting to Rs. (45.78) lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 8.23 lacs for the year ended 31<sup>st</sup> March, 2016, 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, our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate is based solely on the reports of the other auditors.

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

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

- I. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
- a) We and other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by the law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its associate company incorporated in India, none of the directors of the Group company and its associate company incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Note 25 to the consolidated financial statements.
    - ii. The Group and its associate did not have any material foreseeable losses on long term contracts including

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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derivative contracts.

- 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 Holding Company and its associate company incorporated in India as per the provisions of the Companies Act, 1956.
- II. As required by Section 143 (5) of the Act, with respect to reporting on clause 1 of the directions issued by the Comptroller and Auditor-General of India, related to reporting on clear title/ lease deeds for freehold and leasehold land respectively, we report that the Group and its associate company does not have any freehold land. With respect to the premises acquired and purchased by the Holding Company as an Assignee, it has a clear pro-rata undivided leasehold right, title and interest in the land and common areas appurtenant to the acquired and purchased premises. Further, clauses 2 and 3 of the directions are not applicable to the Group and its associate.

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

**(D. S. Khatri)**  
Partner  
Membership No.: 016316

Place: Mumbai

Dated: April 25, 2016

## ANNEXURE "A" TO THE AUDITORS' REPORT

(Referred to in our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2016, we have audited the internal financial controls over financial reporting of SBI Funds Management Private Limited ("the Holding Company") and its associate company which are companies incorporated in India, as of that date.

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

The Respective Management of the Holding Company and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

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

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

### **Opinion**

In our opinion, the Holding Company and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

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

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

**(D. S. Khatri)**  
Partner  
M. No: 016316

Place: Mumbai  
Dated: April 25, 2016

**SBI FUNDS MANAGEMENT PRIVATE LIMITED****Form AOC -1**

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

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

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

<b>Particulars</b>	<b>Details</b>	<b>USD</b>	<b>Rs.</b>
1. Sl. No.			
2. Name of the subsidiary	SBI Funds Management (International) Pvt. Ltd.		
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company's reporting period		
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Reporting currency - USD & Exchange Rate Rs.66.255 closing rate as per RBI as on 31.03.2016 for monetary assets and liabilities and Rs. 65.461 average rate as per RBI		
5. Share capital		10,000	662,550
6. Reserves & surplus		150,563	9,975,552
7. Total assets		195,683	12,964,977
8. Total Liabilities		35,120	2,326,876
9. Investments		2	133
10. Turnover		23,616	1,545,929
11. Profit before taxation		(72,341)	(4,735,519)
12. Provision for taxation		-	-
13. Profit after taxation		(72,341)	(4,735,519)
14. Proposed Dividend		-	-
15. % of shareholding		100	100

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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

<b>Name of Associate</b>	<b>SBI PENSION FUND PRIVATE LIMITED</b>
Latest audited Balance Sheet Date	31/03/2016
<b>Shares of Associate held by the company on the year end</b>	
Number	60 Lac shares of Rs. 10 each
Amount of Investment in Associates (in Rs.)	60,000,000
Extent of Holding %	20%
<b>Description of how there is significant influence</b>	As per Accounting Standard AS 23
<b>Reason why the Associate is not consolidated</b>	Not Applicable
<b>Networth attributable to Shareholding as per latest audited Balance Sheet (in Rs.)</b>	68,151,791
<b>Profit / Loss for the year (in Rs.)</b>	4,113,187
(i) Considered in Consolidated (in Rs.)	822,637
(ii) Not Considered in Consolidated (in Rs.)	3,290,550

**For Sudit K. Parekh & Co.**

Chartered Accountants

Firm Registration No. 110512W

**D .S. Khatri**

Partner

Membership No.: 016316

Place: Mumbai

Dated: April 27, 2016

## INDEPENDENT AUDITORS' REPORT

To the Members of SBI Funds Management Private Limited

**Addendum to Audit Report dated 25<sup>th</sup> April, 2016 on the Consolidated Financial Statements pursuant to sub direction issued by Comptroller and Auditor General of India vide letter number GA/Group III/Direction & Sub Direction/15-16/19 dated 28<sup>th</sup> April, 2016.**

1. We refer to our report on the consolidated financial statements of SBI Funds Management Private Limited ("the Company") for the year ended 31st March, 2016 issued on 25th April, 2016. Subsequent to our said report, we hereby include the sub direction issued by the Comptroller and Auditor General of India, u/s 143(5) of the Companies Act, 2013 ("the Act").
2. As required by section 143(5) of the Act, with respect to reporting on the sub-directions issued by the Comptroller and Auditor-General of India, we report that the company does not have any cases of waiver of fees/reversal of accounted fees which was due but not received/written off, during the year.
3. This may be treated as an addendum to our Independent Auditors' Report issued dated 25<sup>th</sup> April, 2016 for the year ended 31<sup>st</sup> March, 2016, and the para 2 above should be read as the last para of the section "**Report on Other Legal and Regulatory Requirements**" of the said Auditors' Report, to which our opinion remains unmodified.

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

**(D. S. Khatri)**  
Partner  
Membership No: 016316

Place: Mumbai

Dated: 2<sup>nd</sup> May, 2016

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SBI FUNDS MANAGEMENT PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of consolidated Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 April 2016.

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

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated Financial Statements of SBI Funds Management Private Limited for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of SBI Funds Management Private Limited, but did not conduct supplementary audit of the financial statements of SBI Funds Management (International) Private Limited and SBI Pension Fund Private Limited for the year ended on that date. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to Statutory Auditor's Report.

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

**(Roop Rashi)**

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

Place : Mumbai

Date : 18 July 2016

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Notes	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	5,000.00	5,000.00
(b) Reserves and surplus	3	58,289.28	49,006.15
		63,289.28	54,006.15
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	4	1,153.08	443.06
(b) Other long term liabilities	5	67.51	160.44
(c) Long-term provisions	6	431.04	612.12
		1,651.63	1,215.62
<b>Current liabilities</b>			
(a) Trade payables	7	2,930.49	1,855.45
(b) Other current liabilities	8	186.69	435.00
(c) Short-term provisions	9	10,374.55	10,249.30
		13,491.73	12,539.75
<b>TOTAL</b>		<b>78,432.64</b>	<b>67,761.52</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets	10		
(i) Tangible assets		16,838.74	17,032.14
(ii) Intangible assets		945.35	118.27
(iii) Capital work-in-progress		-	2.39
(iv) Intangible assets under development		40.94	-
(b) Non-current investments	11	15,289.18	11,078.79
(c) Long-term loans and advances	12	6,944.42	7,834.76
(d) Other non-current assets	13	1,002.66	82.91
		41,061.29	36,149.26
<b>Current assets</b>			
(a) Current investments	14	18,499.59	14,376.24
(b) Trade receivables	15	2,301.58	1,866.19
(c) Cash and bank balances	16	7,007.35	8,197.87
(d) Short-term loans and advances	17	9,499.40	7,119.92
(e) Other current assets	18	63.43	52.04
		37,371.35	31,612.26
<b>TOTAL</b>		<b>78,432.64</b>	<b>67,761.52</b>
Summary of significant accounting policies	1		

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

As per our attached report of even date

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

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

Sd/-  
**D .S. Khatri**  
Partner  
Membership No.: 016316

Sd/-  
**Arundhati Bhattacharya**  
Chairman  
DIN 2011213

Sd/-  
**Dinesh Khara**  
Managing Director & CEO  
DIN 6737041

Place: Mumbai  
Date : April 25, 2016

Sd/-  
**Thierry Mequillet**  
Director  
DIN 5118685  
Place: Mumbai  
Date : April 25, 2016

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

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Notes	Year Ended 31-Mar-2016 ₹ (in lacs)	Year Ended 31-Mar-2015 ₹ (in lacs)
Revenue from operations	19	54,171.33	43,425.82
Other income	20	1,085.56	1,849.56
<b>Total revenue</b>		<b>55,256.89</b>	<b>45,275.38</b>
<b>Expenses:</b>			
Employee benefits expense	21	10,460.92	9,707.30
Depreciation and amortization expenses	22	974.70	536.68
Other expenses	23	18,723.05	10,744.19
<b>Total expenses</b>		<b>30,158.67</b>	<b>20,988.17</b>
<b>Profit before Tax</b>		25,098.22	24,287.21
<b>Tax expenses:</b>			
- Current tax		7,900.00	7,665.45
- Deferred tax		710.02	300.36
<b>Net profit after tax</b>		<b>16,488.20</b>	<b>16,321.40</b>
Net share of Profit from Associates		8.23	41.45
<b>Consolidated Profit for the period</b>		<b>16,496.43</b>	<b>16,362.85</b>
Earnings per equity share (Nominal value of share of ₹100 each)			
(1) Basic	24	329.76	326.43
(2) Diluted		329.76	326.43
Summary of significant accounting policies	1		
The accompanying notes form an integral part of the financial statements.			

As per our attached report of even date

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

Sd/-  
**D .S. Khatri**  
Partner  
Membership No.: 016316

Place: Mumbai  
Date : April 25, 2016

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

Sd/-  
**Arundhati Bhattacharya**  
Chairman  
DIN 2011213  
Sd/-  
**Thierry Mequillet**  
Director  
DIN 5118685

Sd/-  
**Dinesh Khara**  
Managing Director & CEO  
DIN 6737041  
Sd/-  
**Vinaya Datar**  
Company Secretary  
M.No 15527

Place: Mumbai  
Date : April 25, 2016

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	For Year end 31-Mar-2016 ₹ (in lacs)
<b>Cash Flow from Operating Activities</b>	
Net profit Before Tax	25,098.22
<b>Adjustments for:</b>	
Depreciation and amortisation	974.71
(Profit) /Loss on sale of fixed assets (Net)	(0.44)
Expenses on CSR	-
Profit on sale of investments (Net)	(361.95)
Interest income	(127.18)
Dividend income	(418.39)
Operating profit before working capital changes	25,164.96
Decrease / (Increase) in trade receivables	(435.39)
Decrease / (Increase) in long term loans and advances	2,098.00
Decrease / (Increase) in other non current assets	3.22
Decrease / (Increase) in Short term loans & advances	(2,379.69)
Decrease / (Increase) in other current assets	0.11
(Decrease) / Increase in trade payables	1075.04
(Decrease) / Increase in non-current liabilities	(274.01)
(Decrease) / Increase in other current liabilities	(248.31)
(Decrease) / Increase in short term provisions	(496.54)
Net cash generated from operations	24,507.40
Income taxes paid	(9,075.76)
<b>Net cash generated from Operating Activities (A)</b>	<b>15,431.64</b>
<b>Cash Flow from Investing Activities</b>	
Purchase of Intangible Fixed Assets(including advances for capital)	(660.90)
Purchase of tangible Fixed Assets(including advances for capital)	(1,020.35)
Sale of Fixed Assets	(0.44)
Purchase of Investments (Current and long-term investments)	(61,082.79)
Sale of Investments (Current and long-term investments)	53,119.24
Fixed Deposits placed during the year	(1,590.90)
Fixed Deposits matured during the year	983.96
Interest received	83.13
Dividend received	418.39
<b>Net Cash generated from Investing Activities (B)</b>	<b>(9,750.66)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	For Year end 31-Mar-2016 ₹ (in lacs)
<b>Cash Flow from Financing Activities</b>	
Dividend paid	(5,500.00)
Tax on Dividend	(1,099.67)
<b>Net cash used in Financing Activities (C)</b>	<b>(6,599.67)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>(918.69)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	7,226.04
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	6,307.35
<b>Cash Flow from Financing Activities</b>	
Cash in hand	0.15
Cheques in hand	-
Balance with banks	
-in Current Accounts	307.20
-in Current Accounts - Dividend Payable	6,000.00
<b>Total Cash &amp; Cash Equivalent (Note no. 16)</b>	<b>6,307.35</b>

- 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.5
- 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/-  
**D .S. Khatri**  
Partner  
Membership No.: 016316

Place: Mumbai  
Date : April 25, 2016

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

Sd/-  
**Arundhati Bhattacharya**  
Chairman  
DIN 2011213

Sd/-  
**Thierry Mequillet**  
Director  
DIN 5118685

Place: Mumbai  
Date : April 25, 2016

Sd/-  
**Dinesh Khara**  
Managing Director & CEO  
DIN 6737041

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

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

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

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

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

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

### **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 under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 as applicable to the company.

The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Companies (Accounting Standards) Amendment Rules, 2016 takes an effect from March 30, 2016. The Company believes that the Rule 3(2) of the 'principal rules' has not been withdrawn or replaced. Consequently, the Companies (Accounting Standards) Rule, 2016 will apply for the accounting periods commencing on or after March 30, 2016.

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Disclosure relating to entities considered in the consolidated financial statements

#### (a) Subsidiaries considered for consolidation

No.	Name Of Subsidiary	Country of Incorporation	Proportion of ownership interest	
			31/03/2016	31/03/2015
1	SBI Funds Management (International) Private Limited	Mauritius	100%	100%

#### (b) Associates considered for consolidation

No.	Name of Associates	Country of Incorporation	Proportion of ownership interest	
			31/03/2016	31/03/2015
1	SBI Pension Funds Private Limited	India	20%	20%

#### Uniform accounting policies

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

#### Subsidiaries

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

#### Foreign operations

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

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

#### Associates

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

### 1.3 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.

During the year, the company has adopted component accounting, wherever applicable, that takes effect from 1st April, 2015, as stipulated by Schedule II of the Companies Act, 2013 for the purpose of computing depreciation.

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.

#### 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

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.

The estimated useful life of 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 / amortization
<b>Tangible assets</b>		
Building	60 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Intangible assets include computer software, copyright licenses, website development costs and investment management rights. Investment management rights (DAIWA schemes) are amortised based on the average holding period of various schemes, copyright licenses are amortised over a period of five years. All other intangible assets are amortised over a period of three to six years.

### 1.5 Impairment of assets

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

### 1.6 Investments

Investments which are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 the period when the employee rendered the services.

#### (b) Post Employment Benefits

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

###### Provident Fund

The Company has defined contribution plans for post employment benefits in the form of Provident fund. Under the Provident Fund plan, the company contributes to Government administered Provident Fund on behalf of employees. The Company has no further obligation beyond making the contribution. The Company's contribution to Government Provident Fund is charged to the Statement of Profit and Loss.

###### Superannuation

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

##### (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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 1.11 Taxes on Income

Tax expenses comprises of current tax and deferred tax.

#### Current tax:

Tax on income is determined on the basis of taxable income and tax credits computed in accordance with the provisions of applicable tax laws of the respective countries.

Foreign companies recognise tax liabilities and assets in accordance with the applicable local laws.

#### Deferred tax:

Deferred Tax is accounted for by computing the tax effect of timing differences, subject to the consideration of prudence in respect of deferred tax assets, which arise during the year and reverse in subsequent periods. Deferred tax is measured at substantively enacted tax rates by the Balance Sheet date.

### 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 CONSOLIDATED FINANCIAL STATEMENTS

## 2 SHARE CAPITAL

	31-Mar-2016 ₹ (in lacs)	31-Mar-2015 ₹ (in lacs)
<b>Authorised</b>		
5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 Equity Share of ₹ 100 each)	5,000	5,000
<b>Issued, Subscribed and Paid Up</b>		
5,000,000 Equity Shares of ₹ 100 each (Previous year 5,000,000 Equity Share of ₹ 100 each)	5,000	5,000

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

Particulars	31-Mar-2016		31-Mar-2015	
	No of Shares	₹ (in lacs)	No of Shares	₹ (in lacs)
<b>Equity Shares</b>				
Outstanding at the beginning of the year	50,00,000	5,000	50,00,000	5,000
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the year	50,00,000	5,000	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-2016		31-Mar-2015	
	No of Shares	% of Holding	No of Shares	% of Holding
<b>Equity Shares:-</b>				
State Bank of India	31,50,000	63%	31,50,000	63%

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

Particulars	31-Mar-2016		31-Mar-2015	
	No of Shares	% of Holding	No of Shares	% of Holding
<b>Equity Shares:-</b>				
State Bank of India	31,50,000	63%	31,50,000	63%
Amundi India Holding, a wholly owned subsidiary of Amundi	18,50,000	37%	18,50,000	37%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 RESERVES AND SURPLUS

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
<b>General Reserve</b>		
Balance at the beginning of the year	8,260.09	7,760.09
Add: Transfer from statement of profit and loss	500.00	500.00
<b>Balance at the end of the year (A)</b>	<b>8,760.09</b>	<b>8,260.09</b>
<b>Foreign currency translation reserve (B)</b>	<b>40.18</b>	<b>32.02</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance at the beginning of the year	40,714.04	31,736.11
Less: Adjustment on account of adoption of schedule II	-	91.82
Less: Appropriation for CSR expenditure	-	193.42
Add: Profit for the year	16,496.43	16,362.85
Less: Transfer to general reserve	500.00	500.00
Less: Interim dividend	6,000.00	5,500.00
Less: Tax on interim dividend	1,221.46	1,099.68
<b>Balance at the end of the year (C)</b>	<b>49,489.01</b>	<b>40,714.04</b>
<b>Total (A+B+C)</b>	<b>58,289.28</b>	<b>49,006.15</b>

## 4 DEFERRED TAX ASSETS /(LIABILITIES)

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
Deferred tax assets/(liabilities)		
- Provision for compensated absences	181.81	245.55
- Provision for gratuity	-	26.68
- Amortization /Depreciation on tangible /intangible assets	(1,336.06)	(910.30)
- Other 40(a) and 43B items	1.17	195.01
<b>Deferred tax (liabilities)/assets (net)</b>	<b>(1,153.08)</b>	<b>(443.06)</b>

## 5 OTHER LONG TERM LIABILITIES

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
Rent payables	55.19	139.11
Retention money payable	12.32	21.33
<b>Total</b>	<b>67.51</b>	<b>160.44</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6 LONG TERM PROVISIONS

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
Provision for employee benefits		
- compensated absences	431.04	612.12
<b>Total</b>	<b>431.04</b>	<b>612.12</b>

## 7 TRADE PAYABLES

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
Trade Payable		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises.	2,930.49	1,855.45
<b>Total</b>	<b>2,930.49</b>	<b>1,855.45</b>

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

## 8 OTHER CURRENT LIABILITIES

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
Statutory dues	109.14	388.73
Income received in advance	2.15	2.07
Other payables	-	-
- Earnest money deposit	3.59	1.68
- Retention money payable	27.64	10.23
Creditors for capital expenditure	44.18	32.29
<b>Total</b>	<b>186.69</b>	<b>435.00</b>

## 9 SHORT TERM PROVISIONS

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
Provision for employee benefits	2,191.19	2,158.69
Others		
- Proposed interim dividend *	6,000.00	5,500.00
- Tax on proposed interim dividend	1,221.46	1,099.67
- Provision for expenses	961.90	1,490.94
<b>Total</b>	<b>10,374.55</b>	<b>10,249.30</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10 FIXED ASSETS

## 10.1 Tangible Assets

₹ (in lacs)

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2015	Additions for the Year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2016	Upto 01.04.2015	For the Year*	Deductions/ Adjustments/ Reclassification for the year*	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Building	16,017.51	-	-	16,017.51	465.17	267.05	-	732.22	15,285.29	15,552.34
Plant and Equipments (including Building Management Systems)	261.36	0.87	-	262.23	68.83	59.50	-	128.32	133.91	192.54
Furniture and Fixtures	746.25	38.69	0.93	784.01	145.55	78.83	0.70	223.68	560.33	600.72
Vehicles	61.35	-	-	61.35	22.02	6.62	-	28.64	32.72	39.34
Office Equipments	360.82	54.98	5.47	410.33	205.11	60.99	5.00	261.10	149.22	155.72
Computers	1,404.77	443.46	3.25	1,844.98	986.37	308.57	2.11	1,292.84	552.14	418.37
Leasehold Improvements	330.72	92.83	-	423.55	257.60	40.82	-	298.42	125.13	73.11
<b>Total Tangible Assets</b>	<b>19,182.79</b>	<b>630.82</b>	<b>9.64</b>	<b>19,803.97</b>	<b>2,150.65</b>	<b>822.38</b>	<b>7.81</b>	<b>2,965.23</b>	<b>16,838.74</b>	<b>17,032.14</b>
<b>Previous Year</b>	<b>18,992.33</b>	<b>306.62</b>	<b>116.16</b>	<b>19,182.79</b>	<b>1,668.98</b>	<b>457.54</b>	<b>(24.13)</b>	<b>2,150.65</b>	<b>17,032.14</b>	<b>-</b>

## 10.2 Intangible Assets

₹ (in lacs)

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2015	Additions for the Year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2016	Upto 01.04.2015	For the Year*	Deductions/ Adjustments/ Reclassification for the year*	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Computer Software (Acquired)	649.97	972.34	-	1,622.31	567.62	132.90	-	700.52	921.78	82.35
Copyright License	23.00	5.00	-	28.00	1.31	5.27	-	6.59	21.41	21.69
Investment Management Rights	57.40	-	-	57.40	44.16	12.82	-	56.98	0.41	13.24
Website Development Cost	101.78	2.10	-	103.88	100.80	1.34	-	102.13	1.74	0.99
<b>Total Intangible Assets</b>	<b>832.14</b>	<b>979.44</b>	<b>-</b>	<b>1,811.58</b>	<b>713.89</b>	<b>152.34</b>	<b>-</b>	<b>866.23</b>	<b>945.35</b>	<b>118.27</b>
<b>Previous Year</b>	<b>741.98</b>	<b>90.16</b>	<b>-</b>	<b>832.14</b>	<b>634.76</b>	<b>79.13</b>	<b>-</b>	<b>713.89</b>	<b>118.27</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11 NON-CURRENT INVESTMENTS

	As at 31-Mar-16		As at 31-Mar15	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
<b>Investment in Equity Instruments (Valued at cost unless stated otherwise)</b>				
<b>(Unquoted)(Trade)</b>				
<b>Investments in Associates</b>				
20% Equity shares of ₹ 10 each held in SBI Pension Funds Pvt. Ltd. fully paidup including Goodwill of ₹15.04 lacs	60,00,000	696.56	60,00,000	688.33
<b>Others</b>				
Equity shares of MF Utilities India Pvt Ltd of ₹ 1 each fully paidup	5,00,000	5.00	5,00,000	5.00
<b>I) Quoted Investments</b>				
<b>Investment in Mutual Fund (Valued at cost unless stated otherwise)</b>				
Units of SBI Mutual Fund				
<b>a) SBI Debt Fund Series (SDFS)</b>				
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	50,00,000	500.00
SDFS A - 42 - 1111 Days (Growth) face value of ₹10 per unit	1,00,00,000	1,000.00	1,00,00,000	1,000.00
SDFS A - 44 - 1111 Days (Growth) face value of ₹10 per unit	5,00,000	50.00	5,00,000	50.00
SDFS B - 3 - 1111 Days (Growth) face value of ₹10 per unit	80,00,000	800.00	80,00,000	800.00
SDFS A - 20 - 366 Days (Growth) face value of ₹10 per unit	1,00,00,000	1,000.00	-	-
SDFS A- 25 - 366 Days (Growth) face value of ₹10 per unit	1,00,00,000	1,000.00	-	-
SDFS B -19 - 1100 Days (Growth) face value of ₹10 per unit	1,35,00,000	1,350.00	-	-
SDFS A - 28 - 367 Days (Growth) face value of ₹10 per unit	1,80,00,000	1,800.00	-	-
SDFS A - 27 - 366 Days (Growth) face value of ₹10 per unit	20,00,000	200.00	-	-
SDFS A - 22 - 366 Days (Growth) face value of ₹10 per unit	15,00,000	166.67	-	-
SDFS A - 18 - 366 Days (Growth) face value of ₹10 per unit	40,00,000	400.00	-	-
SDFS A - 19 - 366 Days (Growth) face value of ₹ 10 per unit	67,56,780	677.46	-	-
SDFS A - 1 15 Months (Growth) face value of ₹ 10 per unit	50,00,000	500.00	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-16		As at 31-Mar15	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
<b>b) Other Investments including Mandatory Investments</b>				
SBI Arbitrage Opportunities Fund	43,30,692	600.00	-	-
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	5,00,000	50.00
SBI ETF Nifty face value of ₹10 per unit	5,79,139	500.00	-	-
SBI ETF Nifty next face value of ₹10 per unit	5,10,807	1,000.00	5,874	11.50
SBI ETF Banking face value of ₹ 10 per unit	5,37,450	1,000.00	6,180	11.50
SBI ETF BSE 100 face value of ₹ 86.3097 per unit	20,000	17.26	20,000	17.26
SBI Dynamic Asset Allocation Fund- Growth face value of ₹ 10 per unit	5,00,000	50.00	5,00,000	50.00
SBI GETS - Growth face value of ₹ 100 per unit	2,000	51.87	-	-
SBI Corporate Bond Fund - Direct - Growth face value of ₹ 10 per unit	2,25,951	50.00	-	-
SBI Magnum Gilt Fund ST - Direct - Growth face value of ₹ 10 per unit	1,72,968	50.00	-	-
SBI Treasury Advantage Fund - Direct - Growth face value of ₹ 1000 per unit	3,187	50.00	-	-
SBI Savings Fund - Direct - Growth face value of ₹ 10 per unit	2,26,745	50.00	-	-
SBI STD Fund - Direct - Growth face value of ₹ 10 per unit	3,07,905	50.00	-	-
SHF Ultra STD Fund - Direct - Growth face value of ₹ 1000 per unit	2,764	50.00	-	-
SBI Magnum Insta Cash - Direct - Growth face value of ₹ 10 per unit	1,605	50.00	-	-
SBI PLF - Direct - Growth face value of ₹ 1000 per unit	2,259	50.00	-	-
SBI Magnum MIP - Direct - Growth face value of ₹10 per unit	1,64,029	50.00	-	-
SBI MICF Liq Flt - Direct - Growth face value of ₹ 1000 per unit	2,075	50.00	-	-
SBI Magnum Gilt FundLTG - Direct face value of ₹ 10 per unit	1,63,779	50.00	-	-
Magnum Income Fund - Direct - Growth face value of ₹ 10 per unit	1,46,789	50.00	-	-
SBI Equity Saving Fund face value of ₹ 10 per unit	5,02,523	50.00	-	-
SBI Dynamic Bond Fund - Direct - Growth face value of ₹ 10 per unit	2,87,373	50.00	-	-
SBI Arbitrage Opportunities - Direct - Growth face value of ₹ 10 per unit	2,59,030	50.00	-	-
SBI IT Direct Plan Growth face value of ₹ 10 per unit	1,09,280	50.00	-	-
SBI FMCG - Direct - Growth face value of ₹ 10 per unit	68,823	50.00	-	-
SBI Magnum MidCap - Direct - Growth face value of ₹ 10 per unit	88,147	50.00	-	-
SBI Gold Fund - Direct - Growth face value of ₹ 10 per unit	5,50,527	50.00	-	-
SBI Magnum Multicap Fund - Direct - Growth face value of ₹ 10 per unit	1,55,591	50.00	-	-
SBI Blue Chip Fund - Direct - Growth face value of ₹ 10 per unit	1,78,324	50.00	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31-Mar-16		As at 31-Mar15	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
SBI Magnum Balanced Fund - Direct - Growth face value of ₹ 10 per unit	52,370	50.00	-	-
SBI Pharma Fund - Direct - Growth face value of ₹ 10 per unit	36,831	50.00	-	-
SBI Emerging Businesses Fund- Direct - Growth face value of ₹ 10 per unit	54,853	50.00	-	-
SBI Magnum Equity Fund - Direct - Growth face value of ₹ 10 per unit	67,528	50.00	-	-
SBI Magnum Multiplier Fund- Direct - Growth face value of ₹ 10 per unit	32,993	50.00	-	-
SBI Small & Midcap Fund - Direct - Growth face value of ₹ 10 per unit	1,53,579	46.31	-	-
SBI Contra Fund - Direct - Growth face value of ₹10 per unit	57,582	50.00	-	-
SBI Magnum Global Fund - Direct - Growth face value of ₹ 10 per unit	37,725	50.00	-	-
SBI Magnum TaxGain Scheme - Direct - Growth face value of ₹ 10 per unit	45,066	50.00	-	-
SBI INFRA Fund - Direct - Growth face value of ₹ 10 per unit	4,30,348	50.00	-	-
SBI Magnum COMMA Fund - Direct - Growth face value of ₹ 10 per unit	1,97,293.92	50.00	-	-
SBI PSU Fund - Direct - Growth face value of ₹ 10 per unit	5,29,913.63	50.00	-	-
SBI Magnum Children's Benefit- Direct - Growth face value of ₹ 10 per unit	67,983.57	25.18	-	-
SBI Nifty Index Fund - Direct - Growth face value of ₹ 10 per unit	39,794.51	27.91	-	-
SBI Regular Savings Fund - Direct - Growth face value of ₹ 10 per unit	80,540.25	19.13	-	-
SBI MMIP Floater - Direct - Growth face value of ₹ 10 per unit	45,239.33	9.27	-	-
SBI-ETF NIFTY 50 face value of ₹ 10 per unit	12,741.00	11.00	-	-
SBI SENSEX ETF face value of ₹ 10 per unit	2,000.00	5.57	-	-
<b>II) Un-Quoted Investments</b>				
Mandatory Investment in Alternate Investment Fund	1,300	130.00	-	-
<b>Total</b>		<b>15,289.18</b>		<b>11,078.79</b>
<b>Aggregate amount of quoted investments</b>		<b>14,457.62</b>		<b>10,385.46</b>
<b>Market value /NAV of quoted investments</b>		15,728.57		11,674.01
<b>Aggregate amount of unquoted investments</b>		<b>831.56</b>		<b>693.33</b>
Mandatory investments are as per SEBI regulations				

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 12 LONG TERM LOANS &amp; ADVANCES

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
<b>Secured , Considered good</b>		
Loans to employees against hypothecation of property	65.36	104.43
<b>Unsecured, Considered good unless stated otherwise</b>		
Security deposits	351.39	248.74
Advance for expenses	32.87	14.52
Capital advances	31.93	-
Unamortised upfront brokerage	2,576.22	5,543.95
Income tax (net of provisions)	2,664.09	1,488.36
Prepaid expenses	107.66	76.74
Other advances	1,114.90	358.02
<b>Total</b>	<b>6,944.42</b>	<b>7,834.76</b>

## 13 OTHER NON- CURRENT ASSETS

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
<b>Secured, Considered good unless stated otherwise</b>		
Interest accrued on loans to employees	79.69	82.91
Deposits including interest accrued	922.97	-
<b>Total</b>	<b>1,002.66</b>	<b>82.91</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14 CURRENT INVESTMENTS

	As at 31-Mar-16		As at 31-Mar-15	
	No of units	₹ (in lacs)	No of units	₹ (in lacs)
<b>Investment in Mutual Fund (lower of cost or fair value )</b>				
<b>Quoted Investments (Non-trade) : Units of SBI Mutual Fund</b>				
<b>a) SBI Debt Fund Series (SDFS)</b>				
SDFS 36 months - 5 (Growth) face value of ₹10 per unit	5,00,000	50.00	-	-
SDFS 36 months - 6 (Growth) face value of ₹10 per unit	2,50,000	25.00	-	-
SDFS 366 Days - 36 (Growth) face value of ₹10 per unit	1,50,00,000	1,500.00	-	-
SDFS 366 Days - 39 (Growth) face value of ₹10 per unit	1,50,00,000	1,500.00	-	-
SDFS 366 Days - 51 (Growth) face value of ₹10 per unit	40,00,000	400.00	-	-
SDFS 366 Days - 46 (Growth) face value of ₹10 per unit	50,00,000	500.00	-	-
SDFS 366 Days - 52 (Growth) face value of ₹ 10 per unit	90,00,000	900.00	-	-
SDFS 36 months - 4 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS 366 Days - 44 (Growth) face value of ₹ 10 per unit	1,00,00,000	1,000.00	-	-
SDFS 366 Days - 47 (Growth) face value of ₹10 per unit	1,00,00,000	1,000.00	-	-
SDFS 16 Months -1 (Growth) face value of ₹10 per unit	20,00,000	230.06	-	-
SDFS A - 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	1,00,00,000.00	1,000.00	1,00,00,000	1,000.00
SDFS 18 Months -13 (Growth) face value of ₹ 10 per unit	1,20,00,000.00	1,200.00	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	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 Treasury Advantage Fund Direct (Growth ) ₹ 1000 per unit	2,89,185	4,875.00	-	-
SBI Inflation Indexed Bond Fund (Growth) face value of ₹ 10 per unit	-	-	2,48,000	24.38
<b>b) Other Investments</b>				
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	1,675	2,819.53	-	-
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
<b>Total</b>		<b>18,499.59</b>		<b>14,376.24</b>
<b>Aggregate amount of quoted investments</b>		<b>18,499.59</b>		<b>14,376.24</b>
<b>Market value/NAV of quoted investments</b>		21,021.05		15,234.03

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 15 TRADE RECEIVABLES

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
<b>Unsecured, Considered good unless stated otherwise</b>		
Management fee receivable	1,753.79	1,487.26
Portfolio Management fee receivables	295.54	160.35
Portfolio Advisory fee receivables	252.25	218.58
Outstanding for a period exceeding six months from the date they are due for payment	-	-
<b>Total</b>	<b>2,301.58</b>	<b>1,866.19</b>

## 16 CASH &amp; BANK BALANCES

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	0.15	0.42
Cheques in hand	-	290.83
Balance with banks *		
-in Current accounts	307.20	1,434.79
-in Current accounts - dividend payable	6,000.00	5,500.00
	<b>6,307.35</b>	<b>7,226.04</b>
<b>Other Bank Balances *</b>		
Deposits with original maturity		
- more than 3 months and less than 12 months	700.00	971.83
	<b>700.00</b>	<b>971.83</b>
<b>Total</b>	<b>7,007.35</b>	<b>8,197.87</b>

\*Refer note no. 28 for related party disclosures

## 17 SHORT TERM LOANS &amp; ADVANCES

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
<b>Secured, Considered good</b>		
Loans to employees against hypothecation of property	24.78	32.10
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Security deposits	157.07	95.47
Advance for expenses	130.89	65.64
Loans to employees	13.54	14.37
Balance with statutory/Government authorities	416.44	67.46
Unamortised upfront brokerage	7,523.33	5,405.38
Prepaid expenses	335.50	230.05
Expenses recoverable*	0.50	16.88
Others	897.34	1,192.57
<b>Total</b>	<b>9,499.40</b>	<b>7,119.92</b>

\*Refer note no. 28 for related party disclosures

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18 OTHER CURRENT ASSETS

	As at 31-Mar-2016 ₹ (in lacs)	As at 31-Mar-2015 ₹ (in lacs)
<b>Secured, Considered good</b>		
Interest accrued on loans to employees	8.27	8.86
<b>Unsecured, Considered good (unless stated otherwise)</b>		
Interest accrued on bank fixed deposits*	46.16	34.67
<b>Other Bank Balances **</b>		
Deposit ( Security against bank guarantee)	9.00	8.51
<b>Total</b>	<b>63.43</b>	<b>52.04</b>
*Refer note no. 28 for related party disclosures		
** includes AED 50,000 (₹ 8,99,500) [Previous year AED 50,000 (₹ 8,51,000)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of Branch at Dubai		

## 19 REVENUE FROM OPERATIONS

	For the year Ended 31-Mar-2016 ₹ (in lacs)	For the year Ended 31-Mar-2015 ₹ (in lacs)
Management fee	52,788.16	42,417.59
Portfolio management fee	439.66	352.61
Portfolio advisory fee	943.51	655.62
<b>Total</b>	<b>54,171.33</b>	<b>43,425.82</b>

## 20 OTHER INCOME

	For the year Ended 31-Mar-2016 ₹ (in lacs)	For the year Ended 31-Mar-2015 ₹ (in lacs)
Gains on sale /redemption of current/non-current investments	361.95	1,184.09
Dividend income from current investments	418.39	475.50
Interest		
- bank deposits	127.18	104.08
- staff loans	10.97	15.53
Net gain on sale of assets	0.44	0.03
Net gain on foreign currency transactions and translations	9.11	-
Miscellaneous Income	157.52	70.33
<b>Total</b>	<b>1,085.56</b>	<b>1,849.56</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 21 EMPLOYEE BENEFITS EXPENSES\*

	For the year Ended 31-Mar-2016 ₹ (in lacs)	For the year Ended 31-Mar-2015 ₹ (in lacs)
Salaries and allowances	9,764.91	8,626.17
Contribution to provident and other funds	224.13	653.98
Staff welfare expenses	471.88	427.15
<b>Total</b>	<b>10,460.92</b>	<b>9,707.30</b>

\*Refer note no. 28 for related party disclosures

## 22 DEPRECIATION AND AMORTISATION EXPENSES\*

	For the year Ended 31-Mar-2016 ₹ (in lacs)	For the year Ended 31-Mar-2015 ₹ (in lacs)
Depreciation on Tangible Assets	822.38	457.54
Amortisation of Intangible Assets	152.32	79.14
<b>Total</b>	<b>974.70</b>	<b>536.68</b>

\* Refer note no 29

## 23 OTHER EXPENSES

	For the year Ended 31-Mar-2016 ₹ (in lacs)	For the year Ended 31-Mar-2015 ₹ (in lacs)
Rent	602.81	531.19
Rates and taxes	68.98	113.43
Electricity charges	178.12	165.50
Repairs and maintenance		
- Equipment	239.51	248.69
- Others	271.45	235.02
Insurance	21.32	16.93
Travelling and conveyance	713.90	555.39
Recruitment and training	81.76	39.52
Printing and stationery	151.03	125.86
Postage and courier	87.03	87.31
Communication	427.93	410.02
Scheme expenses	1,534.21	1,259.66
Brokerage	7,842.56	2,166.67
Business promotion	2,702.22	1,934.32
Advertising and publicity	29.84	530.62
Outsource manpower services	956.89	775.59
Legal and professional fees	954.64	475.71

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year Ended 31-Mar-2016 ₹ (in lacs)	For the year Ended 31-Mar-2015 ₹ (in lacs)
Annual and filing fee for schemes	178.52	101.60
Auditor's remuneration:		
-Audit fee	24.15	20.66
-Tax audit fee	2.50	2.00
-Certification fee	5.25	3.05
Directors' sitting fees	14.77	13.47
Royalty to SBI for logo	326.87	311.54
Corporate social responsibility ( refer note no.37)	396.97	-
Net loss on foreign currency transactions and translations	-	1.31
Membership and subscription	535.39	401.91
Miscellaneous expenses	374.43	217.22
<b>TOTAL</b>	<b>18,723.05</b>	<b>10,744.19</b>

## 24 EARNINGS PER SHARE (EPS)

	For the year Ended 31-Mar-2016 ₹ (in lacs)	For the year Ended 31-Mar-2015 ₹ (in lacs)
(a) Nominal Value of an Equity Share (₹)	100	100
(b) Net profit available to Equity Shareholders (₹)	16,488.20	16,343.50
(c) Number of shares outstanding	50,00,000	50,00,000
<b>(d) Basic and Diluted EPS (₹) = (b) / (c)</b>	<b>329.76</b>	<b>326.87</b>

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

Claims against the Company not acknowledged as debts – Investor claims pending in Consumer Courts ₹ 134.92 Lacs (Previous Year ₹ 154.76 Lacs), other disputed payables ₹ 78.45 (Previous year ₹ 78.45 Lacs) and disputed tax liability ₹ 16.44 Lacs- (Previous Year ₹ 90.84 Lacs).

## 26. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 846.20 Lacs (Previous Year ₹565.06 Lacs).

## 27. EMPLOYEE BENEFITS

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

**(27.1) Defined Contribution Plan - Provident Fund & Superannuation Fund**

The Company has recognised the following amounts in the Statement of Profit and Loss, which are included

## NOTES TO THE FINANCIAL STATEMENTS

under Contributions to Provident fund and superannuation Fund:

(₹ in Lacs)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Employer's contribution to Provident Fund & superannuation fund	433.08	434.45

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

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

(₹ in Lacs)

Change in Defined benefit obligations	As at 31.03.2016	As at 31.03.2015
Present value of funded benefit obligations, 1st April	748.27	621.07
Service cost	71.56	62.33
Interest cost	59.86	57.76
Benefits paid	(76.45)	(45.84)
Actuarial (gains)/losses on obligations	(153.46)	52.95
<b>Present value of funded benefit obligations as at 31st March</b>	<b>649.78</b>	<b>748.27</b>

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

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Fair value of plan assets ,as at beginning of the year	671.16	611.89
Expected return on plan assets	53.69	53.23
Actuarial gains/(losses)	(2.49)	(3.78)
Employer contribution	56.65	55.66
Benefits paid	(76.45)	(45.84)
Fair value of plan assets at the year end	702.56	671.16

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

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Present value of obligation	649.78	748.27
Fair value of plan assets	702.56	671.16
Amount recognized in Balance Sheet	52.78	(77.11)

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

(₹ in Lacs)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Current Service Cost	71.56	62.33
Interest Cost	59.86	57.76
Expected return on plan assets	(53.69)	(53.23)
Actuarial (gains) / losses	(150.97)	56.73
<b>Net Cost</b>	<b>(73.23)</b>	<b>123.59</b>

**(27.2.5) Experience Adjustments**

(₹ in Lacs)

Experience Adjustments	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
(Gains) / Losses on Plan Liabilities	(16.06)	(19.40)	(16.13)	23.88	(1.28)
Gains / (Losses) on Plan Assets	(2.49)	(3.78)	1.78	0.79	(3.82)
Estimated Contribution for next year	15.95	204.33	71.51	95.40	110.09

**(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 31.03.2016	For the year ended 31.03.2015
Discount rate	8.06%	8%
Salary escalation rate	2% p.a. for next 4 years and 4% p.a. thereafter	8% p.a. for next 4 years and 5% p.a. thereafter
Expected return on plan assets Indian Assured Lives Mortality (2006-08) ultimate	8.06%	8%

**(27.3) Other Employee Benefits :**

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

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Discount rate	8.06%	8%
Salary escalation rate	2% p.a. for next 4 years and 4% p.a. thereafter	8% p.a. for next 4 years and 5% p.a. thereafter

## NOTES TO THE FINANCIAL STATEMENTS

### 28. RELATED PARTY DISCLOSURE:

**Parties where control exists:**

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

**Other Related parties:-**

Fellow Subsidiaries	<ul style="list-style-type: none"> <li>• SBI Life Insurance Company Limited</li> <li>• SBI General Insurance Limited</li> <li>• State Bank of Patiala</li> <li>• State Bank of Mysore</li> <li>• State Bank of Hyderabad</li> <li>• State Bank of Travancore</li> <li>• State Bank of Bikaner &amp; Jaipur</li> <li>• SBI Mutual Fund Trustee Company Private Limited</li> <li>• SBI-SG Global Securities Services Private Limited</li> <li>• SBICAP Securities Limited</li> <li>• SBI DFHI Limited</li> </ul>
Others	<ul style="list-style-type: none"> <li>• CIM Funds Services limited</li> </ul>
Key Management Personnel	<ul style="list-style-type: none"> <li>• Mr. Dinesh Khara (Managing Director &amp; Chief Executive Officer)</li> <li>• Mr. Philippe Batchevitch (Deputy Chief Executive Officer) upto 30<sup>th</sup> November 2015</li> <li>• Mr. Nicolas Simon (Deputy Chief Executive Officer) from 21<sup>st</sup> October 2015</li> </ul>
Key Management Personnel of SBI Funds Management (International) Private Limited	<ul style="list-style-type: none"> <li>• Mr. Shyam Swaroop Asthana from 5<sup>th</sup> November 2014</li> <li>• Mr. Mohamed Hyder Aboonakar from 15<sup>th</sup> January 2016</li> <li>• Mr. Bashir Nabeebokus upto 15<sup>th</sup> January 2016</li> <li>• Mr. Sahjahan Ally Nauthoo upto 28<sup>th</sup> September 2015</li> <li>• Mr. Deven Coopooosamy upto 7<sup>th</sup> April 2015</li> </ul>
Mutual Fund managed by the company	<ul style="list-style-type: none"> <li>• SBI Mutual Fund</li> </ul>
Enterprise under common control	<ul style="list-style-type: none"> <li>• Amundi Singapore Limited (a wholly owned subsidiary of Amundi)</li> <li>• Amundi Hong Kong Limited (a wholly owned subsidiary of Amundi)</li> <li>• Chattisgarh Gramin Bank</li> <li>• Purvanchal Gramin Bank</li> <li>• Saurashtra Gramin Bank</li> </ul>

**Transactions with related parties:**

(₹ in Lacs)

Particulars	Holding Company	Fellow Subsidiaries	Enterprise under Common control	Mutual Fund Managed by the Company	KMP
Management and other Fees			457.06 [182.16]	52772.70 [42,389.47]	
Other income	67.61 [105.00]				
Dividend received on units				418.39 [475.50]	

## NOTES TO THE FINANCIAL STATEMENTS

Brokerage and Common Cost	2380.87 [3,892.63]	505.48 [453.00]	0.32 [Nil]		
Insurance premium		37.18 [30.66]			
Remuneration					118.33 [90.04]
Interim Dividend payable	3,780.00 [3,465.00]		2,220.00 [2,035.00]		
Reimbursement of salaries deputed employees	277.61 [270.17]	69.29 [45.32]			
Units purchased				61,444.75 [54,379.41]	
Scheme Expenses				817.04 [631.00]	
Recovery of salaries for deputed employees	86.54 [ 76.78 ]				
Units Sold				53,119.24 [55,546.28]	
Administrator and secretary			0.82 [0.81]		
Balance Outstanding Receivable/(Payable)	(11.19) [Nil]	(34.55) [(21.47)]	129.64 [64.11]	638.20 [786.95]	
Balance in Current Accounts	6,181.06 [6,933.50]				
Term Deposit	847.97 [321.83]				

Note:

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

## 29. SEGMENTAL REPORTING:

The segmental reporting disclosure as required by Accounting Standard (AS) – 17 on "Segment Reporting", 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.

## 30. OPERATING LEASE :

(₹ in Lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Lease expense for the year</b>	602.81	531.19
Minimum Lease Payments:		
Not later than one year	637.28	473.48
Later than one year but not later than five years	1560.01	1009.28
Later than five years	574.34	399.21

## NOTES TO THE FINANCIAL STATEMENTS

## 31. PROVISIONS:

In compliance with the Accounting Standard on "Provisions, Contingent Liabilities and Contingent Assets" (AS-29), balance under short term provision amounting to ₹ 871.96 lacs representing provisions towards loyalty programs for business promotion and the movement for the same is as under: -

(₹ in Lacs)

Particulars	2015-16	2014-15
Carrying amount as at the beginning of the year	1131.43	1345.93
Additions during the year	810.00	936.84
Utilised during the year	719.62	757.68
Reversed during the year	349.85	393.66
Carrying amount as at the end of the year	871.96	1131.43

## 32. EXPENDITURE IN FOREIGN CURRENCY:

(₹ in Lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Travelling Expenses	57.84	36.46
Business Promotion and Advertisement	48.09	101.71
Salary	127.31	82.44
Rent and Subscription	165.72	63.56
Professional Fees and others	36.82	29.01

## 33. EARNINGS IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Portfolio Advisory /Management fees	1055.26	753.49

## 34. The year-end foreign currency exposures that have not been hedged by derivative instruments or otherwise are detailed below:

## Cash/Bank Balance:

(inlacs)

Year ended	₹	AED
31 <sup>st</sup> March 2016	10.30	0.58
31 <sup>st</sup> March 2015	9.37	0.51

## Payables:

(in lacs)

Year ended	₹	USD	BHD
31 <sup>st</sup> March 2016	17.96	0.16	0.04
31 <sup>st</sup> March 2015	16.73	0.27	0.00

## Receivables:

(in lacs)

Year ended	₹	USD	AUD	JPY	SGD
31 <sup>st</sup> March 2016	281.40	1.96	0.09	112.67	1.66
31 <sup>st</sup> March 2015	229.71	1.02	0.05	132.99	2.06

**NOTES TO THE FINANCIAL STATEMENTS****35. Dividend remittances to non-resident shareholders:**

Sr.No	Particulars	2015-2016	2014-2015
(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)	2035.00	1850.00
(d)	Year to which dividend relates	2014-15	2013-14

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

The Board of Directors of the company have declared an Interim dividend of ₹ 6000 lacs/- @ ₹ 120/- per share in its meeting held on 21st March, 2016.

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

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

(₹ in Lacs)

		In cash	Yet to be paid in cash	Total
i)	Construction/ acquisition of any asset	Nil	Nil	Nil
ii)	On purposes other than (i) above – midday meals, promoting education and healthcare facilities.	396.97	Nil	396.97

**38. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES**

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

(₹ in Lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
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

## NOTES TO THE FINANCIAL STATEMENTS

the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Nil

Nil

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

No.	Name of Enterprise	Net Assets ( Total Assets minus Total Liabilities)		Share in Profit or Loss	
		As % of Consolidated Net Assets	₹	As % of Consolidated Profit or Loss	₹
<b>I</b>	<b>PARENT</b>				
	SBI Funds Management Private Limited	99.69%	63,091,.04	100.24%	16535.56
<b>II</b>	<b>SUBSIDIARY</b>				
<b>a</b>	<b>FOREIGN</b>				
	SBI Funds Management (International) Private Limited	0.17%	106.38	(0.29%)	(47.36)
<b>III</b>	<b>ASSOCIATE (Investment as per Equity Method)</b>				
<b>b</b>	<b>Indian</b>				
	SBI Pension Funds Private Limited	1.08%	681.52	0.05%	8.23

**40.** 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  
**DIN 2011213**

**Sd/-  
Dinesh Khara**  
Managing Director & CEO  
**DIN 6737041**

**Sd/-  
Thierry Mequillet**  
Director  
**DIN 5118685**

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

Place: Mumbai  
Date : April 25, 2016

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED**

**CORPORATE DATA**

		<b>Date of appointment</b>	<b>Date of resignation</b>
<b>Directors</b>	: Mr. Shyam Swaroop Asthana	05 November 2014	-
	Mr. Mohamed Hyder Aboobakar	15 January 2016	-
	Mr. Bashir Nabeebokus	28 September 2015	15 January 2016
	Mr. Sahjahan Ally Nauthoo	07 April 2015	28 September 2015
	Mr. Deven Coopoosamy	22 October 2013	07 April 2015
<b>Administrator &amp; Secretary</b>	: Cim Fund Services Ltd 33, Edith Cavell Street Port Louis Republic of Mauritius		
<b>Registered office</b>	: C/o Cim Fund Services Ltd 33, Edith Cavell Street Port Louis Republic of Mauritius		
<b>Banker</b>	: SBI (Mauritius) Ltd 7 <sup>th</sup> Floor, SBI Tower Mindspace Bhumi Park, 45, Cybercity Ebene 72201 Republic of Mauritius		
<b>Auditors</b>	: Grant Thornton Ebene Tower 52 Cybercity Ebene 72201 Republic of Mauritius		
<b>Investment advisor</b>	: SBI Funds Management Private Limited 9 <sup>th</sup> 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 2016**

**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 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 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 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. Shyam Swaroop Asthana

Mr. Deven Coopoosamy (resigned on 07 April 2015)

Mr. Sahjahan Ally Nauthoo (resigned on 28 September 2015)

Mr. Bashir Nabeebokus (appointed on 28 September 2015 & resigned on 15 January 2016)

Mr. Mohamed Hyder Aboobakar (appointed on 15 January 2016)

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. Shyam Swaroop Asthana**

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. Over the years, Mr. Asthana has worked in all verticals, namely General Banking, Agri Finance, SME and Corporate Finance, Foreign exchange transaction, Stressed Assets Management & Corporate Debt Restructuring (CDR) Cell through which cases of

### **The Directors' Profile (Continued)**

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) Ltd.

**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 the Republic of 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 the Republic of 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 the Republic of Mauritius. Before leaving Cim Group, Deven also acted 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** (resigned on 28 September 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 11 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 authorised 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.

**Mr. Bashir Nabeebokus** (appointed on 28 September 2015 & resigned on 15 January 2016)

Mr. Nabeebokus is a Fellow of the Association of Chartered and Certified Accountants - UK and hold a B.Sc (Hons) Economics from the University of Mauritius. He is also a member of the Mauritius Institute of Professional Accountants, and Mauritius Institute of Directors, as well as former Panel Member of ACCA Mauritius office. Bashir has been in the global business sector for over 13 years with an enriched exposure in fund/company set up, structuring and administration, company secretarial, accounting, international tax planning, compliance and customer due diligence checks along with a strong client and people relationship management skills among others. Before leaving Cim, he also held directorship in several client companies including investment managers/advisors and collective investment schemes. Bashir spent the last 9 years with International Financial Services Limited prior to joining the Cim Group as Senior Manager in July 2009.

**Mr. Mohamed Hyder Aboobakar** (appointed on 15 January 2016)

Mr. Hyder joined the CEO's office of Cim Group in May 2015 as Manager-Investments. He is responsible for defining the strategic plans and implementing investment and M&A strategy of the group. He also guides the team managing the Investment advisory function in structuring investment solutions and products for the clients of Cim Global business.

A CFA charter holder, FRM holder and a graduate in Economics and Finance, Mr. Hyder brings over 11 years of experience in the Investment and Finance industry. Prior to joining the Cim Group, he was the Investment Manager at TVF Capital Management Ltd, with a corpus of over USD 250m under management. Earlier, he worked at Superfund Asset Management Ltd as trader and led the risk management team.

### **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 an arbitration clause. It is in line with the Mauritius Companies Act 2001.

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED**

**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**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
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 2016:

<b>Directors</b>	<b>Attendance at Board</b>
Mr. Shyam Swaroop Asthana	3/3
Mr Deven Coopoosamy (resigned on 07 April 2015)	0/0
Mr. Sahjahan Ally Nauthoo (resigned on 28 September 2015)	2/2
Mr. Bashir Nabeebokus (appointed on 28 September 2015 & resigned on 15 January 2016)	1/1
Mr. Mohamed Hyder Aboobakar (appointed on 15 January 2016)	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.

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED**

**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2016**

**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 (2015: 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 8 and 9 and the statement of comprehensive income is set out on page 11 of these financial statements.

**Audit fees**

Audit fees payable to Grant Thornton for the year amounted to USD 2,100 (2015: 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 (the "Company") for the year ended 31 March 2016.

**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 72,341 (2015: loss of USD 36,145).

The Directors do not recommend the payment of a dividend for the year under review (2015: 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. They shall ensure that the financial statements are prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

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 until the next Annual Meeting.

**SBI FUNDS MANAGEMENT PRIVATE LIMITED**

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**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 2016.

Sd/-  
For Cim Fund Services Ltd  
Secretary

Date: 13 April 2016

**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 2016, 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 10 to 23 give a true and fair view of the financial position of the Company as at 31 March 2016, 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: 13 April, 2016

Ebene 72201,  
Republic of Mauritius

## SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2016

	Notes	2016 USD	2015 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Available-for-sale financial assets	4	<u>2</u>	<u>2</u>
<b>Current assets</b>			
Receivables and prepayments	5	7,088	6,633
Income tax receivable	8	-	263
Cash and cash equivalents		<u>1,88,593</u>	<u>2,58,537</u>
<b>Total current assets</b>		<u>1,95,681</u>	<u>2,65,433</u>
<b>Total assets</b>		<u>1,95,681</u>	<u>2,65,433</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	6	50,000	50,000
Retained earnings		<u>1,10,563</u>	<u>1,82,904</u>
<b>Total equity</b>		<u>1,60,563</u>	<u>2,32,904</u>
<b>Current liabilities</b>			
Payables and accruals	7	35,120	32,321
Income tax liability	8	-	210
<b>Total liabilities</b>		<u>35,120</u>	<u>32,531</u>
<b>Total equity and liabilities</b>		<u>1,95,683</u>	<u>2,65,435</u>

Approved by the Board of Directors on 13 April 2016 and signed on its behalf by:

**NAME OF DIRECTORS**

Sd/-

**Mr. Mohamed Hyder Aboobakar**

Sd/-

**Mr. Shyam Swaroop Asthana**

The notes on pages 14 to 23 form an integral part of these financial statements.

## SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 USD	2015 USD
<b>INCOME</b>			
Management fee	13 & 14	<b>23,616</b>	45,984
Finance income		<b>1,883</b>	2,805
		<b>25,499</b>	48,789
<b>EXPENSES</b>			
Expenses incurred on behalf of investee companies	10	<b>67,862</b>	55,013
Trail commission fees		<b>7,546</b>	9,347
Professional fees		<b>5,204</b>	4,200
Licence fees and annual registration fees		<b>4,060</b>	4,060
Bank charges		<b>2,410</b>	2,650
Audit fees		<b>2,900</b>	2,300
Secretarial fees		<b>1,500</b>	1,500
Accounting fees		<b>1,500</b>	1,500
Administration fees		<b>1,500</b>	1,500
Director's fees		<b>1,250</b>	1,254
Other expenses		<b>2,108</b>	413
Legal fees		-	500
TRC service fee		-	200
		<b>97,840</b>	84,437
<b>LOSS BEFORE TAX</b>			
Tax expense	8	<b>(72,341)</b>	(35,648)
		-	(497)
<b>LOSS FOR THE YEAR</b>			
		<b>(72,341)</b>	(36,145)
<b>OTHER COMPREHENSIVE INCOME:</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>			
		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>			
		<b>(72,341)</b>	(36,145)

The notes on pages 14 to 23 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 2016**

	Stated capital USD	Retained earnings USD	Total USD
At 01 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>
At 1 April 2015	<u>50,000</u>	<u>1,82,904</u>	<u>2,32,904</u>
Loss for the year	-	(72,341)	(72,341)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	<u>-</u>	<u>(72,341)</u>	<u>(72,341)</u>
At 31 March 2016	<u>50,000</u>	<u>1,10,563</u>	<u>1,60,563</u>

The notes on pages 14 to 23 form an integral part of these financial statements.

## SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 USD	2015 USD
<b>Operating activities</b>			
Loss before tax		(72,341)	(35,648)
<i>Adjustment for:</i>			
Finance income		(1,883)	(2,805)
<b>Operating loss before working capital changes</b>		<b>(74,224)</b>	<b>(38,453)</b>
<i>Changes in working capital:</i>			
Change in receivables and prepayments		(192)	(1,799)
Change in payables and accruals		2,799	(18,284)
<b>Net cash used in operations</b>		<b>(71,617)</b>	<b>(58,536)</b>
Income tax paid	8	(210)	(342)
Finance income received		1,883	2,805
<b>Net cash flows used in operating activities</b>		<b>(69,944)</b>	<b>(56,073)</b>
<b>Net change in cash and cash equivalents</b>			
		<b>(69,944)</b>	<b>(56,073)</b>
Cash and cash equivalents, beginning of year		2,58,537	3,14,610
<b>Cash and cash equivalents, end of year</b>		<b>1,88,593</b>	<b>2,58,537</b>
<b>Cash and cash equivalents consist of :</b>			
Cash at bank in USD		1,88,593	2,58,537

The notes on pages 14 to 23 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 2016**

**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 with liability 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 2015**

In the current year, the Company has applied the following new and revised standards issued by the International Accounting Standards Board ("IASB") that are mandatory for the first time for the financial year beginning on 01 April 2015:

IAS 19	Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
Various	Annual Improvements to IFRSs 2010-2012 cycle and 2011-2013 cycle

The directors have assessed the impact of these revised standards and amendments and concluded that only IAS 24, Related Party Disclosures as defined in Annual Improvements to IFRSs 2010-2012 cycle has an impact on the disclosure of 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 but are 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 year beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations is provided below.

IFRS 16	Leases
IFRS 9	Financial Instruments (2014)
IFRS 15	Revenue from Contracts with Customers
IFRS for SMEs	Amendments to the International Financial Reporting Standard for Small and Medium Sized Entities
IAS 1	Disclosure Initiative (Amendments to IAS 1 Presentation of Financial Statements)
IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception (Amendments IFRS 12 to IFRS 10, IFRS 12 and IAS 28)
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IAS 27	Equity Method in Separate Financial Statements (Amendments to IAS 27)
IAS 16 and IAS 41	Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

IFRS 14	Regulatory Deferral Accounts
Various	Annual Improvements to IFRSs 2012-2014 Cycle

**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 translation**

**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

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

**(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 2016**

**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 2016**

**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 2016**

**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

*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 directors 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; and
- 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 meet the above criteria and therefore does not have control over the investee companies.

**Estimation uncertainty**

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**

	<b>2016</b>	2015
	<b>USD</b>	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><b>2</b></u>	<u><b>2</b></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 and 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 companies.

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**5. RECEIVABLES AND PREPAYMENTS**

	<b>2016</b>	2015
	<b>USD</b>	USD
Management fees receivable	<u>5,918</u>	3,882
Prepayments	<b>1,170</b>	1,570
Interest receivable	-	1,181
	<u><b>7,088</b></u>	<u>6,633</u>

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

**6. STATED CAPITAL**

	<b>2016</b>	2015
	<b>USD</b>	USD
<b><i>Issued and fully paid up</i></b>		
50,000 Ordinary shares of USD 1 each	<u><b>50,000</b></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**

	<b>2016</b>	2015
	<b>USD</b>	USD
Trail commission fees payable (Note (i))	<u>28,570</u>	27,572
Accruals	<b>4,812</b>	4,749
Other payables (Note (ii))	<b>1,738</b>	-
	<u><b>35,120</b></u>	<u>32,321</u>

(i) Trail commission fees payable 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.

(ii) The amount due to a related party is secured, interest free and repayable on demand.

**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 the reporting date, the Company had no tax liability (2015: USD 210).

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**
**(a) Statement of comprehensive income**

	<b>2016</b>	2015
	<b>USD</b>	USD
Mauritian income tax, based on profit for the year as adjusted for tax purposes	-	497

**(b) Statement of financial position**

	<b>2016</b>	2015
	<b>USD</b>	USD
<i>Income tax receivable</i>		
31 March	-	263
<i>Income tax liability</i>	<b>USD</b>	USD
At 01 April	<b>210</b>	55
Charge for the year	-	497
Paid during the year	<b>(210)</b>	(342)
At 31 March	-	210

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

	<b>2016</b>	2015
	<b>USD</b>	USD
Loss before tax	<b>(72,341)</b>	(35,648)
Tax at 15%	<b>(10,851)</b>	(5,347)
Non-allowable expenses	-	-
Income not subject to tax	<b>(282)</b>	(421)
Expenses paid on behalf of investee companies	<b>10,261</b>	8,252
	<b>(872)</b>	2,484
Deferred tax asset not recognised	<b>872</b>	-
Foreign tax credit	-	(1,987)
<b>Tax charge</b>	-	497

**9. FINANCIAL INSTRUMENT RISK****Risk management objectives and policies**

The Company's activities expose it to a variety of financial risks: market 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.

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

The Company's financial assets and financial liabilities by category are summarised below:

	<b>2016</b>	2015
	<b>USD</b>	USD
<b>(i) Financial Assets</b>		
<b>Non-current</b>		
<i>Available for sale financial assets:</i>		
Investments in unquoted companies	<b>2</b>	2
<b>Current</b>		
<i>Loans and receivables:</i>		
Other receivables	<b>5,918</b>	5,063
Cash and cash equivalents		2,58,537
	<b>1,88,593</b>	
	<b>1,94,511</b>	2,63,600
Total	<b>1,94,513</b>	2,63,602
<b>(ii) Financial Liabilities</b>		
<b>Current</b>		
<i>Financial liabilities measured at amortised cost:</i>		
Payables and accruals	<b>33,393</b>	32,321

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 and interest rate 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's exposure to interest rate risk is limited due to fluctuations in the prevailing levels of market interest rates.

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**
**9. FINANCIAL INSTRUMENT RISK (CONTINUED)****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:

	<b>2016</b>	2015
	<b>USD</b>	USD
<b>Non- current</b>		
Available-for-sale financial assets	<u>2</u>	<u>2</u>
<b>Current</b>		
Other receivables	<b>5,918</b>	5,063
Cash and cash equivalents	<b>1,88,593</b>	2,58,537
	<b>1,94,511</b>	2,63,600
<b>Total</b>	<b>1,94,513</b>	2,63,602

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.

None of the Company's financial assets are secured by collateral or other credit enhancements.

**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:

	<b>Carrying amount</b>	<b>Less than 1 year</b>
	<b>USD</b>	<b>USD</b>
<b>31 March 2016</b>		
Payables and accruals	<u>35,120</u>	<u>35,120</u>
<b>31 March 2015</b>		
Payables and accruals	<u>32,321</u>	<u>32,321</u>

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**10. EXPENSES INCURRED ON BEHALF OF INVESTEE COMPANIES**

The Company has made payments 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:

	<b>2016</b>	2015
	<b>USD</b>	USD
Payments effected for SBI India Access Fixed Tenure Fund	<u>23,790</u>	<u>27,009</u>
Payments effected for SBI India Opportunities Fund	<u>44,072</u>	<u>28,004</u>
<b>Total</b>	<b><u>67,862</u></b>	<b><u>55,013</u></b>

**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 2015 and 2016, the Company was not geared as it did not have any form of external borrowings.

**12. FAIR VALUE MEASUREMENT***Fair value measurement of financial instruments and non-financial liabilities*

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 and non-financial liabilities consist of prepayments, income tax receivable and 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 2016, the Company transacted with related parties. The nature, volume and type of transactions with the related parties were as follows:

## SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**Directors' fees and expenses**

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

Name of companies	Relationship	Nature of transaction	Amount transacted	Debit balances at 31 March 2016	Balances at 31 March 2014
			USD	USD	USD
SBI Resurgent India Opportunities Fund	Investment Manager	Investment management fee	<u>23,616</u>	<u>5,918</u>	<u>3,882</u>
SBI India Access Fixed Tenure Debt Fund	Investee company	Expenses paid on behalf of investee company	<u>23,790</u>	<u>-</u>	<u>-</u>
SBI India Opportunities Fund	Investee company	Expenses paid on behalf of investee company	<u>44,072</u>	<u>-</u>	<u>-</u>
Cim Fund Services Ltd	Administrator and Secretary	Directors fees	<u>1,250</u>	<u>(313)</u>	<u>(311)</u>
SBI Resurgent India Opportunities Fund	Investment Manager	Expenses paid on behalf of investment manager	<u>1,738</u>	<u>(1,738)</u>	<u>-</u>

**14. MANAGEMENT FEES**

The Company was previously receiving a management fee from SBI Resurgent India Opportunities Fund at the maximum rate of 1.5% per annum of the daily net assets under the retail plan of both USD Class and EUR Class and 0.75% per annum of the daily net assets under the institutional plan of both USD Class and EUR Class. The following changes were made for the retail and institutional plan:

- (i) Effective as from 1 April 2015, the management fee rate for retail and institutional plan of both USD classes and EUR classes was changed to 1.15% and 0.55% respectively;
- (ii) Effective as from 25 August 2015, the management fee rate for retail and institutional plan of both USD classes and EUR classes was changed to 1.20% and 0.20% respectively; and
- (iii) Effective as from 26 October 2015, the management fee rate for retail and institutional plan of both USD classes and EUR classes was changed to 1.40% and 0.40% respectively.

As at 31 March 2016, investment management fees receivable were USD 5, 918 (31 March 2015: USD 3, 882).

**SBI FUNDS MANAGEMENT (INTERNATIONAL) PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**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 2016.



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read all scheme related documents carefully.**

# SBI Funds Management Private Limited

Top Management Team  
(As on June 30, 2016)



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



**Mr. Nicolas Simon**  
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. L. Pattabhiraman**  
Executive Director &  
Chief Operating Officer



**Registered Office Address:**

**SBI Funds Management Private Limited**

(A Joint Venture between SBI & AMUNDI),

(CIN: U65990MH1992PTC065289),

9th Floor, Crescenzo, C-38 & 39, G-Block,

Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

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