

## DIRECTORS' REPORT

To  
The Members

The Directors of SBI Funds Management Ltd ('SBIFM' / the 'Company') are pleased to present the 32<sup>nd</sup> Annual Report along with the audited accounts for the year ended March 31, 2024.

### 1. Financial Highlights

The financial performance of the Company on both standalone and consolidated basis for the financial year ending March 31, 2024 is summarized as under:

(₹ in lakh)

Particulars	Standalone		Consolidated	
	Reporting Year 2023-24	Previous Year 2022-23	Reporting Year 2023-24	Previous Year 2022-23
Total Income	3,42,517	2,41,186	3,42,608	2,41,257
Profit before tax	2,67,603	1,77,289	267,362	1,77,087
Add: Net share of profit from associates	-	-	1,248	1,070
Less: Provision for tax	61,308	44,169	61,332	44,185
Profit for the period	206,295	1,33,120	207,278	1,33,972

### 2. Dividend:

The Board of Directors of the Company declared on 20<sup>th</sup> March 2024, an interim dividend of ₹ 4 per equity share of Face Value of ₹ 1 each for the year ended 31<sup>st</sup> March 2024 (as compared to ₹ 3.5 per equity share in the previous year).

### 3. Transfer to General Reserves:

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

### 4. Capital Structure

During the current year, 26,15,829 number of shares with Face Value of ₹ 1 each were allotted to the employees on account of exercising their vested options under Employees Stock Options Scheme of the Company. The total paid up value of equity shares (Face Value ₹ 1 each) outstanding as on 31<sup>st</sup> March 2024 was ₹ 5,063.40 Lakh (₹ 5,037.24 Lakh as on 31<sup>st</sup> March 2023). The net worth of the Company has increased to ₹ 6,75,690 lakh on a standalone basis as at the end of March 31, 2024 from ₹ 4,76,846 lakh as at the end of previous year.

### 5. Review of Subsidiaries and Associate:

#### 5.1. Subsidiaries:

- 5.1.1. The Company has a wholly owned subsidiary, namely SBI Funds Management (International) Private Limited incorporated in Mauritius which provides investment management services to the offshore funds namely, SBI Resurgent India Opportunities Fund (SBI RIOF) and SBI India



Opportunities Fund (SBI IOF). In accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of the subsidiary is appended as Part A of Annexure-I hereto. During the year, SBI Funds Management (International) Private Limited declared and paid a dividend amounting to ₹ 415.33 Lakh (USD 500,000) as against ₹ 547.96 Lakh (USD 665,000) in the previous year. The Annual Report of SBI Funds Management (International) Private Limited is available on our website [www.sbimf.com](http://www.sbimf.com)

- 5.1.2. The Company has incorporated a wholly owned subsidiary namely, SBI Funds International (IFSC) Limited on February 07, 2024 in GIFT City - Gandhinagar. As on March 31, 2024, the license approval from International Financial Services Centres Authority (IFSCA) for doing business as 'Fund Management Entity - Retail' (FME-Retail) is in process. Subsequent to the approval, the capital will be infused in the subsidiary and will be considered as group subsidiary in Consolidated Financial Statements.

## 5.2. Associate Company:

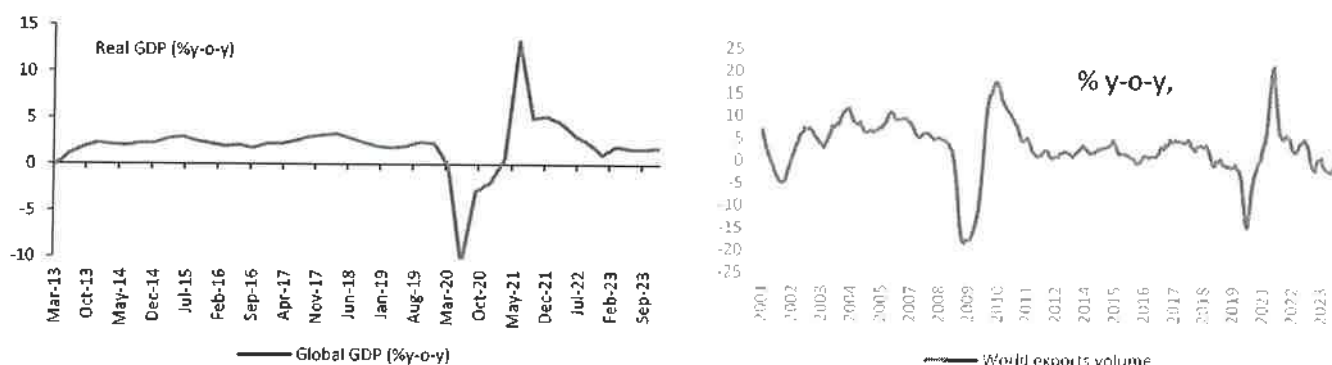
The Company holds 20% stake in SBI Pension Funds Private Limited which has been appointed as a Pension Fund Manager by the Pension Fund Regulatory and Development Authority of India (PFRDA) to manage pension funds for the government sector and the private sector employees in accordance with the applicable provisions of the Investment Management Agreement for the New Pension Scheme, the guidelines / notifications issued by the PFRDA, the Ministry of Finance and the Government of India from time to time. A statement containing the salient features of the financial statements of the Associate is appended as Part-B of Annexure I.

## 6. Market Environment 2023-24

### 6.1. Global Macro

On the backdrops of synchronised rate hikes, elevated inflation and tightening liquidity, financial year 2023-24 started with concerns of global growth slowdown. Significant policy loosening was also being priced in most developed global markets with the FED expected to cut more than 100bps on account of concerns around growth and financial stability following the crisis at the small / regional banks.

Macro outcomes during the fiscal year have evolved contrary to consensus with economic growth remaining resilient even as inflation recedes gradually towards the policy target. Global trade cycle appears to have bottomed and volumes growth is positive since December 2023.

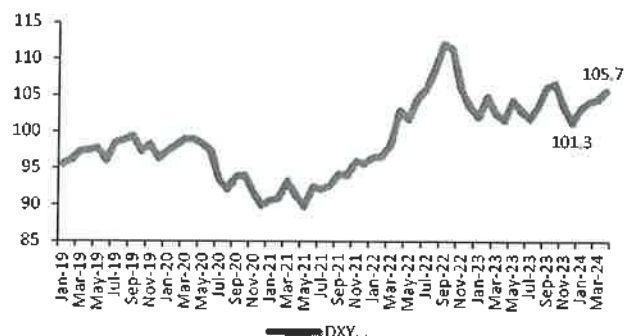
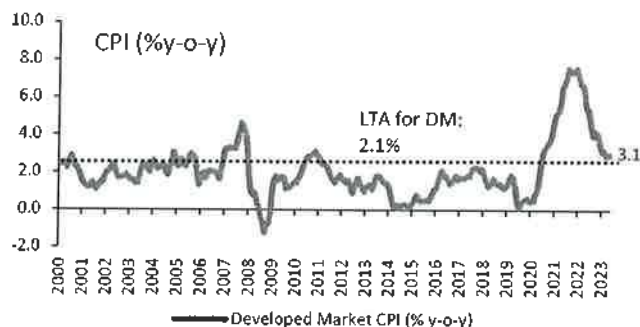


Source: Bloomberg, SBIMF Research

While growth is just humming along decently for now- neither overtly robust nor materially weak, inflation has bottomed out and is plateauing at the current levels in the developed world. Between



October-December 2023, disinflation thesis had a stronger hold. Consequently, bond yields rallied, DXY weakened, and energy and precious metals were down. Starting 2024, inflation has been higher than expectations and market has been readjusting to the thesis of continued challenges in inflation. Hence bond prices have corrected, and commodities have gained.



Source: CEIC; Bloomberg; SBIFM Research

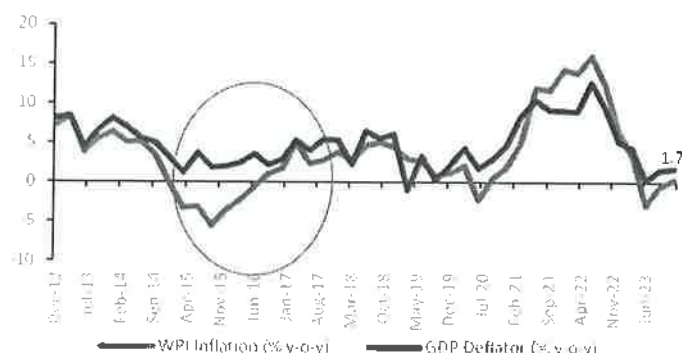
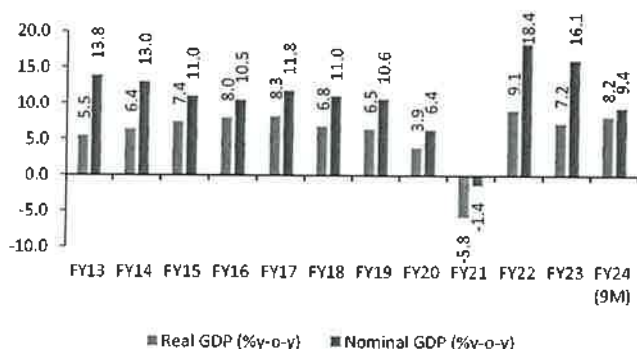
Studying the inflation data today, Inflation may not go back up to 7-8% in the developed markets but could get stuck on a plateau of 3-4% for a foreseeable future. The last mile in the disinflation journey remains quite the challenge in the coming months. And in such an environment- the thesis of higher for longer goes on and so does the need to hedge against inflation.

## 6.2. Indian Macro

The global macro backdrop in 2023 was less hostile for India than thought out at the start of the financial year. Global growth is better than envisaged at the start of 2023. Decline in India's exports wasn't as sharp as feared. Commodity costs were contained (along expected lines), thereby improving India's terms of trade. Tighter monetary conditions did not spill as much into India as manifested in narrowing bonds spreads (vis-à-vis the US) and surge in FII inflow.

India's nominal growth moderated sharply to 9.4% in 9M FY24 vs. 14.5% in FY23 and 18.9% in FY22.

Real GDP grew by 8.2% in 9M FY24, driven more by investment than consumption on demand side, and by a stronger growth in manufacturing over services. There is a risk that reported GDP prints could plausibly be a bit exaggerated as India practices single deflation method which can exaggerate growth in times of falling commodity costs (read WPI) instead of double deflation practiced in many other countries. Additionally, there were low base effects, coming from the pandemic period, which led to high GDP numbers in 1H but will likely dissipate in 2H and lead to growth prints closer to the 6%- 6.5% handle.

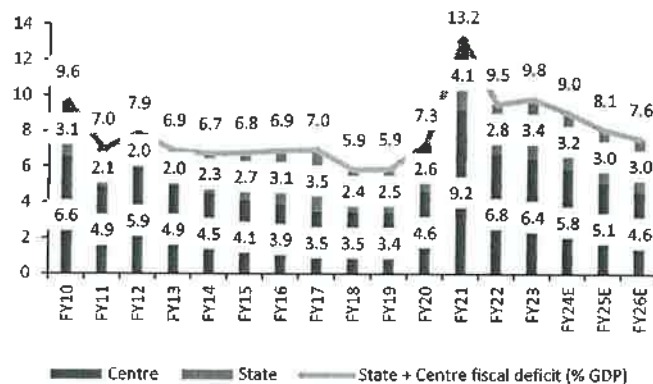
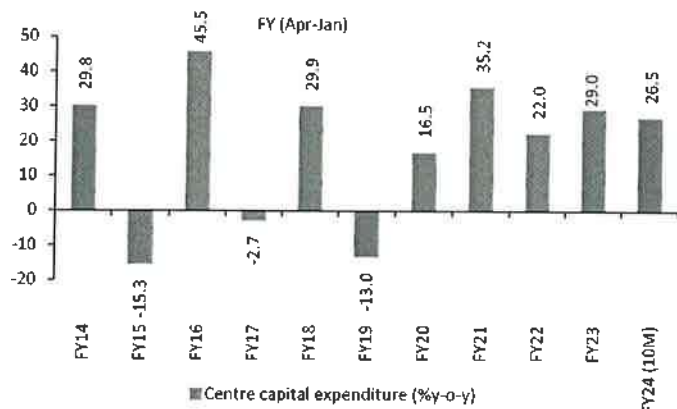


Source: CMIE Economic Outlook, SBIMF Research

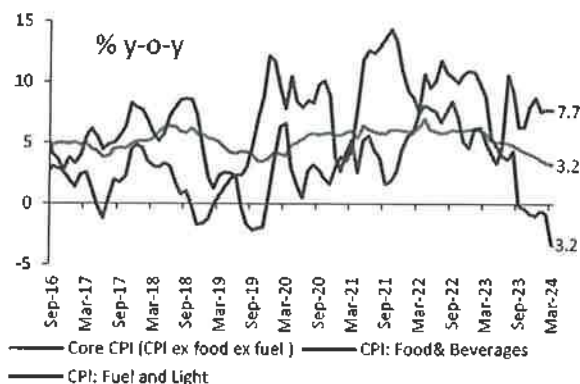
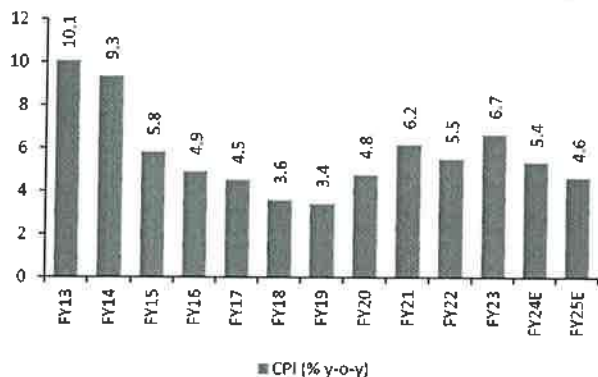


Statistical nuances aside, a strong bank credit growth, GST collection, electricity generation, cement and steel production are an indication that supply side economy is good. Government infrastructure thrust coupled with ongoing manufacturing sector and real estate recovery in India kept supply side of the economy robust. Looking ahead, if the general perception of a 'modest' slowdown in developed countries holds true, India's real growth could be a respectable 6.5% in FY25.

Despite the sharp moderation in nominal growth (9.4% in 9M FY24), overall tax buoyancy stayed healthy helping the central government to largely execute its ambitious capex. In FY24, tax and dividend flows have been supportive for the centre to achieve its consolidation target alongside catering to pre-election welfare spending needs, without compromising on its lofty capex goals. However, we do suspect government capex growth can moderate now given the strong commitments to fiscal consolidation and limited ability to rev-up tax buoyancy any further.



On inflation front, The RBI is currently confronting several cross currents. Core inflation is at a multi-year low aided by contained commodity costs and weak consumption demand. Yet, food inflation has been notoriously painful. And the central bank appears justifiably uncomfortable at the pace of unsecured lending by banks and NBFCs, such that financial stability is also a consideration. We expect that the RBI will continue to use rates and liquidity to manage growth-inflation dynamics while using macroprudential measures to slow down credit growth.



Source: CMIE Economic Outlook, SBIMF Research

As a base case, assuming favourable weather conditions, food inflation could ease to 5.5-6% in FY24. However, if 2024 is a second year of weather disruptions, it could lead inflation to be in 6.5-7% handle. As a base case, we expect CPI inflation to glide towards 4% through 2023. Weather and crude are the biggest risks to our assumption.

If the current expectations of a softening of headline CPI closer to 4% materialize we could probably see a shift in stance towards neutral with tolerance of additional system liquidity towards the second half of CY24. Expectations around policy easing in India need to be tempered currently, even as the FED embarks on a rate easing cycle sometime in CY24.



On external account front the backdrop looks benign in FY25. We pencil FY25 CAD at 1.5% of GDP (US\$ 60bn) vs. a likely 1.2% of GDP in FY24 (US\$ 45bn). Manufacturing sector recovery is keeping non-oil non gold import elevated. Though, a benign global commodity environment should keep a lid on oil bills for India. Strong services sector surplus keeps current account dynamics extremely manageable based on current trends.

Overall, an expectation of supported growth alongside disinflation in FY25 rests on two critical assumptions of contained commodity costs and soft landing. Domestically, political stability implying policy continuity is also a critical underlying assumption underlying a healthy macro-outlook for India in FY25. India's balance sheets are healthy and ready for growth but remains susceptible to global growth inflation dynamics and consequent monetary and liquidity trajectory.

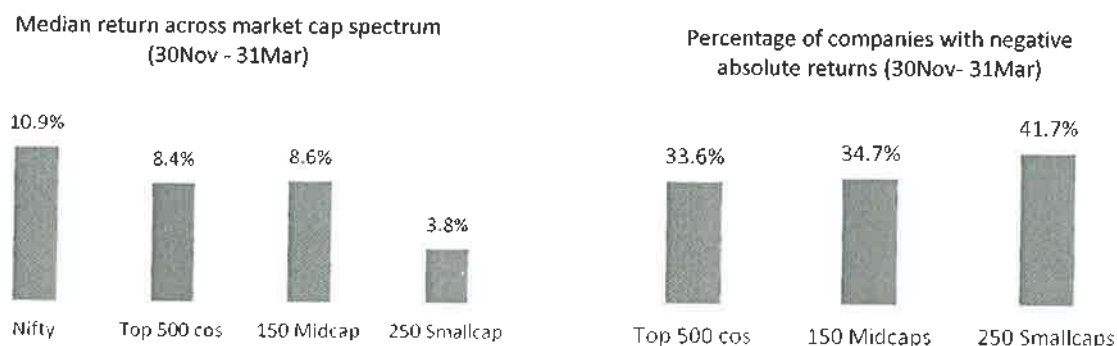
### 6.3. Outlook:

#### 6.3.1. Equity

Indian equities had a good outing in the just concluded financial year FY23-24 with strong broad-based gains. Yet the year was a tale of two halves - while the first half saw broader markets faring much better than the frontline indexes, Nifty and the Sensex, the large cap indexes fared much better in the latter part of the year. Especially, since the end of November 2023, coinciding with the election results announcement of four major states in early December, Nifty has seen a sharp surge with nearly 11% returns in the four months till March 2024. Broader markets, however, have not kept pace during this period and have significantly trailed the index. The Nifty and the 'markets' diverged quite a bit as a result.

The median return of the top 250 small cap companies by market cap was just 3.8% in the four-month period from Dec 2023 to Mar 2024 versus Nifty's 10.9% rise. Further, about 34% of the top 500 companies and 42% of the top 250 small cap companies have given negative absolute returns during this period.

Breadth in the recent past has been weak especially down the market cap curve



Source: Bloomberg, SBIFM Research

\*Returns for the 4-month period from 30th November 2023 to 31st March 2024

\*\* Mid cap and small cap companies are the subsequent 150 and 250 companies beyond the top100 large caps respectively

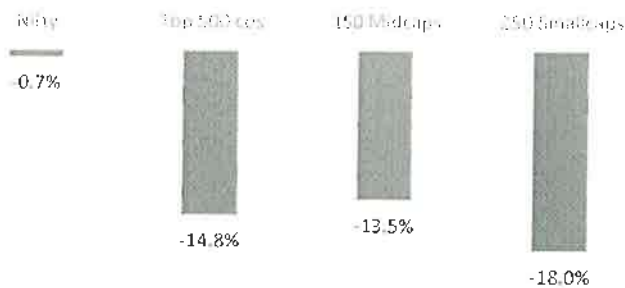
\*\*\* Nifty return data is for the index while other return numbers are medians for the respective universes

The deterioration in breadth ultimately culminated in the Nifty Midcap150 and the Nifty Smallcap250 indices peaking in early Feb and subsequently correcting 8% and 14% respectively. The median drop in share prices from their 52-week highs till end March is 15% for the top 500 companies and 18% for small cap companies.



Recent correction has been more pronounced down the market cap curve

Median price fall from 52Wk high till end Mar



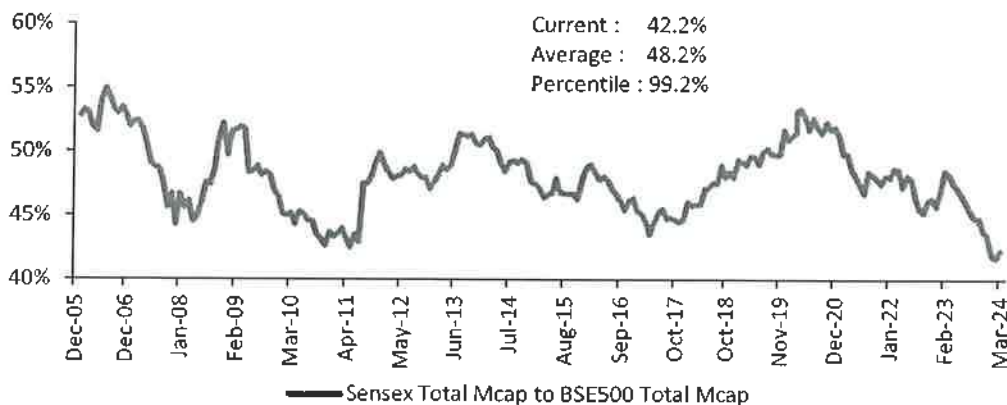
Source: Bloomberg, SBIFM Research

\*Returns for the 4-month period from 30th November 2023 to 31st March 2024

\*\* Mid cap and small cap companies are the subsequent 150 and 250 companies beyond the top100 large caps respectively

A combination of factors may have contributed to this disconnect between the Nifty and the 'market' like: a) relative valuations of large caps becoming attractive after the sharp rally in small and mid-cap companies over the last year, b) the regulator's increasing concern over potential overheating in mid and small caps, c) resumption of Foreign Portfolio Investors' (FII) inflows into equity markets post state election results (over US\$ 8bn FPI inflows in the last 4 months) which are largely large cap focused.

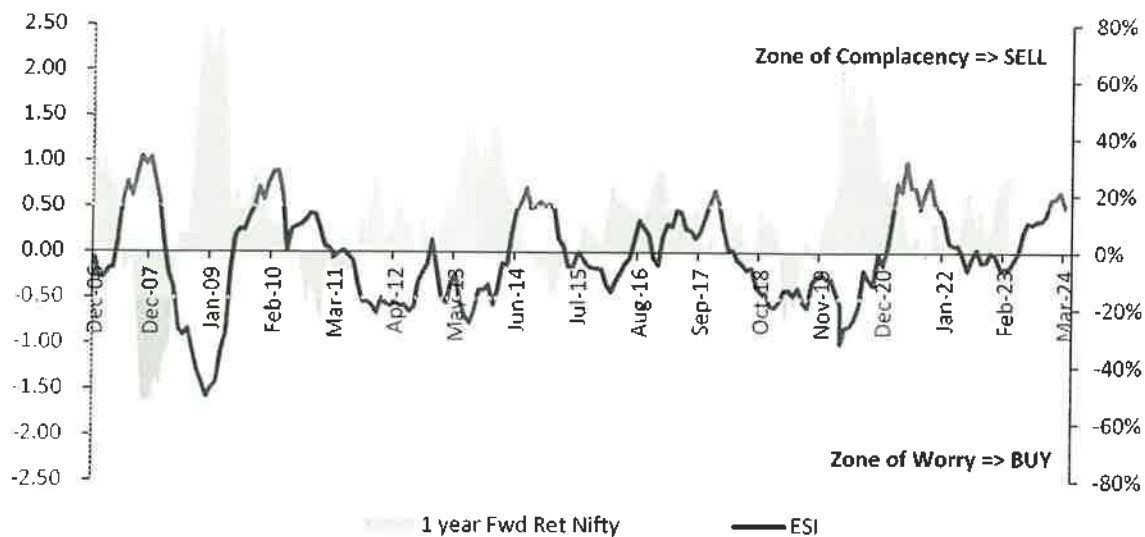
Sensex Market Cap to BSE500 Market Cap: Headline valuations favour large caps



Source: Bloomberg, SBIFM Research

In summary, there is a lot of turbulence beneath the surface which is masked by the strong performance of the benchmark indices. The flip side however is that we have already seen a round of indiscriminate panic selling in mid- and small caps. While the turbulence may yet continue for similar reasons, we think increasingly the market will become more discerning and reward companies which have strong business models, long-term earnings growth visibility and sustainable cashflows across the market cap spectrum. Especially, at a time when the overall market sentiment continues to suggest complacency (discussed below), staying bottom-up and sticking to quality and sustainable growth should work.

Equity sentiment index suggests heightened complacency



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

Our equity sentiment measure has dipped slightly during the month, however, remaining high, reflecting complacency in the markets. Equity Sentiment as measured through our proprietary framework is a score considering a total of 14 sub factors covering various aspects of markets to arrive at a measure of market sentiment. The sentiment index works as a contrarian measure and has an inverse correlation to expected forward returns, especially at extremes.

### 6.3.2. Fixed Income

The second half of the year was highlighted by the much anticipated but nonetheless surprisingly early pivot announced by Fed chair Powell in its December policy which gave a boost to asset markets worldwide and provided a global tailwind to all Indian markets including the INR. This backdrop helped cool yields along with a favourable boost to Indian markets post state elections in December. However fixed Income market direction in India clearly broke from the interlinkages with US Treasury yields over the recent quarter.

While expectations on earlier and faster cuts from the FED has faded away resulting in treasury yields retracing higher, domestic factors have resulted in Indian rates staying supported with a significant flattening of the curve. The RBI policy in February reiterated the stance of withdrawal of accommodation. Interestingly the stance has been delinked from liquidity conditions and emphasized in terms of the policy interest rate and the variation of inflation with respect to the policy target of 4%. RBI forex balance build up upwards of 625 billion USD was also a highlight for the period.

Beyond policy easing expectations, sound macro fundamentals as well as well-matched demand- supply equation has supported the move lower in long term yields. This despite the initial trepidation in the markets around a larger than anticipated SDL borrowing for the quarter upwards of 4.13 trillion. Incidentally despite nearly borrowing the entire amount states managed to do so with tighter spreads over the sovereign showing strong investor appetite and some fine judgement in timing of the same. CPI inflation both headline as well as core on a sustained softening trend also builds the narrative of robust domestic macros.

Recent RBI actions on liquidity (Including a 5 billion USD swap maturity), helped by increased government spending have contributed to a gradual easing in the effective overnight rates from the upper MSF ceiling of 6.75% towards the repo rate of 6.5%. As headline CPI has moved lower to 5%+ from 6% over the last quarter the effective policy tightening that has been in place since Aug 23 has

been gradually loosened. This trend of a vigilant RBI along with capital flows both in equities and debt could help anchor overnight rates close to RBI's policy rate for the foreseeable future.

With the announced market borrowings for FY25 being lower than market estimates and the continuing strong demand witnessed in recent past, the near-term outlook remains non disruptive from a market perspective. The shape of the curve will be affected by the internals of the borrowing calendar of both centre and states along with global factors like the USD & Brent affecting Indian bonds and rates. Markets are entering the new fiscal with an air of confidence with most participants constructive on rates. However, a regulatory change in accounting policies could alter behavior of banks who are typically the swing investors in Indian fixed income. Any trend of them paring SLR holdings to fuel the unrelenting credit growth in the economy pose a risk to the otherwise favorable environment for Indian bonds. The much-anticipated index flows should start from June even as the higher US treasury yields and the rate backdrop should temper active EM bond allocations.

Money market assets continue to provide adequate value and inflation adjusted carry for short holding period investments. The appeal of the same further strengthened as liquidity and seasonality ensured attractive entry levels over the latter part of the quarter. Within asset classes, sovereign / SDL provide higher relative value over high grade bonds as spreads remain tight, especially at the longer end of the curve. We also believe sovereign floaters along with other SLR spread assets are a tactical play and remain willing to increase duration across schemes on an opportunistic basis. For the non SLR part of the portfolio a core position in the 1-3Y high grade space provides excellent risk adjusted return opportunity owing to lower volatility and a possibly more benign liquidity environment next fiscal.

## 7. THE YEAR THAT WAS

The Indian Mutual Fund (MF) Industry witnessed a decent annual growth of 33.51%\* in the Quarterly AAUM (Average Assets Under Management) during the year on the back of net inflows of assets.

Particulars (MF Industry)	Reporting Year 2023-24	Previous Year 2022-23
Total Assets mobilized (₹ in Crore)	1,14,28,216	1,05,07,356
Total Redemptions/ Repurchases (₹ in Crore)	1,10,93,514	1,04,31,131
Net Inflows (₹ in Crore)	3,54,702	76,225
Quarterly (Q4) Average AUM * (₹ in Crore)	54,13,172	40,51,147
Monthly SIP Value (₹ in Crore)	22,188	17,511
Live SIPs (number in Crores)	7.51	5.91
Fresh SIPs during the year (number in Crores)	3.72	2.31

\*Source-AMFI

## 8. MUTUAL FUND INDUSTRY – REGULATORY DEVELOPMENTS

- ❖ SEBI has allowed payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. Further, all redemption proceeds shall be credited only in the verified bank account of the minor.
- ❖ SEBI introduced a framework for Execution Only Platforms (EOP) for transacting in direct plans of Schemes of Mutual Funds. An EOP is a digital or online platform which facilitates transactions such as subscription, redemption and switch transactions in direct plans of schemes of mutual funds.





- ❖ SEBI amended various aspects, including definitions, sponsor requirements, disassociation of sponsors, trustee responsibilities, private equity fund or a pooled investment vehicle or a pooled investment fund as Sponsor, due diligence that has to be exercised by the Board of Directors of AMC, Joint meeting of Boards of AMC & Trustee company etc
- ❖ The new regulations also specified for constitution of Unitholder Protection Committee, obligation of AMC for listing of mutual fund units, other amendments relating to investment in environmental, social and governance (ESG) schemes, and participation in the Corporate Debt Market Development Fund.
- ❖ SEBI advised Trustees to review system checks periodically to prevent fraudulent transactions including front running by employees, splitting/ mis-selling by distributors etc, constitution of Unitholder Protection Committee, Chairperson of the Trustee Board, Joint meeting of AMC Board and Trustee Board, etc. SEBI also prescribed that Trustees have to independently evaluate the extent of compliance by AMC vis-à-vis the identified key areas and not merely rely on AMC's submissions/external assurances.
- ❖ SEBI has also prescribed regulations for deployment of liquid net worth by AMC, eligibility criteria of Sponsor for acquisition of AMC, disassociation of sponsor, Self-sponsored AMC, Re-Association of the Sponsor etc.
- ❖ SEBI has issued guidelines for new category of Mutual Fund schemes for Environmental, Social and Governance ("ESG") Investing and related disclosures by Mutual Funds. Now, Mutual Funds can launch five (5) new categories with different ESG strategies. Further, Mutual Funds to clearly disclose the name of the ESG strategy in the name of the concerned ESG Fund. Also, Mutual Funds will have to make certain disclosure in their monthly portfolio statements of ESG schemes like security-wise BRSR Core scores and name of the ESG Rating Providers (ERPs) providing ESG scores, along with the ESG scores
- ❖ SEBI issued circular on Resources for Trustees of Mutual Funds which provides that Trustees shall have standing arrangements with independent firms for special purpose audit and/or to seek legal advice in case of any requirement as identified and whenever considered necessary.
- ❖ SEBI has introduced the Framework for Corporate Debt Market Development Fund (CDMDF). This framework aims to establish a Backstop Facility to purchase investment-grade corporate debt securities, enhance secondary market liquidity, and boost confidence in the Corporate Debt Market during periods of stress. The fund will act as a Backstop Facility for purchasing investment-grade corporate debt securities during market dislocations. SEBI Circular also provided that Corporate Debt Market Development Fund (CDMDF) will have to comply with the Guarantee Scheme for Corporate Debt (GSCD) as notified by Ministry of Finance vide notification dated July 26, 2023, which includes the Framework for Corporate Debt Market Development Fund.
- ❖ Units of CDMDF will be subscribed by AMCs of Mutual Funds and specified debt-oriented MF Schemes. Specified debt-oriented MF Schemes will invest 25 bps of their AUM in the units of CDMDF.
- ❖ SEBI also during the year introduced a mechanism for Online Resolution of Disputes in the Indian Securities Market, for resolving the disputes between Investors/Clients and listed companies or any of the specified intermediaries / regulated entities in securities market. The AMC, Portfolio Manager and the Manager of AIF will have to redress investor grievances promptly but not later than 21 calendar days from the date of receipt of the grievance and in such manner as may be specified by the SEBI. SEBI may also recognize a body corporate for handling and monitoring the process of grievance redressal within such time and in such manner as may be specified.



- ❖ SEBI vide its Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/ 2023/0000000163 pertaining to Centralized mechanism for reporting the demise of an investor through KRAs introduced a centralized mechanism for reporting and verifying the demise of an investor through the KYC Registration Agency (KRAs) to smoothen the transmission process in the securities market.
- ❖ SEBI has advised that Schemes of AIFs will have an option of 'Direct Plan' for investors. Investors who approach the AIF through a SEBI registered intermediary which is separately charging the investor any fee are on-boarded via Direct Plan only. Further, SEBI also prescribed the Trail model for the distribution of commission in AIFs. AIFs will disclose fee to the investors at the time of on-boarding.
- ❖ During the year, SEBI also amended AIF Regulations to provide flexibility to AIFs to deal with investments of their schemes which are not sold due to lack of liquidity during the winding-up process by either selling such investments to a new scheme of the same AIF or distributing such unliquidated investments in-specie. SEBI has prescribed 2 options (i) Liquidation Scheme (ii) In-specie Distribution to deal with this scenario.
- ❖ During the year, SEBI issued a circular advising that AIFs units to be credited in dematerialised form. Investors who have not provided their demat account details, their units will be credited to a separate demat account -- "Aggregate Escrow Demat Account". Managers of AIFs should continue to reach out to existing investors to obtain their demat account details and credit the units to their respective demat accounts.
- ❖ SEBI also advised that AIFs shall hold their investments in dematerialised form. The requirement shall not apply investments by AIF in such type of instruments which are not eligible for dematerialisation and investments held by a liquidation scheme of the AIF that are not available in the dematerialised form.
- ❖ SEBI has advised that Portfolio Managers are required to perform audit firm-level performance data on an annual basis and submit the confirmation of compliance within sixty days from end of each financial year. APMI will specify standardised Terms of Reference (TOR) for audit of firm-level performance data.

#### **9. PORTFOLIO MANAGEMENT SERVICES – REGULATORY DEVELOPMENTS:**

- ❖ Portfolio Managers are required to perform annual audit of firm-level performance data and submit the confirmation of compliance within sixty days from the end of each financial year. Association of Portfolio Managers in India (APMI) will specify standardised Terms of Reference (TOR) for audit of firm-level performance data.

#### **10. ALTERNATIVE INVESTMENT FUNDS (AIF) – REGULATORY DEVELOPMENTS:**

- ❖ Schemes of AIFs will have an option of 'Direct Plan' for investors. Investors who approach the AIF through a SEBI registered intermediary which is separately charging the investor any fee are on-boarded via Direct Plan only. AIFs will disclose fee to the investors at the time of on-boarding.
- ❖ Establishment of the Corporate Debt Market Development Fund (CDMDF), launching liquidation scheme, valuation procedures, investment conditions, governance mechanisms and disclosure requirements. It also covers the appointment of independent valuers, continuing eligibility of key personnel, unit issuance in dematerialized form, investment restrictions and the prohibition of listing for certain funds.
- ❖ SEBI has mandated that AIFs are required to carry out valuation of securities as per Mutual Fund Regulations for which valuation norms have already been prescribed under SEBI (Mutual Funds) Regulations, 1996 ('MF Regulations'). Valuation of securities which are not covered in MF



Regulations, shall be carried out as per valuation guidelines endorsed by any AIF industry association, which in terms of membership represents at least 33% of the number of SEBI registered AIFs.

- ❖ SEBI amended AIF Regulations to provide flexibility to AIFs to deal with investments of their schemes which are not sold due to lack of liquidity during the winding-up process by either selling such investments to a new scheme of the same AIF or distributing such unliquidated investments in-specie. SEBI has prescribed 2 options (i) Liquidation Scheme (ii) In-specie Distribution to deal with this scenario.
- ❖ AIFs units to be credited in dematerialised form. Investors who have not provided their demat account details, their units will be credited to a separate demat account -- "Aggregate Escrow Demat Account". Managers of AIFs should continue to reach out to existing investors to obtain their demat account details and credit the units to their respective demat accounts.
- ❖ AIFs shall hold their investments in dematerialised form. The requirement shall not apply investments by AIF in such type of instruments which are not eligible for dematerialisation and investments held by a liquidation scheme of the AIF that are not available in the dematerialised form.

## 11. BUSINESS PERFORMANCE DURING THE YEAR

- 11.1. SBI Mutual Fund ('SBI MF' / the 'Fund') grew by 27.4% in terms of average AUM on a year-on-year basis in FY 2024. Our average assets under management grew by Rs. 197,205 Crs in absolute terms during the year which is the highest in the industry. SBI MF further consolidated its leadership and top rank in the industry in terms of the average AUM during the year. The Fund got about 10% of industry market share of the new net-funds flow during the year.
- 11.2. Profit after Tax (PAT) of SBIFM has increased from Rs.1,331 Crs in FY 2023 to Rs. 2063 Crs in FY 2024, an absolute growth of 55%.
- 11.3. SBI MF was the first mutual fund house to cross an Asset Under Management (AUM) of Rs. 9 Lakh Crs further cementing our leadership position. We have also added 40 Lakh new investors in this financial year.
- 11.4. The Company was managing the following Mutual Fund assets during the year:

Particulars	Reporting Year 2023-24	Previous Year 2022-23
Total Assets mobilized (₹ in crore)	24,11,449	25,83,924
Total Redemptions/ Repurchases (₹ in crore)	23,76,374	25,41,903
Net Inflows (₹ in crore)	35,075	42,021
Quarterly (Q4) Average AUM* (₹ in crore)	914,365	717,161
Market Share %	16.89	17.70
Average AUM Rank	1 <sup>st</sup>	1 <sup>st</sup>
Monthly SIP Value (₹ in crore)	3,007	2,306
Live SIPs (number in lakhs)	116.70	90.53
Fresh SIPs during the year (number in lakhs)	55.46	37.02

\*Source-AMFI



- 11.5. SBIFM continued to be the largest ETF Asset Manager in India, with QAAUM of ₹ 2,99,180 Crore with a market share of 43.03% for the quarter ending March 31, 2024 from ₹ 2,37,407 Crore and a market share of 46.82% for the quarter ending March 31, 2023.
- 11.6. SBI Mutual Fund launched 6 New Fund Offers (NFOs) during the year which includes 4 open ended funds and 2 Fixed Maturity debt funds mobilizing in aggregate Rs. 8,413 crores. The 4 open ended funds launched are SBI S&P BSE Sensex Index Fund , SBI Nifty 1D Rate ETF, SBI Nifty50 Equal Weight Index Fund and SBI Energy Opportunities Fund. SBI Energy Opportunities Fund mobilized Rs. 6,535 Crores.
- 11.7. SBI Mutual Fund – Schemes Performance: As on March 31, 2024, under the one-year return category:
- ❖ 94% of our fixed income funds, 19% of our equity funds and 100 % of our liquid funds were in the top two quartiles.
  - ❖ In the fixed income category, SBI Credit Risk Fund, SBI Dynamic Bond Fund, SBI Magnum Gilt Fund, SBI Long Duration Fund, SBI Medium Duration Fund, SBI Magnum Income Fund, SBI Retirement Benefit Fund - Conservative Hybrid Plan, SBI Magnum Children Benefit Fund- savings Fund and SBI Liquid Fund were in the top quartile.
  - ❖ Our equity funds namely SBI Long Term Equity Fund, SBI Banking and Financial Services Fund, SBI Magnum Childrens Benefit Fund - Investment Plan, SBI Arbitrage Opportunities Fund and SBI Equity Savings Fund were in the top quartile.

We have products available across all the open-ended SEBI defined categories, we may launch new funds across differentiated themes as well as under the passive categories.

- 11.8. Systematic Investment Plans (SIPs) have played a key role in the growth of mutual fund industry, ensuring stickiness and building long term relationships. The monthly SIP trigger of SBI MF showed a growth of 30% year-on-year.
- 11.9. The concept of Net Promoter Score (NPS) which was introduced in FY23 to gauge customer loyalty, satisfaction and enthusiasm with a company has resulted into a positive feedback and leads to business growth through the digital assets.
- 11.10. Apart from the mutual fund activity, the business parameters of the Portfolio Management / Advisory services (including Retail PMS), Alternate Investment Funds, Off-shore Fund, Corporate Debt Market Development Fund (CDMDF) and SBI Investment Opportunities Fund (IFSC) based in Gift City Gujarat were as under:

(₹ in Crore)

Particulars	Reporting Year 2023-24	Previous Year 2022-23
Portfolio Management/Advisory Services (including Retail business)	13,62,421	11,73,031
Alternate Investment Fund	387	481
SBI Resurgent India Opportunities Fund (Off- Shore Fund)	519	317
Corporate Debt Market Development Fund (CDMDF)	3,510	-
SBI Investment Opportunities Fund (IFSC) based in Gift City Gujarat	51	-





- 11.11. Overall, along with the growth in the business volume, the Company was managing total assets of about ₹ 22,84,806 Crores as on March 31, 2024 (₹ 18,81,441 Crores as on March 31, 2023).

## 12. DISTRIBUTION NETWORK

The Company works with a diverse set of distribution partners and currently has about 110,000 empanelled distributors which include mutual fund distributors, national distributors, banks (nationalized and private sector banks), investment advisers and fintech firms. During the year, we had a presence in 285 locations spread all over India with 1 overseas Point of Presence in Dubai.

## 13. AWARDS AND RECOGNITION

SBI Funds Management Limited was awarded the **Best Asset Manager in the Morningstar Fund Awards Ceremony 2024**.

## 14. INVESTOR EDUCATION

- 14.1 As India sees increasing financialization of assets, mutual funds are increasing in their acceptance across all regions in the country. We believe that capital markets are the best way for investors to participate in India's growth story and mutual funds are the most convenient avenue to do that. As market leaders we believe that we are the drivers of broad basing and market expansion of mutual funds in India and continue to focus on investor awareness initiatives. As a fund house, we develop customized communication which is in line with investors' needs in terms of the language and the media platform they use. During the year, we used different communication mediums and launched our very own WhatsApp channel (over 6,000 subscribers), to reach out to all our stakeholders regularly.
- 14.2 Some of the major investor awareness activities undertaken by us during the year are mentioned as under:
- a) **Content development**
- i) **Articles** – We started an association with Outlook Money, a leading personal finance magazine in India, for a series of investor education articles titled '**Mutual Fund Solution Series**' which touches upon different facets of mutual funds and its facilities which can be used by investors as solutions for their different needs when planning for their different goals like an EMI for a house, car, travel or regular cashflow in retirement. In addition, content is generated in-house to promote a concept (solution-oriented funds or hybrid funds) to inform and guide investors. The content is adapted, when required, to formats like online mailers/WhatsApp and circulated to investors and distribution partners alike.
  - ii) **Videos** – India has seen a significant increase in internet users, with approximately 850 million people now connected to the internet. Additionally, the average time spent on smartphones by an Indian individual has risen to ~ 8.5 hours per day – one of the highest in the world. Amidst the escalating consumption of content and the prevailing trend towards **short-format videos**, we continued to capitalize on this phenomenon and disseminate content on topics like SIP, SWP, SIP Top-up, ELSS, Multi Asset Allocation



Funds, Hybrid Funds & Debt Funds, among other topics. These educational videos were disseminated across our social media platforms. These efforts, we believe, have helped build a strong affinity for the SBI Mutual Fund brand among the youth and other digital savvy audiences.

- b) **Social Media** – During the year our social media subscribers across all our handles **crossed 1 million**. Our emphasis on elevating engagement across our social media platforms persisted, characterized by a content-driven strategy complemented by engaging and compelling multimedia content. Throughout the current financial year, alongside routine updates, we connected with our audience through quirky and topical posts on occasions ranging from Navratri to Diwali to Christmas and beyond along with curated investor education posts on SIP, SIP Top-up, Financial Tips and Myths vs. Facts. We were amongst the first AMCs to launch a **WhatsApp channel** to disseminate content to subscribers. Additionally, we introduced interactive formats such as live webinar sessions, reels, quizzes, and podcasts to foster continuous interaction with our audiences.
- c) **Digital Marketing** – We have continued to leverage on reaching out to millennials and Gen Z with investor education content on SIP. Concurrently, our Hybrid Funds campaign had been crafted to **maximize visibility and resonance across key digital platforms**, targeting specific demographics. Furthermore, we have actively promoted concepts such as SIP Top-up, SWP, Multi Asset Allocation Funds and Equity Linked Savings Schemes (ELSS) through prominent finance websites and specialized domains. Dedicated landing pages which give users a seamless experience and help create awareness were our key objectives. These activities are supplemented with organic & affiliate email campaigns which help in increasing reach and awareness
- d) **Public Relations/Media** – Our PR efforts are based on 3 aspects – 1) **reach out to mainline & regional media**, 2) **Pitch key trends, milestones & differentiators of our funds and investment philosophy** and 3) **Focus on building thought leadership through proactive media engagement**. Our intent through interactions and authored articles with media (newspapers, magazines, online, and television) has been to guide and inform of our view as a fund house. A series of articles from the Chief Economist's Desk have decoded policy and government announcements while the interactions with Deputy MD & Joint CEO and CIO – Fixed Income have been to guide investors in their investments across asset classes.
- e) **Media Campaigns**
  - i. **SIP Top-Up** is a convenient facility which allows an investor to top-up or increase their regular SIPs in line with an increase in income and lifestyle. Our **investor education campaign** was aimed to drive this point to investors through press advertisements, physical calculators, informational videos, outdoor campaign (across 103 cities) and leaflets in English & multiple regional languages.
  - ii. Every year a different asset class might perform hence **Multi Asset Allocation Funds score on diversification, taxation and convenience** fronts for an investor. Our investor education campaign was to reinforce this message to investors who can choose to invest in multiple asset classes through one fund. We increased our reach



of this message through an outdoor campaign (across 103 cities), informational videos and leaflets in English & multiple regional languages.

- iii. **Hybrid Funds** have emerged as a favoured option for investors across age groups who wish to diversify, benefit from growth across asset classes and do not have time to track their movements. The campaign centred around the fact that hybrid funds can work for all investors – first-salary earners, investors concerned about volatility and seasoned investors planning for retirement / post-retirement goals. We took these messages across the country with press advertisements in business & dailies (English & 9 regional languages), outdoor campaign (across 103 cities), television promotions through innovation advertisements on CNBC-TV18 network (English, Hindi and Gujarati) and Times Network (Business English & Hindi and Daily News) and Radio Jingles. Fund categories like Arbitrage Funds, Aggressive Hybrid Funds, Conservative Hybrid Funds, Balanced Advantage Funds, Multi Asset Allocation Funds, Equity Savings Funds, Retirement-Oriented and Children-Oriented Funds were highlighted on how these funds can help an investor plan for their various financial goals.
  - iv. Many a times, investors invest and forget or do not update their information leading to investments and amount paid in Income Distribution cum Withdrawal Plans (IDCW) lying unclaimed for years. **Your Money should be Yours** was the theme of our investor awareness campaign urging investors to update their information (PAN, KYC, Email Address, Mobile No. & Nominee) by checking their existing investments and visit the nearest branch of a fund house or Registrar & Transfer Agent. The advertisements were carried in select business dailies and personal finance publications.
  - v. For any parent, children are the center of their universe with every need becoming a priority. As a fund house, we believe **Children-Oriented Mutual Funds**, which are solution-oriented funds, are ideal as a lot of their aspirations are achievable if investments are done right. Our message '**Har Kadam Par Hogi Haan Jab Investment Hoga Sahi**' was to communicate this thought to parents / investors through high visibility advertisements in personal finance and business newspapers.
  - vi. Mutual Funds are a versatile investment avenue for retail investors. As our country aims to realise its growth potential, various opportunities are present across the sectors and consumer segments. Mutual Funds remain an apt avenue to invest and participate in the nation's growth with solutions across equity, debt and hybrid funds. Our investor education campaign **Participate in Nation's Growth through Mutual Funds** was taken to 111 cities translated into 11 languages to increase the reach and efficacy of the message.
- f) The AMC is actively engaged in promoting financial literacy across India. As of March 31, 2024, we have conducted 116 investor education meets reaching over 5,433 participants. These events feature trained professionals explaining investment basics, mutual funds, financial goal planning and wealth management concepts in an easy-to-understand manner. Presentations and video screenings further enhanced the learning experience. Notably, these programs are held at diverse locations like educational institutions, SBI branches, military bases, and even corporate houses, utilizing both



online and offline formats. The positive feedback highlights the program's effectiveness in spreading financial awareness across various regions

## **15. DIGITAL INITIATIVES**

### **15.1 New Features / updates / customer reach**

- ❖ 6 digital assets were refreshed during the year, added 15+ new features across digital assets and targeted over 77 Lakh investors with our campaigns via WhatsApp, email and app notifications. Using Digital Academy 75K+ users got registered and appropriate training and certification are getting to Sales team & all kinds of distributors.
- ❖ InvesTap alone engages with over 10 Lakh users each month, and the app was rated 4.5 + on both android and iOS store, the best in the Mutual Fund Industry.
- ❖ Partner app is also rated 4.7 on android and 4.9 on iOS Store, 24\*7 Digital Assets Support & Monitoring team.

### **15.2 B2C New Feature launches**

- ❖ New GSIP, ESOA, ADMIN, ONLINESBIMF, GIFT City, CDMDf portal launched with new technology & features.
- ❖ New Payment Mode Launches – launched UPI services via a new Payment Gateway for improved user experience and to reduce dependency on a single payment gateway provider.
- ❖ Activated Investments in SBI Mutual Fund via SBI Bank's Net Banking Portal
- ❖ Activated Mutual Fund KYC on YONO App for retail investors.
- ❖ Launched Investor Self Service Zone – Paperless Non-financial transactions for updating bank account and nominees in a folio, consolidating folios and modifying KYC details. Introduced bulk nomination update facility for investors with multiple folios.
- ❖ Launched onlinesbimf.com – A seamless investment journey for repeat users.
- ❖ Accelerated Investment Journeys - Introduced Quick Buy Journey on website and app to reduce the time taken to transact from over 2 minutes to under a minute.
- ❖ Streamlined chatbot journeys for high-intent investors, reducing journeys to less than 5 steps for faster investment decisions.
- ❖ Improved campaign efficiency with Rich Media Messaging: Improved campaigns with content including images, videos, and PDFs with open/read rates up to 75% vs 20% on traditional mediums.
- ❖ Modified the back-end processes for managing transactions effectively and reducing dependency on third parties like CAMS, Payment service providers.
- ❖ Developed various customized journeys to upsell to investors.
- ❖ Upgraded Smart Statement for improved insights and user experience.

### **15.3 B2B Partner Facing Assets**

- ❖ Launched project Sangam – Partner Website & App and Mitra Website & App launched with a revamped user experience and architecture.
- ❖ For Mitra users - Mitra App Access was extended to the entire SBI Workforce – now Non-ACEs can also service customers walking into the branch, Regional Rural Bank employees and SBI Wealth Employees. Enabled SBI's Controllers on Mitra to manage and monitor performance of the region under their control.
- ❖ Enhanced InvestEasy to facilitate initiated transactions within the investor's app and show case funds curated by distributors.





## 16 FUTURE PLANS

- ❖ **Business Development** - We expect FY 2025 to be a dynamic year for the industry, both from the perspective of growth in assets as well as pressure on margins. Given the backdrop of high inflationary trajectory as well as the current global geo-political situation, we may witness turbulence across asset classes. We will, however, continue to focus on business development and market making activities as well as cost optimization. We will continue to invest in the business, especially for expanding the new business lines of alternates. We will also make significant investments into technology to protect our data and develop highest standards of data security.
- ❖ **New Products** - In terms of our product basket, we will continue to add funds through innovation, especially on thematic and passives, since on the mutual fund side, we do not have any meaningful product gaps. We will also evaluate offerings on the alternatives – both PMS & AIF. We would also be expanding our international range of offerings as well as launching more solution-oriented fund of funds in the coming year.
- ❖ **Increasing network of branches** – In line with our mission of Jan Nivesh through Bharat Outreach, we will continue expanding our physical network. In FY24, we added / upgraded 26 Branches & we have plans to open about 100 new branches in the next 2-3 years.
- ❖ **Building Blocks** – We have identified the key building blocks which shall be the future growth drivers for our business – the same are Passives, thematic, Alternatives, Offshore & Gift City.
- ❖ **Digital** – We will also focus on creating tools and solutions which will help our channel partners and investors in achieving and creating seamless investment experience.

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

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

SBIFML based on its standard operating procedure application filed with the Hon'ble Supreme Court has fully liquidated securities received under liquidation. The proceeds from liquidation have been received from selling the securities, maturity proceeds, expense reversals and collections from coupons. As on March 31st, 2024, the securities amounting to ₹ 18,387 crores have been liquidated, out of which ₹ 520 crores have been liquidated in FY24. The total disbursements made by SBIFML to FT unitholders is ₹27,509 crores which include ₹ 577 crores disbursed in FY24, ₹ 833 crores disbursed in FY23, ₹ 16,977 crores disbursed in FY22 in addition to the ₹ 9,122 crores of the initial disbursement in FY21.

SBIFML has filed interim updates with the Hon'ble Supreme Court regarding progressive status of disbursement and liquidation on 15th March 2021, 17th January 2022, and 5th April 2022. The



Hon'ble Supreme Court had vide its order dated April 12, 2022, directed that no further distribution of the available fund/money shall be made by SBIFML without prior permission/approval of this Court, which was subsequently vacated by orders dated 3rd August 2022 and 12th August 2022, by the Hon'ble Supreme Court, wherein the court allowed disbursement of certain amounts to the unitholders of various schemes. The matter is likely to be listed in July 2024.

## **18 CHANGE IN NATURE OF BUSINESS**

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

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of FY 2023 and the date of this report.

## **20 CORPORATE SOCIAL RESPONSIBILTY (CSR)**

The objective of the CSR policy adopted by the Company is to work towards social welfare and strengthen the Company's bond with the community at large. Its emphasis is on assisting groups belonging to the socially and economically disadvantaged sections of society by providing avenues for improvement of their economic condition and wellbeing. CSR activities are undertaken through the Registered Trusts / Society / Foundations / NGOs / Charitable Institutions registered as Societies or Public Charitable Trusts or a Company established under section 8 of the Companies Act, 2013.

In accordance with the provisions of Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, a Corporate Social Responsibility ('CSR') Committee, constituting the Directors of the Company, takes decisions regarding the activities to be undertaken, expenditure to be incurred, and monitors the performance of the CSR activities undertaken by the Company. During the year under review, three meetings of the CSR Committee were held on: June 8, 2023, September 20, 2023 and March 20, 2024.

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

## **21 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

### **21.1 CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Our Company is in the financial services industry and does not consume high levels of energy. However, regular efforts are made to adopt appropriate energy conservation measures and technology absorption methods.

### **21.2 FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the financial year under review, the Company earned ₹ 4,131 Lakh (PY ₹2,211 Lakh) in foreign exchange as portfolio management fee. The foreign exchange outgo on account of salary, business promotion and other administrative expenses was ₹ 783.26 Lakh (PY ₹ 849.53 lakh). An amount of ₹ 7,400 Lakh (PY ₹ 6,475 lakh) was remitted during the year to non-resident shareholder (AMUNDI) on account of interim dividend declared for the year FY 2024. An



amount of ₹ 415.33 Lakh (PY ₹ 547.96 Lakh) was an inward remittance during the year on account of dividend received from our 100% subsidiary Company based in Mauritius.

## **22 RISK MANAGEMENT SYSTEM**

The Company has in place a Risk Management Policy duly approved by the Risk Management Committee of the Board and the Board of Directors. An Enterprise Risk approach is followed, and the Policy covers Investment Risk, Operational Risk, Reputation Risk, Cyber Risk, Financial Risk etc. The Enterprise Risk control framework, escalation, and monitoring mechanism is outlined in the Policy and is in place within the Company. We follow the Risk Control Self-Assessment approach for identification of risks and the same is duly escalated to the Risk Management Committee of the Board. Key risk indicators have been defined for risk measurement and the same are duly monitored.

## **23 INFORMATION SECURITY**

The Company has adopted digital strategies to achieve business growth as well as to offer clients a seamless customer experience. A dedicated information security team works towards managing the confidentiality, integrity, and availability of data across organization processes, covering all the people involved and securing all the applications and systems continuously. The IT and cyber security strategies are guided by the Technology Committee of the Board and the Board of Directors serves as the apex governance body. The Company has a continuous view on the emerging threat landscape and continues to invest in robust technology solutions.

Cyber security awareness and training of employees is conducted through various initiatives such as advisories issued by the Info-Sec team, mock phishing campaigns, recognition of employees who have been good cyber citizens, etc. Information Security Training is mandatory for all new joiners and every employee undergoes an annual refresher training. We have also enhanced the monitoring over critical vendors and shall continue to monitor the evolving threat landscape in order to adapt our security strategies with emerging threats.

## **24 INTERNAL FINANCIAL CONTROLS**

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

## **25 LOANS, GUARANTEES OR INVESTMENTS**

- a) The company has given one loan which is within the limits of the section 186 of the Companies Act 2013. There are no 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. All investible funds of the Company, being surplus generated from business of investment management, is invested in mutual fund schemes of SBI Mutual Fund and Government Securities in accordance with Investment Policy approved by the Investment Committee and Board of Directors of the Company.



## 26 DEPOSITS

The Company has neither accepted deposits from the public nor from the members of the Company falling within the ambit of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not accepted any funds from the director(s) of the company during the financial year under review.

## 27 RELATED PARTY TRANSACTIONS

All related party transactions entered into by the Company during the financial year were on arm's length basis and in the ordinary course of business of the Company. Further, there were no material contracts or arrangements or transactions entered into with related parties during the year ended March 31, 2024. Hence, disclosure in Form AOC-2 is not applicable to the Company.

The details of all related party transactions have been placed before the Audit Committee of the Board and are provided in Note no. 41 to the standalone financial statements of the Company.

## 28 PREVENTION OF SEXUAL HARASSMENT ('POSH') POLICY AND ITS REPORTING

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has framed and implemented a detailed and comprehensive Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), to provide a safe and conducive work environment for women employees, to work without fear and prejudice, gender bias and harassment. The policy clearly indicates operational guidelines and mechanism for effectively dealing with cases of sexual harassment / misdeeds against women employees. As per the policy, we have an Internal Committee which looks into the complaints and cases falling under the above-mentioned Act.

Annual Report of the Internal Committee as per the requirement of Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 for the year ended 31<sup>st</sup> March 2024 in respect of all the locations of SBIFM:

- a) No. of Complaints received during the year: Nil
- b) No. of Complaints disposed of during the year: Nil
- c) No. of Cases pending for more than 90 days: Nil
- d) Nature of action taken by the employer or District Office: Suitable action was taken against employees as recommended by Internal Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: Nil
- e) Awareness regarding POSH Act, 2013 was carried out for FY 2023-24 as under:
  - v E-learning module on POSH are made available to all employees of the Company and it is mandatory for all employees to complete the E-learning module and clear the assessment based on the module.
  - v For all new joiners, e-learning module is part of the joining formalities which they need to complete within 60 days of joining.
  - v POSH Act is available on intranet portal for employees to refer to.





- v Email ID is created for each Zone to lodge complaints and displayed at all locations on the Compliance Notice board.
- v All new joiners receive the POSH policy in the onboarding process as part of their joining kit.

## 29 DIRECTORS:

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

- a) Mr. Julien Fontaine (DIN: 10132018) was appointed as Associate Director with effect from June 02, 2023.
- b) Mr. Swaminathan Janakiraman (DIN: 08516241) ceased to be Associate Director with effect from June 26, 2023.
- c) Mr. Vinay Tonse (DIN: 06695367) was appointed as Associate Director with effect from September 15, 2023.
- d) Mr. Vinay Tonse (DIN: 06695367) ceased to be Associate Director at the close of business hours on November 20, 2023.
- e) Mr. Ashwini Kumar Tewari (DIN: 08797991) was appointed as Associate Director (Additional Director) with effect from January 10, 2024. It is proposed to appoint him as Director (Associate) subject to the approval of the shareholders at the ensuing Annual General Meeting.
- f) Mr. Julien Fontaine (DIN: 10132018) ceased to be Associate Director at the close of business hours on January 10, 2024.
- g) Mr. Olivier Mariee (DIN: 10449060) was appointed as Associate Director (Additional Director) with effect from January 20, 2024. It is proposed to appoint him as Director (Associate) subject to the approval of the shareholders at the ensuing Annual General Meeting.

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

The Board placed on record its appreciation to the valuable contribution made by Mr. Vinay M. Tonse, Mr. Swaminathan Janakiraman and Mr. Julien Fontaine during their tenure and welcomed Mr. Ashwini Kumar Tewari and Mr. Olivier Mariee on the Board of the Company.

Mr. Shekhar Bhatnagar, Independent Director has completed his first tenure as an Independent Director. The Board on the recommendation of Nomination and Remuneration Committee had approved re-appointment of Mr. Shekhar Bhatnagar as an Independent Director for second term of three years w.e.f. March 21, 2024, subject to the approval of shareholders at the ensuing Annual General Meeting.

Mrs. Sudha Krishnan, Independent Director has completed her first tenure as an Independent Director. The Board on the recommendation of Nomination and Remuneration Committee had approved re-appointment of Mrs. Sudha Krishnan as an Independent Director for second term



of three years w.e.f. June 25, 2024, subject to the approval of shareholders at the ensuing Annual General Meeting.’

Mr. Moiz Miyajiwala, Independent Director has completed his first tenure as an Independent Director. The Board on the recommendation of Nomination and Remuneration Committee had approved re-appointment of Mr. Moiz Miyajiwala as an Independent Director for second term of three years w.e.f. September 29, 2023, subject to the approval of shareholders at the ensuing Annual General Meeting.

- 29.2** Mr. D.P Singh was designated as Deputy Managing Director & Joint CEO of the Company and is classified as Key Managerial Personnel (KMP) with effect from September 26, 2023. The following officials are classified as KMP of the Company as per Section 203 of the Companies Act, 2013:

NAME	DESIGNATION
Mr. Shamsher Singh	Managing Director & CEO
Mr. D.P. Singh	Dy. Managing Director & Joint CEO
Ms. Vinaya Datar	Chief Compliance Officer and Company Secretary
Mr. Inderjeet Ghuliani	Chief Financial Officer

**29.3 BOARD MEETINGS:**

10 Board meetings were held during the year under review on following dates: April 27, June 08, July 05, July 24, August 18, September 21, October 25, December 07 of 2023. and January 22, March 20 of 2024.

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

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Dinesh Kumar Khara	06737041	Associate	10
Mr. Fathi Jerfel	05225974	Associate	5
Mr. Vinay Tonse**	06695367	Associate	2
Mr. Ashwini Kumar Tewari***	08797991	Associate	2
Mr. Shamsher Singh	09787674	Associate	10
Mr. Swaminathan Janakiraman**	08516241	Associate	0
Mr. Moiz Miyajiwala	00026258	Independent	10
Mr. Julien Fontaine**	07761090	Associate	3
Mr. Olivier Mariee***	10449060	Associate	2
Mr. C.N. Ram	00211906	Independent	8
Ms. Sudha Krishnan	02885630	Independent	9
Mr. Shekhar Bhatnagar	01865541	Independent	9
Mr. Denys Charles Jean Marie Fougereux De C	08716335	Alternate Director to Mr. Fathi Jerfel	5



Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
(Denys De Campigneulles) *			Attended as an Alternate to Mr.Fathi Jerfel
Dr. T.T Ram Mohan	00008651	Independent	10

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

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

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

#### 29.4 COMMITTEE OF DIRECTORS:

During the year, four meetings of the Committee of Directors were held on following dates: April 26, July 21, October 23 of 2023 and January 22 of 2024. The attendance of each member at the meetings of the Committee is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Fathi Jerfel	05225974	Associate	1
Mr. C. N. Ram	00211906	Independent	3
Mr. Julien Fontaine \$ / **	07761090	Associate	0
Mr. Denys Charles Jean Marie Fougeroux De C (Denys De Campigneulles)*	08716335	Alternate Director to Mr. Fathi Jerfel	2 attended as an Alternate to Mr. Fathi Jerfel
Mr. Shamsher Singh	09787674	Associate	4
Mr. Shekhar Bhatnagar	01865541	Independent	3
Dr. T. T. T Ram Mohan	00008651	Independent	4

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

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

(\$) Inducted on the Committee w.e.f. July 19, 2023.



## 29.5 AUDIT COMMITTEE OF DIRECTORS:

The Audit Committee reviews the reports of internal and statutory auditors placed before them from time to time. The Audit Committee met eight times during the year on: April 27, June 08, July 24, August 18, September 20, October 25 of 2023, and on January 22, and March 11, of 2024. All the meetings of the Audit Committee were chaired by an Independent Director who is a Chartered Accountant.

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

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Moiz Miyajiwal	00026258	Independent	8
Mrs. Sudha Krishnan	02885630	Independent	8
Mr. Fathi Jerfel	05225974	Associate	None
Mr. Julien Fontaine \$ /**	07761090	Associate	None
Dr. T.T Ram Mohan	00008651	Independent	8

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

(\$) Inducted on the Committee w.e.f. July 19, 2023.

## 29.6 JOINT MEETING OF AUDIT COMMITTEES OF AMC & TRUSTEE COMPANY

The Audit Committee met once during the year on 13.12.2023 as per SEBI Circular no. SEBI/HO/IMD/IMD-I DOF2/P/CIR/2022/17 dated February 09, 2022 which required that the Audit Committee of AMC would interact with the Audit Committee of the Trustee Company at least once annually.

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

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
<b>SBIFM (AMC) Audit Committee Directors</b>			
Mr. Moiz Miyajiwal	00026258	Independent	1
Ms. Sudha Krishnan	02885630	Independent	1
Mr. Fathi Jerfel	05225974	Associate	None
Dr. T.T Ram Mohan	00008651	Independent	None
<b>Trustee Audit Committee Directors</b>			
Mr. Dhruv Prakash	05124958	Independent	1





Mr. Acha! Kumar Gupta	02192183	Associate	1
Mr. Amarjit Chopra	00043355	Independent	1
Mr. P. B Santhanakrishnan	03213653	Associate	1

## 29.7 RISK MANAGEMENT COMMITTEE

During the year under review, four meetings of the Risk Management Committee of the Board were held on 25 April, 21 July, 23 October of 2023 and 19 January 2024. The attendance of each Director at the meetings of the Risk Management Committee is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. C. N. Ram	00211906	Independent	3
Mr. Moiz Miyajiwal	00026258	Independent	4
Mr. Julien Fontaine \$ /**	07761090	Associate	1
Mr. Fathi Jerfel	05225974	Associate	3 were represented by his Alternate Mr. Denys De Campigneulles
Mr. Denys Charles Jean Marie Fougereux De C (Denys De Campigneulles) *	08716335	Alternate Director to Mr. Fathi Jerfel	3 were attended as an Alternate to Mr.Fathi Jerfel
Mr. Shamsheer Singh	09787674	Associate	4
Dr. T.T Ram Mohan	00008651	Independent	3

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

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

(\$) Inducted on the Committee w.e.f. July 19, 2023.

## 29.8 TECHNOLOGY COMMITTEE OF DIRECTORS:

During the year, 4 meetings of the Technology Committee of Directors were held on April 26, July 21, December 06 of 2023, and January 22 of 2024. The attendance of each member at the meetings of the Technology Committee is as under:



Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. C. N. Ram	00211906	Independent	4
Mr. Fathi Jerfel	05225974	Associate	1
Mr. Denys Charles Jean Marie Fougeroux De C (Denys De Campigneulles) *	08716335	Alternate Director to Mr. Fathi Jerfel	2 attended as an alternate to Mr. Fathi Jerfel
Mr. Julien Fontaine \$/ **	07761090	Associate	None
Mr. Shamsher Singh	09787674	Associate	4
Mr. Shekhar Bhatnagar	01865541	Independent	3
Ms. Sudha Krishnan	02885630	Independent	4

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

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

(\$) Inducted on the Committee w.e.f. July 19, 2023.

## 29.9 SHARE ALLOTMENT COMMITTEE OF DIRECTORS:

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

## 29.10 NOMINATION AND REMUNERATION COMMITTEE OF DIRECTORS:

During the year, 3 meetings of the Nomination and Remuneration Committee of Directors were held on April 27, June 05 of 2023 and October 25 of 2023. The attendance of each member at the meetings of the Nomination and Remuneration Committee is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Ashwini Kumar Tewari*** / (\$)	08797991	Associate	None
Mr. Vinay Tonse **	06695367	Associate	1
Mr. Moiz Miyajiwala	00026258	Independent	3
Mr. Fathi Jerfel	05225974	Associate	0

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr.Swaminathan Janakiraman**	08516241	Associate	2
Mr.Shekhar Bhatnagar	01865541	Independent	3
Mr. Denys Charles Jean Marie Fougereux De C (Denys De Campigneulles) *	08716335	Alternate Director to Mr. Fathi Jerfel	3 attended as an alternate to Mr.Fathi Jerfel

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

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

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

(\$ ) Inducted on the Committee w.e.f. 14.01.2024

#### 29.11 INITIAL PUBLIC OFFER (IPO) COMMITTEE OF DIRECTORS:

No meetings of IPO Committee of Directors were held during the year under review. The IPO Committee was dissolved on was July 19, 2023.

#### 29.12 INDEPENDENT DIRECTORS

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

#### MEETING OF INDEPENDENT DIRECTORS:

During the year, 1 meeting of the Independent Directors was held on June 13, 2023. The attendance of Independent Directors at meeting is as under:

Name of the Director	Director Identification Number (DIN)	Number of meetings attended
Mr. C.N. Ram	00211906	1



Name of the Director	Director Identification Number (DIN)	Number of meetings attended
Mr. Moiz Miyajiwala	00026258	1
Mrs. Sudha Krishnan	02885630	1
Mr. Shekhar Bhatnagar	01865541	1
Dr. T. T. Ram Mohan	00008651	1

#### 29.13 UNITHOLDERS PROTECTION COMMITTEE OF DIRECTORS:

Unitholders Protection Committee of Directors of SBI Funds Management Limited was formed on December 30, 2023, Post formation One Committee meeting was held on March 19, 2024. The attendance of each member at the meeting of the Unitholders Protection Committee of Directors is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mrs. Sudha Krishnan	02885630	Independent	1
Mr. Shekhar Bhatnagar	01865541	Independent	1
Mr. Shamsher Singh	09787674	Associate	1
Mr. Fathi Jerfel	05225974	Associate	0
Mr. Denys De Campigneulles	08716335	Alternate Director to Mr. Fathi Jerfel	1 was attended by as an alternate to Mr. Fathi Jerfel

#### 29.14 STAKEHOLDERS RELATIONSHIP COMMITTEE OF DIRECTORS:

Stakeholders Relationship Committee of Directors of SBI Funds Management Limited was formed on December 16, 2023, Post formation One Committee meeting was held on March 19, 2024. The attendance of each member at the meeting of the Stakeholders Relationship Committee of Directors is as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Moiz Miyajiwala	00026258	Independent	1
Mr. Shekhar Bhatnagar	01865541	Independent	1





Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Shamsher Singh	09787674	Associate	1
Mr. Fathi Jerfel	05225974	Associate	0
Mr. Denys De Campigneulles	08716335	Alternate Director to Mr. Fathi Jerfel	1 was attended by <i>as an alternate to Mr. Fathi Jerfel</i>

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

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

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

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

A formal mechanism was adopted by the Board of Directors for evaluating its performance, as well as that of its Committees and the Directors, including the Chairman of the Board. The Company had engaged the services of an independent external agency in line with the provisions of Companies Act, 2013 to carry out evaluation of performance of the Board, its committees, individual directors and the Chairman of the Company for the financial year 2023-24. Accordingly, a survey was conducted by an independent external agency which included filling up of the online questionnaire by each Director and followed by one-on-one interactions with the Directors to gain deeper understanding about various aspects related to the functioning of the Board. A report of the independent external agency was reviewed by the Nomination and Remuneration Committee of the Board, Board of Directors and the Independent Directors at their separate meetings. The Board noted the evaluation results and were satisfied with the evaluation, which reflected the overall engagement of the Board and its Committees.



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

The Directors hereby confirm that:

- a) In the preparation of the annual accounts of the Company for the year ended March 31, 2024, the Indian Accounting Standards (Ind AS) have been followed along with proper explanation relating to material departures.
- b) Reasonable and prudent accounting policies have been selected and applied consistently, along with reasonable and prudent judgments and estimates so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss of the Company for that period.
- c) Proper and sufficient care has been taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) Internal financial controls in the Company are adequate and operating effectively.
- e) The annual accounts have been prepared on a going concern basis.
- f) The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

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

- 33.1 The Company has instituted the Employee Stock Option Plan 2018 ("ESOP-2018" or "Scheme") for eligible employees of the Company, duly approved by the Board of Directors at its meeting held on 20th January 2018 and the shareholders at the EGM held on 31st January 2018. The Scheme was amended with approval of the Board of Directors at its meeting held on 25th January 2023 and the shareholders at the EGM held on 17th February 2023 (by way of a special resolution) to enable the Company to implement the ESOP-2018 and future ESOP plans through: (a) Direct route, (b) Trust route and (c) a combination of the Direct & Trust route.
- 33.2 The amended Scheme categorizes options as Type I, Type II and Type III options with multiple vesting periods. The options can be exercised over a period of seven (7) years from the grant date. Each option carries with it the right to acquire one equity share of the Company at the exercise price determined by the Company at the time of grant.
- 33.3 Pursuant to the amended Scheme and approval of the Board of Directors upon recommendation of the Nomination and Remuneration Committee ('NRC'), the Company has set up the SBI Funds Management Limited – Employee Welfare Trust ('ESOP Trust') in February 2023. In terms of the amended Scheme and Trust Deed, the Company has advanced funds amounting to Rs.67.80 lakhs to the ESOP Trust during the year to enable the ESOP Trust to acquire 7,568 shares of the Company from employees/legal heirs.
- 33.4 The disclosures required in respect of ESOPs as per Companies Act, 2013 are set out in **Annexure III** to this Report. The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.

**34. WEB ADDRESS OF ANNUAL RETURN**

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



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

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

**36. APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR**

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 against the company.

**37. DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**

The company has not done any one-time settlement as well as no loan taken by the company from any Bank or financial institution.

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

The auditors of the Company have also not reported any frauds under section 143(12) of the Companies Act, 2013.

**39. MAINTENANCE OF COST RECORDS**

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

**40. REPORTING ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PAPERS LAID ON THE TABLE (RAJYA SABHA) IN ITS 150<sup>TH</sup> REPORT**

**A) DETAILS OF THE VIGILANCE CASES FOR THE FY 2023-24**

Opening Cases	Cases received during 2023-24	Cases Disposed off	Closing Cases
Nil	One	Nil	One

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

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

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

The Company has adopted a Whistle Blower Policy which provides mechanism to ensure that concerns are properly raised, appropriately investigated and addressed. The Whistle Blower Policy encourages employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Company recognizes this mechanism as an important



enabling factor in administering good governance practices. The Whistle Blower Policy of the Company is available on the website of the Company.

**42. MODEL CODE OF CONDUCT:**

The Directors confirm that all Board members and the Senior Management have affirmed compliance with the Company's Code of Conduct for FY 2023-24.

**43. 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.

**44. AUDITORS**

The Comptroller and Auditor General of India (CAG) had appointed M/s. Borkar and Muzumdar, Chartered Accountants as the Statutory Auditors of the Company for the year under review, who will retire at the conclusion of the 32<sup>nd</sup> Annual General Meeting.

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

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

**45. COMPLIANCE OF SECRETARIAL STANDARDS**

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. N L Bhatia & Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the FY 2023-24. The Secretarial Audit Report is annexed herewith as Annexure IV to this Report.

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

**46. ACKNOWLEDGEMENTS**

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





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

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



**DINESH KUMAR KHARA  
CHAIRPERSON  
DIN: 06737041**

Place: Mumbai

Dated: 24/06/2024



## Form AOC-1

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

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

## Part A: Subsidiaries

S. No.	Particulars	Details	USD	Rs. in Lakhs
1	Name of the subsidiary	SBI Funds Management (International) Private Limited		
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as holding company's reporting period		
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Reporting Currency: USD Exchange Rate: ▪ Rs.83.3739 Closing rate as per RBI Reference Rate as on 31.03.2024 for Monetary Assets and Liabilities ▪ Rs.82.7887 Average rate as per RBI Reference Rate for Profit and Loss Account items		
4	Share Capital		50,000	41.69
5	Reserves and Surplus		80,498	67.11
6	Total Assets		278,275	232.01
7	Total Liabilities		147,777	123.21
8	Investments		1	0.001
9	Turnover		974,197	806.53
10	Profit before Taxation		572,555	474.01
11	Provision for Taxation		(19,652)	(16.27)
12	Profit after Taxation		552,903	457.74
13	Proposed Dividend		500,000	415.33
14	Extent of Shareholding (in percentage)		100%	100%

## Part B: Associate and Joint Ventures

S. No.	Name of Associates or Joint Ventures	SBI Pension Funds Private Limited
1	Latest audited Balance Sheet Date	31 <sup>st</sup> March 2024
2	Shares of Associate or Joint Ventures held by the company at year end:	
	Number	60 lakh shares of Rs.10 each
	Amount of Investment in Associates or Joint Venture (Rs. in Lakhs)	600.25
	Extent of Holding (in percentage)	20%
3	Description of how there is significant influence	As per Indian Accounting Standard 28
4	Reason why the associate/joint venture is not consolidated	Not Applicable
5	Net-worth attributable to shareholding as per latest audited Balance Sheet (Rs. in Lakhs)	4,240.39
6	Profit or Loss for the year (Rs. in Lakhs)	6,242.37
	(i) Considered in Consolidation (Rs. in Lakhs)	1,248.47
	(ii) Not Considered in Consolidation (Rs. in Lakhs)	4,993.90

Note: Please refer Note no. 41 of Standalone Financial Statements for disclosures on Related Party Transactions



**ANNUAL REPORT ON CSR ACTIVITIES UNDERTAKEN DURING  
FINANCIAL YEAR 2023-24**

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

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

Our emphasis will be on assisting socially & economically disadvantaged sections of society by providing avenues for improvement of their economic condition and wellbeing. CSR activities are undertaken through Registered Trusts/Society/Foundations/NGOs/Charitable Institutions registered as Societies or Public Charitable Trusts or a Company established either by itself or its holding entity, subsidiary company or associate company under section 8 of the Companies Act, 2013. Non-fund based activities will also involve voluntary participation of our employees in community activities which contribute to the communal good, e.g. blood donation camps, health camps, participation in local festivals, literacy, tree planting etc.

The details of CSR activities undertaken are provided in this report. The CSR policy adopted by the Company is available on its website, i.e., [www.sbimf.com](http://www.sbimf.com).

**2. COMPOSITION OF CSR COMMITTEE:**

Sr. No.	Name of the Director	Director Identification Number (DIN)	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the Year
1.	Mr. C. N. Ram	00211906	Independent Director, Non-executive Director	3	3
2	Mr. Shamsher Singh	09787674	Managing Director & CEO (Associate), Executive Director	3	3
3.	Mr. Fathi Jerfel	05225974	Associate Director, Non-executive Director	3	Represented by his Alternate
4.	Mr. Denys De Campigneulles #	08716335	Alternate Director to Mr. Fathi Jerfel	3	3
5.	Mrs. Sudha Krishnan	02885630	Independent Director, Non-executive Director	3	3
6.	Mr. Shekhar Bhatnagar	01865541	Independent Director, Non-executive Director	3	3



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

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

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

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

There is no Impact Assessment of CSR Projects carried out during the year under review.

5. (a) Average net profit of the company as per sub-section (5) of section 135 Rs.13,93,78,70,656  
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135 Rs. 27,87,57,413  
 (c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years Nil  
 (d) Amount required to be set-off for the financial year, if any Nil  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] Rs. 27,87,57,413
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) Rs.27,87,57,413

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

Sr. No.	Categorization of CSR Activity as per Schedule VII	CSR Activity Details	Location of the project	Amount allocated for the project (in Rs. lakhs)	Amount spent in the current financial Year (in Rs. lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) * (in Rs. lakhs)	Implementing agency and status of implementation
1	Enhancement of Livelihood	For establishing a farm school targeting war veterans and their families	Pondicherry	29.33	20.00	9.33	Sri Aurobindo Society (CSR00000200)
2	Promotion of Education	Construction of 3 classrooms and 2 washrooms in school building	Belgaum, Karnataka	40.92	40.92	-	Mahesh Foundation (CSR00003827)
3	Promotion of Education	Construction of new dining hall, kitchen and storeroom for students hostel	Vellore, Tamil Nadu	50.00	40.00	10.00	SODEWS (Society for the Development of Economically Weaker Sections) (CSR00002214)





Sr. No.	Categorization of CSR Activity as per Schedule VII	CSR Activity Details	Location of the project	Amount allocated for the project (in Rs. lakhs)	Amount spent in the current financial Year (in Rs. lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) * (in Rs. lakhs)	Implementing agency and status of implementation
4	Promotion of Healthcare	Laparoscopy system for hospital	Chikkabalapur, Karnataka	62.14	47.64	14.50	Prashanthi Balamandira Trust (CSR00000226)
5	Promotion of Healthcare	Solar Panels for power generation in hospital	Amreli, Gujarat	23.62	11.81	11.81	Shree Vidhya Guru Foundation (CSR00006633)
6	Promotion of Healthcare	Vehicle for transporting patients	Guwahati, Assam	20.80	20.80	-	Deepsikha - Cancer Care Foundation (CSR00002693)
7	Promotion of Healthcare	3 high end machines for cancer hospital	Guwahati, Assam	1,736.33	29.29	1,707.04	Tata Memorial Centre (CSR00001287)
<b>Total for 7 ongoing projects</b>				<b>1,963.14</b>	<b>210.46</b>	<b>1,752.68</b>	

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

Sr. No.	Categorization of CSR Activity as per Schedule VII	CSR Activity Details	Location of the project	Amount spent for the project (in Rs. lakhs)	Implementing Agency
1	Promotion of Education	Computer Lab for school students - 12 computers with UPS and 2 printers	Dahanu, Palghar District, Maharashtra	3.56	Rotary Club of Bombay Central Charitable Trust (CSR00006875)
2	Promotion of Education, Conservation of Natural Resources, Healthcare	Mobile computer lab, projector and other audio visual equipments	Bogalur, Kadaladi and Muthukulathoor, District Ramanathapuram, Tamil Nadu	48.50	Mysore Resettlement & Development Agency (CSR00001099)
3	Promotion of Healthcare	Purchase ambulance with emergency equipments	Tinsukia and Dibrugarh district, Assam	35.12	Prayash Human Resource Development Society (CSR00053526)
4	Promotion of Education	60 desktop computers and UPS for school	Arunachal Pradesh	39.23	Ramkrishna Mission Aalo (CSR00006101)
5	Promotion of Healthcare	15-seater bus with modification for securing wheelchair for differently abled staff and students	Mumbai	17.83	ADAPT (Able Disabled All People Together) (CSR00001228)
6	Promotion of Education	50 seater school bus for tribal school	Attappady, Kerala	30.60	Swami Vivekananda Medical Mission (CSR00002488)



Sr. No.	Categorization of CSR Activity as per Schedule VII	CSR Activity Details	Location of the project	Amount spent for the project (in Rs. lakhs)	Implementing Agency
7	Promotion of Healthcare	Mobile Medical Unit with primary healthcare facilities	Akola, Maharashtra	31.43	Lights of Life Trust (CSR00000156)
8	Promotion of Rural Development	25 seater bus for management course teachers and students	Madurai, Tamil Nadu	25.00	Dhan Foundation (CSR00002990)
9	Promotion of Sports	Purchase of specialised sports equipments for athletes/para-athletes	Mumbai, Pune, Maharashtra	36.53	OGQ Foundation for Promotion of Sports & Games (CSR00001100)
10	Promotion of Healthcare	Support of Critical Medical Equipment for pediatric hospital	Siddipeth District, Telangana	78.99	Sri Sathya Sai Health & Education Trust (CSR00001048)
11	Promotion of Education	Mobile Library Bus with IT enabled set up	Imphal Valley, Kangpokpi and Moreh, Manipur	33.66	Vidhya Bharti Purvottar Kshetra (CSR00025214)
12	Disaster management, including relief, rehabilitation	Contribution to Flood Relief Fund of State of Sikkim	Sikkim	10.00	Sikkim State Disaster Management Authority (SSDMA)
13	Promotion of Healthcare	High end laser equipment for eye hospital	Mathura, Uttar Pradesh	99.80	Shri Chaitanya Health and Care Trust (CSR00001017)
<b>Total of 13 completed other than ongoing projects</b>				<b>490.25</b>	

(b) Amount spent in Administrative Overheads Rs. 91,519

(c) Amount spent on Impact Assessment, if applicable  
(towards CSR projects identified for impact assessment) Rs. 13,80,000

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] Rs. 7,15,41,117

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

Total Amount Spent for the Financial Year (in Rs.)	Amount unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in Rs.)	Date of transfer	Name of the Fund	Amount (in Rs.)	Date of transfer
7,15,41,117	17,52,68,455	28-03-2024	Prime Minister's National Relief Fund	319,47,841	28-03-2024

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

Sl. No.	Particulars	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	27,87,57,413



Sl. No.	Particulars	Amount (in Rs.)
(ii)	Total amount spent for the Financial Year	27,87,57,413
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

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

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer	
1	FY 2022-23	3,33,90,000	3,33,90,000	2,71,32,337	62,57,663	26-03-2024	Nil
2	FY 2021-22	Nil	Nil	Nil	Nil	N.A.	Nil
3	FY 2020-21	31,85,117	31,85,117	24,11,410	773,707	26-03-2024	Nil

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

☒ Yes

☐ No

If Yes, enter the number of Capital assets created/ acquired: 22

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

1	2	3	4	5	6
Sl. No.	Short particulars of the property or asset(s) [including Complete address and location of the property]	Pin Code of property or Assets	Date of creation	Amount of CSR amount spent (Rs.)	Details of entity / authority / beneficiary of the registered owner Name, CSR registration no., if applicable, and Registered Address
1	Computer Lab in school with 3 Canon printers, 14 Desktop computers and UPS (Shri Gadge Maharaj Madhyamik Ashramshala, Dahanu Dist. Palghar, Maharashtra)	401607	30/6/2023	356,000	Rotary Club of Bombay Central Charitable Trust CSR00006875  604, Raheja Centre, 6th Floor, Nariman Point, Mumbai, Maharashtra - 400021



2	Ambulance fitted with ventilator, defibrillator, and other emergency medical equipment (Tinsukia and Dibrugarh Dist., Assam)	786151	10/8/2023	35,11,496	Prayash Human Resource Development Society CSR00053526  Prayash Human Resource Development Society, ACMS Complex, Nehru Road, Doomdooma, Tinsukia, Assam 786151
3	Mobile computer lab, projector and other audio visual equipments (Bogalar, Kadaladi, Muthukulathoor in Ramanthapuram Tamil Nadu)	635110	10/7/2023	48,50,000	Mysore Resettlement and Development Agency (MYRADA) CSR00001099  2, Service Road, Domlur Layout, Bangalore, Karnataka - 560071
4	15-seater bus with modification for securing wheelchair for differently abled staff and students (Chembur, Mumbai)	400071	30/11/2023	17,82,451	ADAPT (Able Disabled All People Together) CSR00001228  Head Quarters Building, Bandra Reclamation, K C Marg, Bandra West, Mumbai, Maharashtra - 400050
5	60 Desktop Computers, Inverter and basic softwares for school computer lab (Ramakrishna Mission School, Aalo, West Siang, Arunachal Pradesh)	791001	1/11/2023	39,22,970	Ramakrishna Mission CSR00006101  Head Quarters Building, P.O. Belur, PS Bally, West Bengal - 711202
6	50-seater school bus for tribal school (Malleswara Vidya Niketan, Agali, Pallakkad District, Kerala)	678581	30/11/2023	30,60,000	Swami Vivekanand Medical Mission CSR00002488  Agali Post, Pallakkad District, Kerala - 678581
7	Mobile medical unit with primary health care facilities (Akola District, Maharashtra)	444001	23/01/2024	31,43,000	Light of Life Trust CSR00000156  181, Hill Road, Bandra (W), Mumbai 400 050
8	25-Seater Bus for students / teachers (Dhan Academy, Madurai)	625016	29/2/2024	25,00,271	DHAN Foundation CSR00000273  1A, Vaidyanathapuram East, Kennet Cross Road, Madurai - 625016



9	Purchase of Prosthetic Arm and accessories (Mr. Ajeet Singh, Delhi)	110007	15/3/2024	1,80,000	OGQ Foundation for Promotion of Sports and Games CSR00001100 Office No 4, 4th Floor, Anand 105 Building, Dr. Ambedkar Road, Bandra W, Mumbai: 400050
10	Weight-Lifting equipment (Army Sports Institute, Koregoan Park, Pune, Maharashtra)	411036	21/10/2023	10,83,861	OGQ Foundation for Promotion of Sports and Games CSR00001100 Office No 4, 4th Floor, Anand 105 Building, Dr. Ambedkar Road, Bandra W, Mumbai: 400050
11	Archery equipment (Harvinder Singh, Kaithal Haryana)	136035	9/9/2023	1,77,520	OGQ Foundation for Promotion of Sports and Games CSR00001100 Office No 4, 4th Floor, Anand 105 Building, Dr. Ambedkar Road, Bandra W, Mumbai: 400050
12	Recovery Equipment for Badminton (Kidambi Srikanth, Guntur Andhra Pradesh)	522007	22/9/2023	6,05,000	OGQ Foundation for Promotion of Sports and Games CSR00001100 Office No 4, 4th Floor, Anand 105 Building, Dr. Ambedkar Road, Bandra W, Mumbai: 400050
13	Gym Equipment for Boxing (Nitu Ghanghas, Bhiwani, Haryana)	127031	11/10/2023	396,919	OGQ Foundation for Promotion of Sports and Games CSR00001100 Office No 4, 4th Floor, Anand 105 Building, Dr. Ambedkar Road, Bandra W, Mumbai: 400050
14	Shooting Equipment and accessories (Swapnil Kusale, Maharashtra)	416211	20/12/2023	4,06,762	OGQ Foundation for Promotion of Sports and Games CSR00001100 Office No 4, 4th Floor, Anand 105 Building, Dr. Ambedkar Road, Bandra W, Mumbai: 400050





15	Shooting Equipment and accessories (Rudransh Khandelwal, Rajasthan)	321001	20/12/2023	4,70,378	OGQ Foundation for Promotion of Sports and Games CSR00001100  Office No 4, 4th Floor, Anand 105 Building, Dr. Ambedkar Road, Bandra W, Mumbai: 400050
16	Gym equipment for Wrestling (Vinesh Phogat, Sonipat, Haryana)	131402	3/10/2023	332,671	OGQ Foundation for Promotion of Sports and Games CSR00001100  Office No 4, 4th Floor, Anand 105 Building, Dr. Ambedkar Road, Bandra W, Mumbai: 400050
17	Ultrasound system (Sri Sathya Sai Sanjeevani Cardiac Hospital, Kondapaka, Telangana)	502372	2/3/2024	61,99,206	Sri Sathya Sai Health and Education Trust CSR00001048  303, Tara Apartment, 132, Infantry Road, Bangalore – 560001
18	X-Ray system (Sri Sathya Sai Sanjeevani Cardiac Hospital, Kondapaka, Telangana)	502372	2/3/2024	17,00,000	Sri Sathya Sai Health and Education Trust CSR00001048  303, Tara Apartment, 132, Infantry Road, Bangalore – 560001
19	Mobile Library Bus with accessories (Imphal Valley, Kangpokpi and Moreh, Manipur)	795001	24.01.24	33,65,544	Vidhya Bharti Purvottar Kshetra CSR00025214  Vishnupath RGB Road, Guwahati 781024
20	Optical Coherence Tomography, Angiography, Laser System and other medical equipments (Bhaktivedanta Eye Hospital Barsana, Mathura District, UP)	281405	27/2/2024	99,80,000	Shri Chaitanya Health & Care Trust CSR00000226  Bhaktivedanta Hospital and Research Institute, Mira Road East, Thane, Maharashtra 401107
21	Construction of 3 classrooms, two washrooms on second floor of new school at Belagaum, Karnataka	590016	15/2/2024	40,91,587	Mahesh Foundation CSR00003827  792, Siddeshwar Nagar, Kanabargi, Belagavi - 590016



22	Vehicle for transporting cancer patients (Guwahati, Assam)	781028	14/3/2024	20,79,640	Deepsikha (Cancer Care Foundation) CSR00002693 House no. 18, Bholababa Path, Sixmile, Guwahati 781022, Assam
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9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:

**Not Applicable**

  
MANAGING DIRECTOR & CEO

  
CHAIRMAN, CSR COMMITTEE



**Annexure –III**

**Disclosures pertaining to Employee Stock Option Scheme for the FY 2023-24  
as required under Section 62 of the Companies Act, 2013**

Particulars	Employee Stock Option Scheme -2018					
	2018-19 Tranche -I	2019-20 Tranche -II	2020-21 Tranche-III	2021-22 Tranche-IV	2022-23 Tranche-V	2023-24 Tranche-VI
Total number of options in force (as at 01.04.2023)	1,45,702	10,81,834	13,96,712	26,52,039	8,26,000	-
Options Granted during the year	-	-	-	-	-	14,66,250
Options Exercised during the year and total number of shares arising as a result of exercise of option (1:1 ratio)	1,15,390	8,47,844	8,27,852	7,19,831	1,04,912	-
Options lapsed (during the year)	534	-	26,972	87,890	15,000	12,000
Exercise Price	₹ 155.00	₹ 250.30	₹ 360	₹ 559.90	₹ 727.70	₹ 859.50
Variation of terms of options	-	-	-	-	-	-
Money realized by exercise of options (₹ in lakhs)	178.85	2,122.15	2,980.27	4,030.33	763.44	-
Total number of options in force (as at 31.03.2024)	29,778	2,33,990	5,41,888	18,44,318	7,06,088	14,54,250
Vested Options as at 31.03.2024	29,778	2,33,990	5,41,888	9,54,504	1,62,718	-





**N L BHATIA & ASSOCIATES**  
**PRACTISING COMPANY SECRETARIES**

Tel. : 91-022-2510 0718  
 Tel. : 91-022-2510 0698  
 E-mail : navnitlb@hotmail.com  
 brupadhyay@hotmail.com  
 Website : www.nlba.in

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

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

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

**For M/s. N. L. Bhatia & Associates**  
**Practising Company Secretaries**

**UIN: P1996MH055800**

**P/R. No.:700/2020**



*Navnit L. Bhatia*

**N.L. BHATIA**  
**Partner**

**FCS No. 1176**

**COP No. 422**

**UDIN: F001176F000544532**

**Date:** *June 7, 2024*

**Place:** Mumbai



**N L BHATIA & ASSOCIATES**  
**PRACTISING COMPANY SECRETARIES**

Tel. : 91-022-2510 0718  
Tel. : 91-022-2510 0698  
E-mail : navnitlb@hotmail.com  
brupadhyay@hotmail.com  
Website : www.nlba.in

**SECRETARIAL AUDIT REPORT**

**FORM NO. MR-3**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

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

**To,**  
**The Members,**  
**SBI Funds Management Limited**

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

Based on our verification of Company's Books, Papers, Minute Books, Forms and Returns Filed and Other Records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company, during the audit period covering the Financial Year from **April 01, 2023 to March 31, 2024** has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and Other Records maintained by **SBI Funds Management Limited** for the Financial Year ended on **March 31, 2024** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the Rules made thereunder.**
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder - Not Applicable.**
- (iii) The Depositories Act, 1996 and the Regulation and Bye-laws framed thereunder;**





- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable.
- (v) The following Regulations and Guidelines as amended from time to time, prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
- a) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
  - b) The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
  - c) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - f) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

We have also examined that the Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

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

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

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



We further report that, the members of the Company at the Annual General Meeting held on 31 July, 2023 approved the following;

1. Appointment of Mr. Shamsheer Singh (DIN: 09787674) as Director and Managing Director of the Company w.e.f. December 6, 2022.
2. Appointment of Mr. T.T Ram Mohan (DIN: 00008651) as Independent Director of the Company w.e.f. December 5, 2022.
3. Appointment of Mr. Julien Fontaine (DIN: 10132018) as Non-Executive Director of the Company.

For M/s. N. L. Bhatia & Associates  
Practising Company Secretaries

UIN: P1996MH055800

P/R. No.: 700/2020



*Naveen L. Bhatia*

N.L. BHATIA  
Partner

FCS No. 1176

COP No. 422

UDIN: F001176F000544532

Date: June 7, 2024

Place: Mumbai

**INDEPENDENT AUDITOR'S REPORT**

To the members of SBI Funds Management Limited

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

**Opinion**

We have audited the accompanying standalone financial statements of SBI Funds Management Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone Financial Statements and our audit report thereon. The Company's Annual Report is expected to be made available to us after the date of this audit report.



Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Company's Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the Standalone Financial Statements, in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) To evaluate the effect of any identified misstatements in the standalone financial statements.





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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B** wherein we have expressed an unmodified opinion;



(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. (Refer Note 27 to the Standalone Financial Statements);
- ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

1. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
2. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
3. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused



us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (1) and (2) above, contain any material mis-statement.

- v. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Companies Act, 2013.
  - vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
3. As required by Section 143 (5) of the Act, with respect to reporting under the directions issued by the Comptroller and Auditor-General of India, we report that:

Sr. No.	Directions issued by the Comptroller and Auditor-General of India	Auditor's Comment
a)	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has a system in place to process all the accounting transactions through IT system. As such, we have not come across any accounting transactions processed outside IT system which would have an impact on the integrity of the accounts or any financial implications.
b)	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government Company, then its direction is also applicable for statutory auditor of lender Company).	Based on our examination of relevant records of the Company and the information and explanations received from the Management, there were no borrowings made by the Company and hence this clause is not applicable for the year 2023-24.



Sr. No.	Directions issued by the Comptroller and Auditor-General of India	Auditor's Comment
c)	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from central/ state government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on our examination of relevant records of the Company and the information and explanations received from the Management, there are no funds received/ receivable from Central/State agencies and hence this clause is not applicable for the year 2023-24.
<b>Additional Company Specific Directions u/s 143 (5) issued by the Comptroller and Auditor General of India</b>		
a)	Whether the investible funds received by the company were invested in accordance with the directions of the applicable Statutory Regulators (regulations and rules framed thereunder)	There are no regulatory directions to the Company for investing its own funds. The Company has been appointed as the Asset Management Company (investment manager) of the SBI Mutual Fund by the Trustee Company. The Company is investing its surplus funds in compliance with the Investment policy approved by the Board and relevant sections of the Companies Act, 2013.
b)	Whether the funds invested under the schemes/products by the company are in compliance with the Investment Committee, Risk Committee constituted by the Board, Investment Manual etc. which prescribes the process/procedure, threshold, exposure limits, quality of security etc.	The Company manages the funds and makes investment decisions for the SBI Mutual Fund schemes in accordance with the scheme objectives, Trust Deed, provisions of Investment Management Agreement and SEBI Regulations & Guidelines after duly approval of the scheme by the SEBI. The Company is not the owner of the underlying assets/securities of Schemes. Rather, it is the respective schemes which are holding the securities of unit holders under Mutual Fund. Since the financial statements of respective schemes are prepared separately and approved by the Board and audited by a separate auditor appointed by Trust, the undersigned statutory auditor does not have any jurisdiction to audit whether the funds



Sr. No.	Directions issued by the Comptroller and Auditor-General of India	Auditor's Comment
		invested under the scheme/products are in compliance with the Investment Committee, Risk Committee constituted by the Board, Investment Manual.

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



Devang Vaghani  
Partner

Membership No: 109386  
UDIN: 24109386BKBZIR9622



Place: Mumbai  
Date: 25th April 2024



## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of SBI Funds Management Limited ("the Company") on the Standalone Financial Statements as of and for the year ended 31<sup>st</sup> March 2024]

- (i) In respect of the Company's Property Plant and Equipment ("PPE") and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the PPE;  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As per information and explanations given to us, physical verification of PPE has been carried out by the Management during the year in accordance with the phased programme of verification of all assets over three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company;
- (d) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not revalued its PPE or Intangible asset during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) Since the Company is a service provider, clause 3(ii)(a) of the Order pertaining to physical verification of inventory is not applicable to the Company;
- (b) Clause 3(ii)(b) pertaining to sanctioning of working capital loan on the basis of security of current assets is not applicable to the Company since it has not borrowed any loan in the form of working capital from banks or financial institutions during the year.
- (iii) The Company has not made investments in, and not provided any guarantee or security or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. The Company has granted unsecured loan to one party during the year.



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

(Rs. In Lakh)

Particular	Guarantee	Security	Loans	Advance in the nature of Loan
Aggregate Amount During the year				
- Others	-	-	67.80	-
Balance outstanding at the balance sheet date				
- Others	-	-	4,223.80	-

(b) The Loan granted are not, prima facie, prejudicial to the Company's interest.

(c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. No portion of the loan is due for repayment during the current year.

(d) There is no amount which is overdue for more than 90 days in respect of loan granted to such party.

(e) No loan amount is fallen due during the current year. Further, no fresh loan was granted to such party to settle the overdue loans.

(f) The Company has not granted any loans, which is repayable on demand or without specifying the terms or period of repayment.

(iv) The Company has not given any loans, guarantees or securities in respect of provisions of sections 185 and 186 of Companies Act, 2013. Further, in respect of investments made, the Company has complied with the provisions of section 186 of the Companies Act, 2013;

(v) In our opinion the Company has not accepted deposits or the amounts which are deemed to be deposits, within the meaning of sections 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence clause 3 (v) of the order is not applicable to the Company;

(vi) The Central Government of India has not specified the maintenance of Cost records under section 148(1) of Companies Act, 2013 for any of the services rendered by the Company;



(vii)

- (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues, including provident fund, income-tax, service tax, cess, Goods and Service Tax and other statutory dues applicable to the Company with appropriate authorities;

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, cess, Goods and Service Tax and any other material statutory dues applicable to the Company, were outstanding as on the last day of the financial year, for a period of more than six months from the date they became payable;

- (b) According to the information and explanations given to us, there are no dues outstanding in respect of income tax or service tax or Goods & service tax which has not been deposited on account of any dispute except the following:

Sr. No	Name of the Statute	Nature of Dues	Forum Where Dispute is pending	Amount (Rs. In Lakh)	Period block to which it relates
1	Maharashtra GST Act, 2017	Excess Input tax Credit claimed in GSTR 3B as compared GSTR 2A	Commissioner Appeals	0.68	FY 2017-18
2	Bihar GST Act, 2017	Ineligible Input tax Credit	Commissioner Appeals	2.20	FY 2017-18

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (ix) (a) to (f) of the order is not applicable to the Company;
- (x) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans or Private placement or preferential allotment and hence reporting under clause 3 (x) (a) to (b) of the Order is not applicable to the Company;



- (xi) (a) Based on the information and explanations given to us by the management, no material frauds in the company or on the company have been noticed or reported. However, there are two frauds reported. In one case where we have been informed that one employee of the company had allegedly misappropriated funds of some investors amounting to Rs. 49.56 Lakh during the year under audit. We are informed that the complainants' money has been returned by the aforesaid employee. In another case, one employee of Mutual Fund Distributor fraudulently transferred the investors' mutual fund units amounting to Rs. 4.42 Lakh to his account and subsequently redeemed these units. The entire amount is recovered and the units of original investors have been reinstated.
- (b) No report under sub section (12) of section 143 of the Companies Act, 2013 is required to be filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on our enquiries and according to the information and explanation given by the management, we have been informed that no whistle blower complaints has been received during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii)(a) to (c) of the Order is not applicable to the Company;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements, as required by the applicable Ind-AS;
- (xiv) (a) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business.
- (b) The reports of the Internal auditor for the year under audit have been considered by us during the audit.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered during the year into any non-cash transactions with its directors or persons connected with them and hence reporting under clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. The Company has not conducted any Non-Banking Financial or Housing Finance



activities during the year and the Company is not a Core Investment Company (CIC) and hence reporting under clause 3 (xvi) b, c and d are not applicable.

(xvii) According to the information and explanation given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditor during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.


(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and based on our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) (a) According to the information and explanations given to us and based on our examination of the records of the Company, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects as on 31st March 2024. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) The amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

(xxi) Since this is report on the standalone Financial Statements of the Company, reporting under clause 3 (xxi) is not applicable.

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

  
Devang Vaghani  
Partner  
Membership No: 109386  
UDIN: 24109386BKBZIR9622



Place: Mumbai  
Date: 25th April 2024



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

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SBI Funds Management Limited of even date]

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

We have audited the internal financial controls with reference to the standalone financial statements of SBI Funds Management Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements were established and maintained and if such controls operated effectively in all material respects.



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference




to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the Standalone Financial Statements, and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March 2024, based on the internal financial controls criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by ICAI.

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

  
Devang Vaghani  
Partner  
Membership No: 109386  
UDIN: 24109386BKBZIR9622



Place: Mumbai  
Date: 25th April 2024

**SBI FUNDS MANAGEMENT LIMITED**  
Balance Sheet

(₹ In Lakhs)

Particulars	Note No.	As at 31 Mar 2024	As at 31 Mar 2023
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash & Cash equivalents	2	215.54	31.64
(b) Bank Balance other than (a) above	3	5,471.69	2,908.10
(c) Receivables			
(i) Trade Receivables	4	10,697.72	5,600.34
(d) Loans	5	4,523.71	4,194.36
(e) Investments	6	6,60,891.32	4,58,510.32
(f) Other Financial Assets	7	809.07	843.17
<b>Sub-total - Financial Assets</b>		<b>6,82,609.05</b>	<b>4,72,087.93</b>
<b>(2) Non Financial Assets</b>			
(a) Current Tax Assets (Net)		104.67	2,196.59
(b) Property, Plant and Equipment	9	25,100.12	22,728.61
(c) Intangible Assets under Development	10	-	187.90
(d) Other Intangible Assets	11	593.06	420.11
(e) Other Non- Financial Assets	12	2,906.57	2,291.40
<b>Sub-total - Non - Financial Assets</b>		<b>28,704.42</b>	<b>27,824.61</b>
<b>Total Assets</b>		<b>7,11,313.47</b>	<b>4,99,912.54</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(i) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13	54.29	4.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	1,788.97	1,352.73
(b) Other Financial Liabilities	14	12,949.02	8,873.75
<b>Sub-total - Financial Liabilities</b>		<b>14,792.28</b>	<b>10,231.31</b>
<b>(2) Non Financial Liabilities</b>			
(a) Provisions	15	13,019.80	11,045.72
(b) Deferred Tax Liabilities (Net)	8	7,257.93	1,020.38
(c) Other Non-Financial Liabilities	16	552.97	769.28
<b>Sub-total - Non Financial Liabilities</b>		<b>20,830.70</b>	<b>12,835.38</b>
<b>Equity</b>			
(a) Equity Share Capital	17	5,063.40	5,037.24
(b) Other Equity	18	6,70,627.09	4,71,808.61
<b>Sub-total - Equity</b>		<b>6,75,690.49</b>	<b>4,76,845.85</b>
<b>Total Liabilities and Equity</b>		<b>7,11,313.47</b>	<b>4,99,912.54</b>

Summary of Material Accounting Policies 1

Other Notes to the Financial Statements 2-49

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

As per our report of even date

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

**Devang Vaghani**  
Partner  
Membership No: 109386



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

**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

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

**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

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

**Inderjeet Ghullani**  
Chief Financial Officer



Place: Mumbai  
Date : 25 April 2024

Date : 25 April 2024<sup>65</sup>

**SBI FUNDS MANAGEMENT LIMITED**  
Statement of Profit and Loss

(₹ In Lakhs)

Particulars	Note No.	For the Year Ended 31 Mar 2024	For the Year Ended 31 Mar 2023
<b>Revenue from Operations</b>			
(i) Asset management fees	19	2,68,278.45	2,15,557.29
(ii) Net gain on fair value changes	20	58,262.39	14,169.72
<b>I Total revenue from operations</b>		<b>3,26,540.84</b>	<b>2,29,727.01</b>
<b>II Other Income</b>	21	15,975.71	11,459.06
<b>III. Total Income ( I+II )</b>		<b>3,42,516.55</b>	<b>2,41,186.07</b>
<b>Expenses</b>			
(i) Finance cost	40	771.06	525.46
(ii) Scheme expenses		4,666.13	2,801.43
(iii) Employee benefits expenses	22	36,838.76	32,614.17
(iv) Depreciation and amortization expense	9, 11	3,699.63	3,383.65
(v) Other expenses	23	28,937.85	24,572.34
<b>IV. Total expenses</b>		<b>74,913.43</b>	<b>63,897.05</b>
<b>V. Profit / (Loss) before exceptional items and tax ( III-IV )</b>		2,67,603.12	1,77,289.02
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit/(loss) before tax ( V-VI )</b>		2,67,603.12	1,77,289.02
<b>VIII. Tax Expense:</b>			
- Current Tax	24	55,050.00	43,850.00
- Deferred Tax	25	6,257.95	319.41
<b>IX. Profit / (loss) for the period ( VII-VIII )</b>		<b>2,06,295.17</b>	<b>1,33,119.61</b>
<b>X. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss :			
i) Remeasurements of the defined benefit plans		(81.05)	(3.38)
ii) Deferred tax on above		20.40	0.85
iii) Foreign currency translation		0.85	-
<b>XI. Total Comprehensive Income for the period (IX+X)</b>		<b>2,06,235.37</b>	<b>1,33,117.08</b>
<b>XII. Earnings per equity share ( Face value of ₹ 1 each)</b>	26		
Basic (₹)		40.90	26.45
Diluted (₹)		40.70	26.33
Summary of Material Accounting Policies	1		
Other Notes to the Financial Statements	2-49		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date

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

**Devang Vaghani**  
Partner  
Membership No: 109386



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

**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

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

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

**Inderjeet Ghuliani**  
Chief Financial Officer



Place: Mumbai  
Date : 25 April 2024

Date : 25 April 2024



Particulars	For the Year Ended 31 Mar 2024	For the Year Ended 31 Mar 2023
<b>Cash Flow from Operating Activities</b>		
Net profit Before Tax	2,67,603.12	1,77,289.02
Adjustments for:		
Depreciation and Amortization	3,699.63	3,383.65
Finance cost	771.06	525.46
Employee Stock Option Expenses	2,787.81	2,897.49
(Profit) / Loss on sale of Property, Plant, Equipment (Net)	(13.31)	(9.72)
Exchange Fluctuations	0.85	-
Fair valuations of Investment (Net)	(53,877.87)	(6,018.26)
Gain on sale/redemption of investments	(4,384.52)	(8,151.46)
Interest income on investments	(14,432.48)	(9,727.17)
Distribution Income from AIF	(244.22)	(219.96)
Interest on loan	(299.65)	(6.54)
Dividend from Mutual Fund	27.09	-
Other Interest income	(0.87)	(1.37)
Dividend from Subsidiary	(415.33)	(547.96)
Dividend income	(1.61)	(1.61)
Operating profit before working capital changes	2,01,219.50	1,59,411.57
Decrease / (Increase) in Other Bank Balance	(2,563.59)	(36.11)
Decrease / (Increase) in Trade Receivables	(5,097.38)	(957.49)
Decrease / (Increase) in Other Financial Assets	34.80	4,885.51
Decrease / (Increase) in Other Non Financial Assets	(615.17)	(897.28)
(Decrease) / Increase in Trade Payables	485.70	(138.81)
(Decrease) / Increase in Other Financial Liabilities	1,305.95	(246.41)
(Decrease) / Increase in Provisions	1,893.03	797.94
(Decrease) / Increase in Other Non- Financial Liabilities	(216.31)	314.69
Net Cash Generated from Operations	1,96,446.53	1,63,133.61
Income taxes paid net of refund, if any	(52,958.08)	(43,671.97)
<b>Net cash generated from Operating Activities (A)</b>	<b>1,43,488.45</b>	<b>1,19,461.64</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Intangible assets	(231.37)	(263.21)
Purchase of Tangible assets	(852.93)	(901.85)
Purchase of Investments	(3,15,328.30)	(4,24,005.49)
Proceeds from Sale of Investments	1,73,816.65	3,21,234.30
Loan to Staff and Employee Welfare Trust (Including Interest Accrued)	(29.50)	(4,129.13)
Other Interest Income	0.87	1.37
Dividend received on investments	0.91	1.61
Dividend from subsidiary	415.33	547.96
Income from AIF	244.22	219.96
Interest income on investments	11,798.43	6,353.75
<b>Net Cash used in Investing Activities (B)</b>	<b>(1,30,165.69)</b>	<b>(1,00,940.73)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issuance of share capital	10,075.05	1,365.12
Principal element of lease payments	(2,189.26)	(1,870.43)
Interest element of lease payments	(771.06)	(525.46)
Interim Dividend paid	(20,253.59)	(17,630.33)
Final Dividend paid	-	-
<b>Net Cash used in Financing Activities (C)</b>	<b>(13,138.86)</b>	<b>(18,661.10)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>183.90</b>	<b>(140.19)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>31.64</b>	<b>171.84</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>215.54</b>	<b>31.64</b>
<b>Cash and Cash Equivalent comprising of :</b>		
Cash	0.28	0.41
Balance with Banks in current accounts	215.26	31.23
<b>Total</b>	<b>215.54</b>	<b>31.64</b>

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows' and previous year figures have been regrouped.

Summary of Material Accounting Policies  
Other Notes to the Financial Statements

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As per our report of even date

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

Devang Vaghani  
Partner  
Membership No: 109386



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

Dinesh Kumar Khara  
Chairman  
DIN 6737041

DENYS CHARLES JEAN MARIE  
FOUGEROUX DE C  
(Denys De Campigneulles)  
Director  
DIN 08716335

Shamsher Singh  
Managing Director & CEO  
DIN 09787674

Vinaya Datar  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Indrajeet Ghuliani  
Chief Financial Officer



a. Equity Share Capital:

(₹ in Lakhs)			
Particulars	Balance at the beginning of the year	Changes in Equity Share Capital during the year	Balance at the end of the year *
Equity Shares of ₹ 1 each, fully paid up ( Previous Year ₹ 1 each, fully paid up)			
As at 31 March, 2024	5,037.24	26.16	5,063.40
As at 31 March, 2023	5,033.05	4.19	5,037.24

(\*5,17,174 (FY 5,09,606) shares held by SBI Funds Management Limited – Employee Welfare Trust ("EWT"). Refer Note No. 28 for details on EWT)

b. Other Equity

Particulars	Reserves and Surplus					OCI*	Foreign currency translation reserve	Total Other Equity
	Share Application Money	Securities Premium	General Reserve	Shares Option Outstanding Account	Retained Earnings			
Opening balance as at 01 April, 2023	-	10,216.32	12,260.09	5,834.22	4,43,947.94	(449.96)	-	4,71,808.61
Profit for the year	-	-	-	-	2,06,295.17	-	-	2,06,295.17
Other Comprehensive Income - Remeasurement gain/(loss) of the defined benefit plans (net of tax)	-	-	-	-	-	(60.65)	-	(60.65)
Foreign currency translation during the year	-	-	-	-	-	-	0.85	0.85
Total Comprehensive Income for the year	-	-	-	-	2,06,295.17	(60.65)	0.85	2,06,235.37
Transfer to/from retained earnings	-	-	500.00	-	(500.00)	-	-	-
Other Additions/Deductions during the year	-	-	-	2,787.81	-	-	-	2,787.81
Interim Dividend for FY 2023-24	-	-	-	-	(20,253.59)	-	-	(20,253.59)
Additions During the year (towards options exercised)	10,075.05	10,048.89	-	-	-	-	-	20,123.94
Utilised during the year (on account of allotment of shares under ESOP)	(10,075.05)	-	-	-	-	-	-	(10,075.05)
Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)	-	2,774.47	-	(2,774.47)	-	-	-	-
Transfer from Share Options Outstanding Account to Retained Earnings (towards vested options cancelled)	-	-	-	(48.49)	48.49	-	-	-
Changes during the year	-	12,823.36	500.00	(35.16)	(20,705.10)	-	-	(7,416.89)
Closing Balance as at 31 March, 2024	-	23,039.68	12,760.09	5,799.07	6,29,538.01	(510.61)	0.85	6,70,627.09
Opening balance as at 01 April, 2022	-	6,492.47	11,760.09	3,314.84	3,28,943.47	(447.43)	-	3,52,063.44
Profit for the year	-	-	-	-	1,33,119.61	-	-	1,33,119.61
Other Comprehensive Income - Remeasurement gain/(loss) of the defined benefit plans (net of tax)	-	-	-	-	-	(2.53)	-	(2.53)
Total Comprehensive Income for the year	-	-	-	-	1,33,119.61	(2.53)	-	1,33,117.08
Transfer to/from retained earnings	-	-	500.00	-	(500.00)	-	-	-
Other Additions/Deductions during the year	-	-	-	2,897.49	-	-	-	2,897.49
Interim Dividend for FY 2022-23	-	-	-	-	(17,630.33)	-	-	(17,630.33)
Additions During the year (towards options exercised)	1,365.12	1,360.93	-	-	-	-	-	2,726.05
Utilised during the year (on account of allotment of shares under ESOP)	(1,365.12)	-	-	-	-	-	-	(1,365.12)
Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)	-	362.92	-	(362.92)	-	-	-	-
Transfer from Share Options Outstanding Account to Retained Earnings (towards vested options cancelled)	-	-	-	(15.19)	15.19	-	-	-
Changes during the year	-	1,723.85	500.00	2,519.38	(18,116.14)	-	-	(13,371.91)
Closing Balance as at 31 March, 2023	-	10,216.32	12,260.09	5,834.22	4,43,947.94	(449.96)	-	4,71,808.61

(\* Other Comprehensive Income)

Summary of Material Accounting Policies  
Other Notes to the Financial Statements

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As per our report of even date

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

Devang Vaghani  
Partner  
Membership No: 109386

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

Dinesh Kumar Khara  
Chairman  
DIN 6737041

Shamsher Singh  
Managing Director & CEO  
DIN 09787674

DENYS CHARLES JEAN MARIE  
FOUGEROUX DE C  
(Denys De Campigneulle)  
Director  
DIN 08716335

Vinaya Datar  
Chief Compliance Officer & Company Secretary  
M. No 15527

Place: Mumbai  
Date : 25 April 2024

Date : 25 April 2024

Inderjeet Ghillani  
Chief Financial Officer

## **Material Accounting Policies: SBI Funds Management Limited – Standalone**

### **Company Overview**

SBI Funds Management Limited ('SBIFML/ the Company') was incorporated on 7th February 1992 under provisions of the Companies Act, 1956 (Act). The Company is a joint venture between SBI and AMUNDI.

The Company was granted approval by Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1993, subsequently replaced by SEBI (Mutual Funds) Regulations, 1996, to act as the Investment Manager of SBI Mutual Fund ('the Fund'). The Company manages the Investment Portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Restated and Amended Investment Management Agreement dated March 12, 2024. The Company has a wholly owned foreign subsidiary namely SBI Funds Management (International) Private Limited, which is based at Mauritius and manages Off-shore Funds.

The Company is also registered with SEBI under the SEBI (Portfolio Managers) Regulations, 1993 subsequently replaced by SEBI (Portfolio Managers) Regulations, 2020 and provides Portfolio Management Services (PMS) to domestic and international clients.

The Company also offers alternate asset investment products through Alternative Investment Funds (AIF). The Company is acting as Investment Manager of SBI Alternative Equity Fund & SBI Alternative Debt Fund which is registered with SEBI as a category III & category II AIF respectively under SEBI (Alternative Investment Funds) Regulations, 2012. Further, the Company also acts as an Investment Manager to Corporate Debt Market Development Fund (CDMDF), an AIF set up under SEBI AIF Regulations, for developing a Backstop Facility for development of the corporate debt market by providing backstop facility at the time of market dislocation to benefit the wider corporate debt market.

The Company is also providing the management and advisory services to Category I foreign portfolio investors and Category II foreign portfolio investors through fund manager(s) managing the schemes of the SBI Mutual Fund as permitted under Regulation 24(b) of the SEBI (Mutual Funds) Regulations, 1996.

The Company has established a branch in IFSC-GIFT City at Gujarat for undertaking Investment Management activities / services for pooled assets and Portfolio Management services. The International Financial Services Centres Authority (IFSCA) has granted certificate of registration dated November 28, 2022 to SBI Funds Management Limited (IFSC Branch) to carry out activities as a Fund Management Entity (Retail) vide registration number is IFSCA/FME/III/2022-23/010. SBIFML through its IFSC branch is acting as an Investment Manager to SBI Investment Opportunities Fund (IFSC) which is registered with IFSCA as a Category III Alternative Investment Fund.

The Company has incorporated a wholly owned subsidiary company Limited in IFSC-GIFT City, viz. SBI Funds International (IFSC) Limited on February 07, 2024, after receiving no objection certificate from SEBI, for undertaking Portfolio Management Services and Investment Management activities / services for pooled assets in IFSC-GIFT City.

### **1. Material Accounting Policies**

#### **1.1 Basis of preparation and presentation**

##### **a) Statement of compliance**

The Financial statements of SBI Funds Management Limited ('the Company') have been prepared and presented on going concern basis and in accordance with Indian



## Material Accounting Policies: SBI Funds Management Limited – Standalone

Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (The Act) [the (Indian Accounting Standards) Rules, 2015] and other provisions of the Act as amended from time to time.

### b) Presentation of standalone financial statements

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

### c) Functional and reporting currency

Indian Rupee (₹) is the currency of the primary economic environment in which the company operates and hence the functional currency of the company. Accordingly, the financial statements are presented in Indian Rupee (₹).

### d) Rounding off

All figures have been rounded-off to the nearest lakh up to two decimal places, unless otherwise indicated.

### e) Basis of measurement

The Standalone Financial Statements have been prepared on the historical cost basis except for the following: -

- Financial instruments that are measured at fair value (refer accounting policy regarding financial instruments)
- Assets held for sale – measured at lower of carrying amount or fair value less cost to sell
- Defined benefit plans- plan assets measured at fair value

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### f) Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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





## Material Accounting Policies: SBI Funds Management Limited – Standalone

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability. This category includes all instruments for which the valuation technique includes inputs that are not observable, and the unobservable inputs have a significant effect on the instrument's valuation.

### g) Use of judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect application of accounting policies and the reported amount of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses for the periods presented.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Financial instruments – Fair values, risk management and impairment of financial assets.
- Estimates of useful lives and residual value of property, plant and equipment, and other intangible assets.
- Obligation relating to employee benefits related to actuarial assumptions and share based payments.
- Recognition and measurement of provisions and contingencies; key assumptions related to the likelihood and magnitude of an outflow of resources, if any

Recognition of deferred tax assets/liabilities.





## Material Accounting Policies: SBI Funds Management Limited – Standalone

- Determination of lease term and discount rate for lease liabilities.
- Impairment test of non-financial assets - Key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets.

### **h) Investments in subsidiaries and associates**

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any in its separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of such investments, the difference between net disposal proceeds and the carrying amount are recognised in the Statement of Profit and Loss.

### **1.2 Revenue Recognition**

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

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

#### **1.2.1 Revenue from Operations**

The company recognises revenue when amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company, regardless of when payment is being made.

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

##### **(a) Management Fees:**

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

##### **(b) Portfolio Management and Advisory Services -**

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

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

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses,



## **Material Accounting Policies: SBI Funds Management Limited – Standalone**

or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

### **1.2.2 Other Income:**

#### **(a) Dividend income:**

Dividend income from investments is recognised when the right to receive payment has been established.

#### **(b) Interest income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

### **1.3 Scheme Expenses**

(a) Recurring expenses of schemes borne by the Company are recognised under respective expense heads in the Statement of Profit and Loss unless considered recoverable from the schemes in accordance with provisions of SEBI (Mutual Fund) Regulations 1996 and circular along with guidelines by Association of Mutual Funds in India (AMFI) issued from time to time.

Expenses of schemes of SBI Mutual Fund, in excess of the stipulated rates (if any), are required to be borne by the Company in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996, and as such, are charged to the Statement of Profit and Loss. In case of PMS/AIF scheme, based on the contract, expenses if any, are charged to the Statement of Profit and Loss.

(b) Brokerage: Brokerage is paid to the brokers for Portfolio Management and Alternative Investment Schemes as per the terms of agreement entered with respective brokers. Brokerage paid by the Company in line with the applicable regulations is being charged to statement of profit and loss over the contractual period.

(c) New Fund Offer Expenses: Expenses relating to new fund offer of SBI Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996.

### **1.4 Leases**

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for office on lease and other assets. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of



## Material Accounting Policies: SBI Funds Management Limited – Standalone

commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 1.5 Foreign currencies

#### (a) Foreign Currency Transactions and translations

Foreign currency transactions are translated into functional currency using respective currency exchange rates prevailing on the date of transaction first qualify for recognition.

##### i. Monetary items:

Foreign exchange gains or losses realized up on settlement of transactions or translation of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit and loss using reporting date exchange rates.

##### ii. Non-monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e.



## **Material Accounting Policies: SBI Funds Management Limited – Standalone**

translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss, respectively).

### **1.6 Employee benefits**

#### **(a) Defined Contribution Plan:**

##### **- Provident Fund**

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

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

##### **- Superannuation**

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

##### **- National Pension System / Scheme (NPS)**

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

#### **(b) Defined Benefit Plan - Gratuity**

Gratuity liability is a defined benefit obligation and is funded through a Gratuity Fund administered by trustees and managed by the Life Insurance Corporation of India. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year. Actuarial gains and losses are immediately recognized in the Statement of Profit and loss. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability as the case may be. The discount rate is based on the government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in other comprehensive income in the statement of comprehensive income in the period in which they arise.

#### **(c) Other Long-term employee benefit obligation:**

All eligible employees of the company are eligible for the encashment of leave or leave with pay subject to certain rules, long term service awards and retirement gift on attaining the superannuation.

The cost of providing other long-term benefits is determined based on independent actuarial valuation carried out as at the end of each financial year.

#### **(d) Employee Share Based Payments:**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.





The fair value determined at the grant date of the equity-settled share-based payments is expensed on amortised basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior period is recognised at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of reporting period.

Current income taxes are recognised in the statement of profit and loss except for items those are recognised outside profit or loss (either in other comprehensive income or in equity), related tax for such items are recognised either in Other Comprehensive income or in Equity.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities are generally recognised for all taxable temporary differences except for investment in subsidiaries and associates, when the timings of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The Company offsets deferred tax assets and deferred tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.





## Material Accounting Policies: SBI Funds Management Limited – Standalone

### 1.8 Property, plant and equipment

#### **(a) Recognition and measurement**

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenses directly attributable to the acquisition of an asset.

Advances paid towards the acquisition of property and equipment and the cost of property and equipment not ready for use before the reporting date are disclosed separately in the property and equipment schedule.

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

#### **(b) Depreciation**

Depreciation on property, plant and equipment is recognised using Straight Line Method (SLM) to expense the cost less residual values over estimated useful lives as prescribed under schedule II of Companies Act, 2013. Estimated useful lives of property, plant and equipment as stipulated under Schedule II of the Companies Act, 2013 and adopted by management for various block of assets in as under:

Assets	Useful Life (in years)
Office Premises	60
Computers- Servers and networks	6
Computers- End user devices, such as, desktops, laptops, etc.	3
Furniture and fixtures	10
Office Equipment (including Electrical Installation & Building Management systems)	5
Glow Sign Board	2
Vehicles	8

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

All fixed assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase/acquisition.

Estimated useful lives and residual values are reviewed at the end of each financial year and changes, if any, are accounted prospectively.

#### **(c) Capital work in progress**

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

### 1.9 Intangible assets

#### **(a) Recognition and measurement**

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.



## Material Accounting Policies: SBI Funds Management Limited – Standalone

Initial cost of software implementation is capitalised and any subsequent maintenance cost or enhancement cost are expensed out to statement of profit and loss unless it meets recognition criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation expense is recognised on a straight-line basis over their estimated useful lives in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### (b) Useful lives of intangible assets

Estimated useful lives of the intangible assets adopted by management are as follows:

Description of assets	Useful lives (In years)	Method of depreciation/ amortization
Computer software	3 - 6 years	SLM
Website development cost	3 years	SLM
Copyright licenses	5 years	SLM

### 1.10 De-recognition of PPE and Intangible Assets

Carrying amount (net of accumulated depreciation and amortisation) of property, plant and equipment and intangible asset is derecognised upon its disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gains or losses arising on such disposal is determined based on difference between net proceeds and carrying amount and such gains or losses are recognised in statement of profit and loss.

### Intangible assets under development

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

### 1.11 Provisions, contingent liability and contingent asset

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risk specified to the liability. The increase in provision due to passage of time is recognised as finance cost.



## **Material Accounting Policies: SBI Funds Management Limited – Standalone**

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of economic resources is considered remote. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

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

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

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

### **1.12 Financial instruments**

#### **Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

#### **Subsequent measurement**

##### ***Financial assets carried at amortised cost***

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using effective interest rate.

##### ***Financial assets at fair value through other comprehensive income***

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting



## **Material Accounting Policies: SBI Funds Management Limited – Standalone**

contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### ***Financial assets at fair value through profit or loss***

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

### **Derecognition of Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit or loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Derecognition of financial liabilities**

The Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or have expired.





**Equity instruments:**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Offsetting of financial instruments**

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

**1.13 Earnings per share**

The basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period/year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

**1.14 Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

**1.15 Cash and Cash Equivalents**

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





**1.16 Impairment of Non- Financial assets**

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

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

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



**SBI FUNDS MANAGEMENT LIMITED**  
**Notes to the Financial Statements**

(₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>2. Cash and Cash Equivalents</b>		
Cash on hand	0.28	0.41
Cheques in hand	-	-
Balance with banks *		
-in current accounts	215.26	31.23
<b>Total</b>	<b>215.54</b>	<b>31.64</b>
(*Refer Note No 41 for Related Party Disclosures)		
<b>3. Other Bank Balances *</b>		
Current account earmarked for unpaid dividend #	0.50	2.44
Earmarked for CSR	1,752.68	365.75
Balances with banks**	3,718.51	2,539.91
(Including interest accrued)		
<b>Total</b>	<b>5,471.69</b>	<b>2,908.10</b>
(*Refer Note No 41 for Related Party Disclosures)		
(** includes (i) AED 50,000 (₹11.35 lakhs) [previous year AED 50,000 (₹ 10.28 lakhs)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of representative office at Dubai.		
(ii) ₹ 2,137 lakhs [previous year ₹ 2,145 lakhs] towards lien created for PMS activities for providing the Performance Guarantee)		
(# ₹0.50 lakhs (Previous year ₹ 2.30 lakhs) earmarked for unpaid dividend)		
<b>4. Trade Receivables *</b>		
(a) Receivables considered good - Secured;	-	-
(b) <u>Receivables considered good - Unsecured;</u>		
i. Management Fees Receivable	7,085.42	2,982.91
ii. Portfolio Management & Advisory Fees Receivable	3,612.30	2,617.43
(c) Receivables which have significant increase in credit risk;	-	-
(d) Receivables – credit impaired	-	-
<b>Total</b>	<b>10,697.72</b>	<b>5,600.34</b>
<b>Loss Allowance</b>		
(a) Receivables considered good - Secured;	-	-
(b) <u>Receivables considered good - Unsecured;</u>		
i. Management Fees Receivable	-	-
ii. Portfolio Management & Advisory Fees Receivable	-	-
(c) Receivables which have significant increase in credit risk;	-	-
(d) Receivables – credit impaired	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Net Amount (Trade Receivable)</b>		
(a) Receivables considered good - Secured;	-	-
(b) <u>Receivables considered good - Unsecured;</u>		
i. Management Fees Receivable	7,085.42	2,982.91
ii. Portfolio Management & Advisory Fees Receivable	3,612.30	2,617.43
(c) Receivables which have significant increase in credit risk;	-	-
(d) Receivables – credit impaired	-	-
<b>Total</b>	<b>10,697.72</b>	<b>5,600.34</b>
<b>Receivables considered good - Unsecured;</b>		
<b>Undisputed</b>		
- Unbilled	1,383.31	591.02
- Billed but not due	-	-
- Billed and due	9,314.41	5,009.32
<b>Disputed</b>	-	-
<b>Total</b>	<b>10,697.72</b>	<b>5,600.34</b>
<b>Trade Receivables - ageing schedule</b>		
<b>Unsecured, considered good &amp; undisputed</b>		
- Unbilled	1,383.31	591.02
- <u>Billed and due</u>		
- Less than 6 Months	9,048.49	4,752.44
- 6 months - 1 year	234.32	255.73
- 1-2 years	31.60	1.15
<b>Disputed</b>	-	-
<b>Total</b>	<b>10,697.72</b>	<b>5,600.34</b>

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

(No debts are due from directors or other officers or any of them either severally or jointly with any other person.  
No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner or a director or a member)



**SBI FUNDS MANAGEMENT LIMITED****Notes to the Financial Statements****(₹ In Lakhs)**

<b>Particulars</b>	<b>As at 31 Mar 2024</b>	<b>As at 31 Mar 2023</b>
<b>5. Loans*</b>		
(i) Loan to Employee Welfare Trust (EWT) \$	4,499.55	4,161.89
<u>(ii) Staff Loans</u>		
(a) Loans receivable considered good - Secured #	17.83	22.20
(b) Loans receivable considered good - Unsecured	6.33	10.27
(c) Loans receivable which have significant increase in credit risk	-	-
(d) Loans receivable - credit impaired	-	-
<b>Total</b>	<b>4,523.71</b>	<b>4,194.36</b>

(\$ Measured at amortised cost)

Loan is granted to EWT pursuant to amended ESOP policy for the period of 5 years and as approved by the shareholders .

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

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



6. Investments

(₹ In Lakhs)

Particulars	As at 31 Mar 2024					
	Amortised cost	At Fair Value			Others	Total
		Through OCI#	Fair value through profit or loss account	Subtotal		
	1	2	3	4=(2+3)	5	6=(1+4+5)
Mutual fund units	-	-	4,46,849.98	4,46,849.98	-	4,46,849.98
Alternative investment funds	-	-	6,756.35	6,756.35	-	6,756.35
Debt Securities	2,04,668.79	-	-	-	-	2,04,668.79
Investment in Subsidiaries *	-	-	-	-	4.44	4.44
Investment in Associates*	-	-	-	-	600.25	600.25
Investment in Equity Shares	-	-	1,988.30	1,988.30	0.10	1,988.40
Investment in Preference Shares	23.11	-	-	-	-	23.11
<b>Total – Gross (A)</b>	<b>2,04,691.90</b>	<b>-</b>	<b>4,55,594.63</b>	<b>4,55,594.63</b>	<b>604.79</b>	<b>6,60,891.32</b>
(i) Overseas Investments	-	-	-	-	4.44	4.44
(ii) Investments in India	2,04,691.90	-	4,55,594.63	4,55,594.63	600.35	6,60,886.88
<b>Total (B)</b>	<b>2,04,691.90</b>	<b>-</b>	<b>4,55,594.63</b>	<b>4,55,594.63</b>	<b>604.79</b>	<b>6,60,891.32</b>
Less: Impairment loss allowance (C)	-	-	-	-	-	-
<b>Total – Net (D) = (A)-(C)</b>	<b>2,04,691.90</b>	<b>-</b>	<b>4,55,594.63</b>	<b>4,55,594.63</b>	<b>604.79</b>	<b>6,60,891.32</b>

(₹ In Lakhs)

Particulars	As at 31 Mar 2023					
	Amortised cost	At Fair Value			Others	Total
		Through OCI#	Fair value through profit or loss account	Subtotal		
	1	2	3	4=(2+3)	5	6=(1+4+5)
Mutual fund units	-	-	2,73,985.85	2,73,985.85	-	2,73,985.85
Alternative investment funds	-	-	3,861.57	3,861.57	-	3,861.57
Debt Securities	1,78,014.33	-	-	-	-	1,78,014.33
Investment in Subsidiaries*	-	-	-	-	4.44	4.44
Investment in Associates*	-	-	-	-	600.25	600.25
Investment in Equity Shares	-	-	2,020.41	2,020.41	0.10	2,020.51
Investment in Preference Shares	23.37	-	-	-	-	23.37
<b>Total – Gross (A)</b>	<b>1,78,037.70</b>	<b>-</b>	<b>2,79,867.83</b>	<b>2,79,867.83</b>	<b>604.79</b>	<b>4,58,510.32</b>
(i) Overseas Investments	-	-	-	-	4.44	4.44
(ii) Investments in India	1,78,037.70	-	2,79,867.83	2,79,867.83	600.35	4,58,505.88
<b>Total (B)</b>	<b>1,78,037.70</b>	<b>-</b>	<b>2,79,867.83</b>	<b>2,79,867.83</b>	<b>604.79</b>	<b>4,58,510.32</b>
Less: Impairment loss allowance (C)	-	-	-	-	-	-
<b>Total – Net (D) = (A)-(C)</b>	<b>1,78,037.70</b>	<b>-</b>	<b>2,79,867.83</b>	<b>2,79,867.83</b>	<b>604.79</b>	<b>4,58,510.32</b>

(# Other Comprehensive Income)

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



**SBI FUNDS MANAGEMENT LIMITED****Notes to the Financial Statements****(₹ In Lakhs)**

<b>Particulars</b>	<b>As at 31 Mar 2024</b>	<b>As at 31 Mar 2023</b>
<b>7. Other Financial Assets*</b>		
Investment pending allotment	-	50.53
Security deposits (Unsecured considered good)	757.56	791.80
GST payment under protest	-	-
Others	51.51	0.84
<b>Total</b>	<b>809.07</b>	<b>843.17</b>
(*Refer Note No 41 for Related Party Disclosures)		
<b>8. Deferred Tax</b>		
Deferred Tax Assets	(1,799.40)	(1,310.45)
Deferred Tax Liabilities	9,057.33	2,330.83
<b>Deferred Tax Liabilities (Net) \$</b>	<b>7,257.93</b>	<b>1,020.38</b>
(\$ Refer Note No 25 for disclosure)		





9 Property, Plant and Equipment

9.1 Property, Plant and Equipment - As at 31 Mar 2024

Particulars	Gross Block (At Cost)			Accumulated Depreciation			Net Block As at 31.03.2024
	As at 01.04.2023	Additions for the year	Deductions/ Adjustments/ for the year	As at 31.03.2024	Up to 01.04.2023	For the Year (\$)	Up to 31.03.2024
Building (refer note i)	15,018.24	-	-	15,018.24	1,602.30	267.05	1,869.35
Electrical Fittings (including Building Management Systems)	89.05	6.49	0.25	95.29	88.26	6.70	94.71
Furniture and Fixtures	908.17	79.62	33.15	954.64	641.83	96.07	706.67
Vehicles	44.47	-	0.95	43.52	36.96	3.44	39.45
Office Equipment	1,133.13	343.13	24.35	1,451.91	658.99	201.96	837.83
Right to use asset #	13,693.47	5,122.39	473.15	18,342.71	6,161.86	2,485.42	8,337.94
Computers	2,823.44	52.67	386.43	2,489.68	2,532.29	125.77	2,271.61
Leasehold Improvements	1,907.14	453.79	93.25	2,267.68	1,166.01	266.90	1,405.99
<b>Total Tangible Assets</b>	<b>35,617.11</b>	<b>6,058.09</b>	<b>1,011.53</b>	<b>40,663.67</b>	<b>12,888.50</b>	<b>3,453.31</b>	<b>15,563.55</b>

9.2 Property, Plant and Equipment - As at 31 Mar 2023

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

Note i : On long term assignment basis

# Right to use asset - As at 31 Mar 2024

Particulars	Gross Block (At Cost)			Accumulated Depreciation			Net Block As at 31.03.2024
	As at 01.04.2023	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2024	Up to 01.04.2023	For the Year (\$)	Up to 31.03.2024
Building	12,809.50	4,008.09	473.15	16,344.44	5,572.55	1,931.50	9,149.73
Computers	776.53	979.51	-	1,756.04	518.09	510.39	727.56
Vehicle	107.44	134.79	-	242.23	71.22	43.53	127.48
<b>Grand Total</b>	<b>13,693.47</b>	<b>5,122.39</b>	<b>473.15</b>	<b>18,342.71</b>	<b>6,161.86</b>	<b>2,485.42</b>	<b>10,004.77</b>

# Right to use asset - As at 31 Mar 2023

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



10. Intangible assets under development (₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Intangible asset under development	-	187.90

10.1 Intangible assets under development ageing schedule

Intangible assets under development	Amount of intangible assets under development for a period of (₹ In Lakhs)		
	As at 31 Mar 2024	As at 31 Mar 2023	
	Less than 1 year	Less than 1 year	Total
Projects in Progress	-	-	187.90
Projects temporarily suspended	-	-	-

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

11 Intangible Assets

11.1 Intangible Assets - As at 31 Mar 2024

Particulars	Gross Block (At Cost)			Accumulated Amortisation			Net Block As at 31.03.2024
	As at 01.04.2023	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2024	Up to 01.04.2023	For the Year (\$)	Up to 31.03.2024
Computer Software	2,338.37	16.52	-	2,354.89	2,178.15	115.99	2,294.14
Copyright License	15.81	-	-	15.81	15.81	-	15.81
Website Development Cost	353.39	402.75	-	756.14	93.50	130.33	223.83
<b>Total Intangible Assets</b>	<b>2,707.57</b>	<b>419.27</b>	<b>-</b>	<b>3,126.84</b>	<b>2,287.46</b>	<b>246.32</b>	<b>2,533.78</b>

(₹ In Lakhs)

11.2 Intangible Assets - As at 31 Mar 2023

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

(₹ In Lakhs)

(\$) Depreciation and Amortization Expense \*

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
Depreciation on Property, Plant and Equipment	3,453.31	3,133.35
Amortization of Intangible Assets	246.32	250.30
<b>Total</b>	<b>3,699.63</b>	<b>3,383.65</b>

(\* includes ₹30.57 lakh (previous year ₹ 23.79 lakh) assets costing up to ₹ 5000)



**SBI FUNDS MANAGEMENT LIMITED****Notes to the Financial Statements****(₹ In Lakhs)**

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>12. Other Non-Financial Assets</b>		
Prepayment under leases	224.10	167.94
GST payment under protest *	658.22	-
Prepaid expenses	1,607.40	1,495.50
Others	416.85	627.96
<b>Total</b>	<b>2,906.57</b>	<b>2,291.40</b>

(\* Refer Note No 29)

**13. Trade Payables\***

(i) Total outstanding dues of micro enterprises and small enterprises \*\*

54.29 4.83

(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises

1,788.97 1,352.73

**Total****1,843.26 1,357.56**

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

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

**Trade Payables - MSME****Undisputed**

- Unbilled

- -

- Bill not due for payment

- -

- Billed and due for payment

54.29 4.83

**Disputed**

- -

**Total****54.29 4.83****Trade Payables - Others****Undisputed**

- Unbilled

828.12 613.00

- Billed not due for payment

- -

- Billed and due for payment

960.85 739.73

**Disputed**

- -

**Total****1,788.97 1,352.73****Trade Payables - Ageing Schedule****Undisputed - MSME**

- Unbilled

- -

- Billed and due

- Less than 1 year

54.29 4.83

**Disputed - MSME**

- -

**Total****54.29 4.83**

**SBI FUNDS MANAGEMENT LIMITED**
**Notes to the Financial Statements**
**(₹ In Lakhs)**

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>Trade Payables - Ageing Schedule</b>		
<b>Undisputed - Others</b>		
- Unbilled	828.12	613.00
- Billed and due		
- Less than 1 year	960.85	739.73
<b>Disputed - Others</b>	-	-
<b>Total</b>	<b>1,788.97</b>	<b>1,352.73</b>

**14. Other Financial Liabilities**

CSR Payable	1,752.68	365.75
Other liabilities		
i. Earnest money deposit *	1.69	2.45
ii. Retention money *	30.52	35.03
iii. Interim Dividend payable	0.26	2.30
iv. Creditors for capital expenditure*	1.24	37.02
v. Lease liabilities	11,161.99	8,392.67
vi. Expenses payable	0.64	38.53
<b>Total</b>	<b>12,949.02</b>	<b>8,873.75</b>

(\*Refer Note No 42 for disclosure)

**15. Provisions**

(a) Provision for Employee Benefits	11,287.39	10,162.06
(b) Provision for Contingencies	1,560.45	420.00
(c) Provision for Expenses	171.96	463.66
<b>Total</b>	<b>13,019.80</b>	<b>11,045.72</b>

**16. Other Non-Financial Liabilities**

<b>Statutory dues payable</b>		
- Goods and services tax	423.15	452.87
- Withholding taxes	128.37	315.12
- Others	1.45	1.29
<b>Total</b>	<b>552.97</b>	<b>769.28</b>





**SBI FUNDS MANAGEMENT LIMITED**
**Notes to the Financial Statements**
**(₹ In Lakhs)**

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
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**17. Equity Share Capital**
**Authorised**

52,50,00,000 Equity Shares of ₹ 1 each (Previous year 52,50,00,000 Equity Shares of ₹ 1 each) 5,250.00 5,250.00

**Issued, Subscribed and Paid Up**

50,63,39,626 Equity Shares of ₹ 1 each (fully paid up) 5,063.40 5,037.24

(Previous year 50,37,23,797 Equity Shares of ₹ 1 each (fully paid up))

**17.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 Mar 2024		As at 31 Mar 2023	
	No of Shares	(₹ In Lakhs)	No of Shares	(₹ In Lakhs)
<b>Equity Shares (face value of ₹ 1 each)</b>				
Outstanding at the beginning of the year	50,37,23,797	5,037.24	50,33,05,156	5,033.05
Add: Shares issued during the year	26,15,829	26.16	4,18,641	4.19
<b>Outstanding at the end of the year (face value of ₹ 1 each)</b>	<b>50,63,39,626</b>	<b>5,063.40</b>	<b>50,37,23,797</b>	<b>5,037.24</b>

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of an interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**17.2 Details of Shares held by Holding/Promoter Company**

Particulars	As at 31 Mar 2024		As at 31 Mar 2023	
	No of Shares	(₹ In Lakhs)	No of Shares	(₹ In Lakhs)
State Bank of India	31,50,00,000	3,150.00	31,50,00,000	3,150.00

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

Particulars	As at 31 Mar 2024		As at 31 Mar 2023	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India	31,50,00,000	62.21%	31,50,00,000	62.53%
Amundi India Holding, a wholly owned subsidiary of Amundi	18,50,00,000	36.54%	18,50,00,000	36.73%

48,10,312 (Previous Year: 61,02,287) equity shares of ₹ 1 each are reserved for issuance towards outstanding ESOP (Refer Note No 28)

During the current year 26,15,829 no.s of equity shares (Previous Year 4,18,641 no.s) at a face value of ₹ 1 each have been allotted to employees on exercise of ESOP.

The Company was a joint venture between State Bank of India and Société Générale Asset Management. However, consequent upon Société Générale S.A. and Credit Agricole S.A. entering into an agreement to undertake a global merger of their fundamental asset management businesses, 18,50,000 equity shares constituting 37% (on the date of transfer) of the paid-up equity share capital held by Société Générale Asset Management have been transferred to Amundi India Holding, a wholly owned subsidiary of Amundi on 30th May, 2011 after obtaining relevant regulatory approvals.





**SBI FUNDS MANAGEMENT LIMITED**  
**Notes to the Financial Statements**

(₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>18. Other Equity</b>		
<b>(A) General Reserve</b>		
Balance at the beginning of the year	12,260.09	11,760.09
Add: Transfer from Retained Earnings	500.00	500.00
<b>Sub-total (A)</b>	<b>12,760.09</b>	<b>12,260.09</b>
<b>(B) Share Application Amount</b>		
Balance at the beginning of the year	-	-
Add: During the year	10,075.05	1,365.12
Less: transferred to : - Paid up Capital	(26.16)	(4.19)
- Securities Premium account	(10,048.89)	(1,360.93)
<b>Sub-total (B)</b>	<b>-</b>	<b>-</b>
<b>(C) Securities Premium</b>		
Balance at the beginning of the year	10,216.32	8,492.47
Add: Transfer from Share Application account	10,048.89	1,360.93
Add: Transfer from ESOP Outstanding account	2,774.47	362.92
<b>Sub-total (C)</b>	<b>23,039.68</b>	<b>10,216.32</b>
<b>(D) Retained Earnings</b>		
Balance at the beginning of the year	4,43,947.94	3,28,943.47
Add: Profit for the year	2,06,295.17	1,33,119.61
Add: Transfer from ESOP Outstanding account #	48.49	15.19
Less: Transfer to general reserve	(500.00)	(500.00)
Less: Interim dividend	(20,253.59)	(17,630.33)
<b>Sub-total (D)</b>	<b>6,29,538.01</b>	<b>4,43,947.94</b>
<b>(E) Share Option Outstanding Account (Employee stock options)</b>		
Balance at the beginning of the year	5,834.22	3,314.84
Add: Additions during the year	2,787.81	2,897.49
Less: Transfer to Securities Premium account	(2,774.47)	(362.92)
Less: Transfer to Retained Earnings #	(48.49)	(15.19)
<b>Sub-total (E)</b>	<b>5,799.07</b>	<b>5,834.22</b>
<b>(F) Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	-	-
Add: Additions during the year	0.85	-
<b>Sub-total (F)</b>	<b>0.85</b>	<b>-</b>
<b>(G) Other Comprehensive Income</b>		
Balance at the beginning of the year (Net)	(449.96)	(447.43)
Add: Movement during the year	(60.65)	(2.53)
<b>Sub-total (G)</b>	<b>(510.61)</b>	<b>(449.96)</b>
<b>Total (A+B+C+D+E+F+G)</b>	<b>6,70,627.09</b>	<b>4,71,808.61</b>

(# On account of cancellation of vested ESOP Options)

**General Reserve :**

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

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

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

**Securities Premium :**

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

**Retained Earnings:**

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

The Company paid interim dividend of ₹ 20,253.59 Lakh @ ₹ 4.00/- per equity share during the year.

**Foreign Currency Translation Reserve :**

Foreign currency translation reserve represent the translation difference of IFSC branch operations.

**Other Comprehensive Income :**

It consists of measurement of net defined benefit liability/asset of employee benefits.



**SBI FUNDS MANAGEMENT LIMITED****Notes to the Financial Statements****(₹ In Lakhs)**

<b>Particulars</b>	<b>For the year ended 31 Mar 2024</b>	<b>For the year ended 31 Mar 2023</b>
<b>19. Asset Management Fees</b>		
Management Fees	2,60,240.72	2,10,360.77
Portfolio Management & Other Advisory Fees	8,037.73	5,196.52
<b>Total</b>	<b>2,68,278.45</b>	<b>2,15,557.29</b>
<b>20. Net Gain On Fair Value Changes</b>		
Net gain / (loss) on financial instruments at fair value through profit or loss	58,262.39	14,169.72
<b>Total</b>	<b>58,262.39</b>	<b>14,169.72</b>
<b>Fair Value Changes</b>		
Realised	4,384.52	8,151.46
Unrealised	53,877.87	6,018.26
<b>Total</b>	<b>58,262.39</b>	<b>14,169.72</b>
<b>21. Other Income</b>		
<u>Dividend income</u>		
- Preference shares (Financial Assets classified at amortised cost)	1.61	1.61
- Mutual Fund (Financial Assets classified at fair value through profit or loss)	27.09	-
- Subsidiary *	415.33	547.96
<u>Interest income</u>		
- Fixed Deposits*	202.43	139.47
- Staff Loans	0.87	1.37
- Security Deposits	45.56	45.24
- Loan to Employees Welfare Trust (Financial Assets classified at amortised cost)*	299.85	6.54
- Investment in Bonds (Financial Assets classified at Amortised Cost)	14,432.48	9,727.17
- Investment in AIF (Financial Assets classified at fair value through profit or loss)	244.22	219.96
<b>Dividend and interest income (A)</b>	<b>15,669.44</b>	<b>10,689.32</b>
Net gain on sale of Property, Plant and Equipment	13.31	9.72
Net gain on foreign currency transactions and translations	-	15.25
Interest on Income tax refund	118.49	-
Miscellaneous Income	174.47	744.77
<b>Other income (B)</b>	<b>306.27</b>	<b>769.74</b>
<b>Total (A+B)</b>	<b>15,975.71</b>	<b>11,459.06</b>
(*Refer Note No 41 for Related Party Disclosures)		
<b>22. Employee Benefit Expense</b>		
Salaries and allowances*	30,377.53	26,837.02
Contribution to provident and other funds	2,417.28	1,591.52
Employee Stock Option Expenses	2,787.81	2,897.49
Staff welfare expenses	1,256.14	1,288.14
<b>Total</b>	<b>36,838.76</b>	<b>32,614.17</b>
(*Refer Note No 41 for Related Party Disclosures)		



**SBI FUNDS MANAGEMENT LIMITED****Notes to the Financial Statements****(₹ In Lakhs)**

<b>Particulars</b>	<b>For the year ended 31 Mar 2024</b>	<b>For the year ended 31 Mar 2023</b>
<b>23. Other Expenses*</b>		
Rent, Taxes and Energy Cost #	766.11	590.44
Software and IT cost	5,350.26	3,763.68
Insurance	122.56	107.38
Travelling and Conveyance	1,256.46	1,953.64
Recruitment and Training	245.75	213.77
Printing and Stationery	181.45	166.48
Postage and Courier	110.30	106.87
Communication Cost	754.66	722.43
Advertising, Publicity and Business Promotion	4,887.97	4,403.59
Outsource Manpower Services	3,764.70	3,596.52
Legal and Professional Fees	4,060.07	2,815.10
<u>Auditor's remuneration:</u>		
-Audit fees	39.00	37.00
-Certification fee & other assurance fees	6.59	6.36
Directors' Sitting Fees	64.60	45.20
Royalty to SBI for Logo	2,662.39	2,141.30
Corporate Social Responsibility \$	2,787.58	2,156.91
Repairs and Maintenance	458.29	470.66
Net loss on foreign currency transactions and translations	34.03	-
Membership and Subscription	990.12	886.55
Miscellaneous Expenses	394.96	388.46
<b>Total</b>	<b>28,937.85</b>	<b>24,572.34</b>

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

(# Refer Note No 40)

(\$ Refer Note No 31)



**24. Tax Expenses**

**(a) Amount recognised in the Statement of Profit and Loss**

Particulars	For the Year ended 31 Mar 2024	For the Year ended 31 Mar 2023
<b>Current tax</b>		
In respect of the current year	55,050.00	43,850.00
Deferred Tax	6,257.95	319.41
<b>Income tax expense for the year</b>	<b>61,307.95</b>	<b>44,169.41</b>

**(b) Amount recognised in Other Comprehensive Income**

Particulars	For the Year ended 31 Mar 2024	For the Year ended 31 Mar 2023
Tax on remeasurements of the defined benefit plans	20.40	0.85

**(c) Reconciliation of Effective Tax Rate**

Particulars	For the Year ended 31 Mar 2024	For the Year ended 31 Mar 2023
a. Profit before tax	2,67,603.12	1,77,289.02
b. Applicable Tax Rate*	25.17%	25.17%
c. Computed Tax Expenses (a * b)	67,350.35	44,620.10
d. Tax Effect of:-		
- Effect of Items taxable at different rates	(7,419.79)	(1,383.03)
- Net expense non deductible	1414.21	1,275.00
- Tax exempt income & others	(36.82)	(342.66)
<b>Total (d)</b>	<b>(6,042.40)</b>	<b>(450.69)</b>
e. Tax Adjustments of earlier years	-	-
<b>f. Tax expense recognised during the year (c + d + e)</b>	<b>61,307.95</b>	<b>44,169.41</b>
<b>g. Effective Tax Rate (f ÷ a)</b>	<b>22.91%</b>	<b>24.91%</b>

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



**25. Deferred Tax Balances**

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

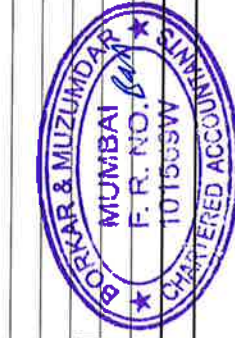
Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Deferred Tax Assets	1,799.40	1,310.45
Deferred Tax Liabilities	(9,057.33)	(2,330.83)
<b>Net</b>	<b>(7,257.93)</b>	<b>(1,020.38)</b>

**Current Year (2023-24)**

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in Equity	Reclassified from Equity to Profit or Loss	Closing Balance
<b>Deferred Tax (Liabilities)/Assets in relation to:</b>						
Depreciation/Amortization on Tangible/Intangible Assets	244.33	60.87	-	-	-	305.20
Fair Valuation of Investments	(2,330.83)	(6,726.50)	-	-	-	(9,057.33)
Provision for Leave Encashment	609.83	53.88	-	-	-	663.71
Provision for Gratuity	128.76	(55.65)	20.40	-	-	93.51
Others [including 40(a) and 43B]	107.86	334.58	-	-	-	442.44
Right to Use Assets	217.09	74.16	-	-	-	291.25
Fair Value of Security Deposit	2.58	0.71	-	-	-	3.29
<b>(A)</b>	<b>(1,020.38)</b>	<b>(6,257.95)</b>	<b>20.40</b>	<b>-</b>	<b>-</b>	<b>(7,257.93)</b>
Tax losses	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(1,020.38)</b>	<b>(6,257.95)</b>	<b>20.40</b>	<b>-</b>	<b>-</b>	<b>(7,257.93)</b>

**Previous Year (2022-23)**

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in Equity	Reclassified from Equity to Profit or Loss	Closing Balance
<b>Deferred Tax (Liabilities)/Assets in relation to:</b>						
Depreciation/Amortization on Tangible/Intangible Assets	163.02	81.31	-	-	-	244.33
Fair Valuation of Investments	(1,774.97)	(555.86)	-	-	-	(2,330.83)
Provision for Leave Encashment	568.81	41.02	-	-	-	609.83
Provision for Gratuity	50.82	77.09	0.85	-	-	128.76
Others [including 40(a) and 43B]	107.86	-	-	-	-	107.86
Right to Use Assets	179.90	37.19	-	-	-	217.09
Fair Value of Security Deposit	2.74	(0.16)	-	-	-	2.58
<b>Total</b>	<b>(701.82)</b>	<b>(319.41)</b>	<b>0.85</b>	<b>-</b>	<b>-</b>	<b>(1,020.38)</b>





**26. Earnings Per Share (EPS)**

Particulars	For the Year Ended 31 Mar 2024	For the Year Ended 31 Mar 2023
(a) Nominal Value of an Equity Share (₹)	1.00	1.00
(b) Net Profit available to Equity Shareholders (₹ in Lakhs)	2,06,295.17	1,33,119.61
(c) Number of Shares Outstanding	50,63,39,626	50,37,23,797
(d) Weighted Average Number of Shares Outstanding	50,43,40,323	50,33,26,948
(e) Effect of Potential Equity Shares for Stock Outstanding	24,70,240.00	22,28,677
(f) Weighted Average Number of Equity Shares used for computing Diluted Earning Per Share	50,68,10,563	50,55,55,625
(g) Basic EPS (₹) = (b)/(d)	40.90	26.45
(h) Diluted EPS (₹) = (b)/(f)	40.70	26.33

**27. Contingent Liabilities & Capital Commitments**

(₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>A. Contingent Liabilities</b>		
Claims Against the Company Not Acknowledged as Debts	247.45	254.08
<b>Subtotal (A)</b>	<b>247.45</b>	<b>254.08</b>
<b>B. Capital &amp; Other Commitments</b>		
i. Contracts remaining to be executed on capital account	31.07	216.32
ii. Capital Commitment for AIF Scheme	1,971.45	1,522.09
ii. Capital Commitment for IFSC (Subsidiary)	5,000.00	-
<b>Subtotal (B)</b>	<b>7,002.52</b>	<b>1,738.41</b>
<b>Total (A+B)</b>	<b>7,249.97</b>	<b>1,992.49</b>



## 28. Accounting for Share Based Payments (ESOP)

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

The amended Scheme categorizes options as Type I, Type II and Type III options with multiple vesting periods. The options can be exercised over a period of seven (7) years from the grant date. Each option carries with it the right to acquire one equity share of the Company at the exercise price determined by the Company at the time of grant.

Pursuant to the amended Scheme and approval of the Board of Directors upon recommendation of the Nomination and Remuneration Committee ("NRC"), the Company has set up the SBI Funds Management Limited – Employee Welfare Trust ("ESOP Trust"). In terms of the amended Scheme and Trust Deed, the Company has advanced funds to the ESOP Trust to enable the ESOP Trust to acquire 5,17,174 (PY 5,09,606) shares of the Company from employees/legal heirs.

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

During the financial year 2017-18 Company granted 23,30,668 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 155.

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

Particulars	2023-24	2022-23
	Nos	Nos
Opening Outstanding	1,45,702	2,08,960
Granted During the year	-	-
Exercised	1,15,390	55,151
Forfeited	-	-
Lapsed	534	8,107
Closing Outstanding ESOPs	29,778	1,45,702
Vested Options as at the year end	29,778	1,45,702
Weighted average exercise price per share (₹)	155.00	155.00
Weighted Average remaining contractual life (No of years)	1.80	2.80

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 7.03%-7.18% p.a.; (b) expected life: 4-6 years; (c) expected volatility: 17.9% to 19.33% and (d) dividend yield: 1.40% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 43.94/- per option.

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

During the financial year 2019-20 Company granted 23,22,132 ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 250.30

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

Particulars	2023-24	2022-23
	Nos	Nos
Opening Outstanding	10,81,834	12,66,039
Granted During the year	-	-
Exercised	8,47,844	1,73,367
Forfeited	-	-
Lapsed	-	10,838
Closing Outstanding ESOPs	2,33,990	10,81,834
Vested Options as at the year end	2,33,990	10,81,834
Weighted average exercise price per share (₹)	250.30	250.30
Weighted Average remaining contractual life (No of years)	2.50	3.50

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 6.14% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 16.82% and (d) dividend yield of around : 1% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹62.87/- per option.



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

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

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

Particulars	2023-24	2022-23
	Nos	Nos
Opening Outstanding	13,96,712	15,28,048
Granted During the year	-	-
Exercised	8,27,852	1,09,447
Forfeited	-	-
Lapsed	26,972	21,889
Closing Outstanding ESOPs	5,41,888	13,96,712
Vested Options as at the year end	5,41,888	7,62,967
Weighted average exercise price per share (₹)	360.00	360.00
Weighted Average remaining contractual life (No of years)	3.34	4.34

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 5.6% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 21.30% and (d) dividend yield of around : 0.9% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 95.39/- per option.

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

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

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

Particulars	2023-24	2022-23
	Nos	Nos
Opening Outstanding	26,52,039	27,83,600
Granted During the year	-	-
Exercised	7,19,831	80,676
Forfeited	-	-
Lapsed	87,890	50,885
Closing Outstanding ESOPs	18,44,318	26,52,039
Vested Options as at the year end	9,54,504	8,24,882
Weighted average exercise price per share (₹)	559.90	559.90
Weighted Average remaining contractual life (No of years)	4.50	5.50

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 5.69% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 24.93% and (d) dividend yield of around : 0.83% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 165.807/- per option.

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

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

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

Particulars	2023-24	2022-23
	Nos	Nos
Opening Outstanding	8,26,000	-
Granted During the year	-	8,31,000
Exercised	1,04,912	-
Forfeited	-	-
Lapsed	15,000	5,000
Closing Outstanding ESOPs	7,06,088	8,26,000
Vested Options as at the year end	1,62,718	-
Weighted average exercise price per share (₹)	727.70	727.70
Weighted Average remaining contractual life (No of years)	5.50	6.50



The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 6.02% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 27.2% and (d) dividend yield of around : 0.77% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 223.227/- per option.

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

#### **Employee Stock Option Plan 2018 (ESOP-2018)-VI**

During the current year Company granted 14,66,250 (out of which 5,09,606 from Employees Welfare Trust ) ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 859.50

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

Particulars	2023-24
	Nos
Opening Outstanding	-
Granted During the year	14,66,250
Exercised	-
Forfeited	-
Lapsed	12,000
Closing Outstanding ESOPs	14,54,250
Vested Options as at the year end	-
Weighted average exercise price per share (₹)	859.50
Weighted Average remaining contractual life (No of years)	6.50

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 6.9% to 7.00 %p.a.; (b) expected life: 4 to 6 5 years; (c) expected volatility: 23.8 % to 27.2% and (d) dividend yield of around : 0.60% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 291.04/- per option.

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

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

Particulars	(₹ In Lakhs)	
	31 Mar 2024	31 Mar 2023
ESOP expense charged to statement of profit and loss	2,787.81	2,897.49





**SBI FUNDS MANAGEMENT LIMITED**  
Notes to the Financial Statements

**29.Provisions**

Movement in Provision for contingency is as under :

(₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Carrying amount as at the beginning of the year	420.00	420.00
Additions during the year *	1140.46	-
Utilised during the year	-	-
Reversed during the year	-	-
<b>Carrying amount as at the end of the year</b>	<b>1,560.46</b>	<b>420.00</b>

\* The company shall continue to contest the amount deposited under protest matters related to Securities Lending & Borrowing (SLB) transactions of schemes with GST authority. However the company has reviewed the entire issue, as an abundant caution and as a prudent approach the company has made provision for tax amount along with interest.

**30.Dividend remittances to non-resident shareholders:\***

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
Number of non-resident shareholders	45	5.00
Number of equity shares held by them	18,50,39,494	18,50,05,890
Amount of final dividend paid (₹ In Lakhs)	-	-
Year to which dividend relates	-	-
Amount of interim dividend paid (₹ In Lakhs)	7,401.58	6,475.21
Year to which interim dividend relates	2023-24	2022-23

(\* On payment basis during the period)

**31.Corporate Social Responsibility (CSR)**

(₹ In Lakhs)

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
<b>a) Gross amount required to be spent by the Company during the year (under Section 135 of the Companies Act, 2013)</b>	<b>2,787.57</b>	<b>2,156.90</b>
b) Amount of expenditure incurred	2,787.57	2,156.90
c) Shortfall at the end of the period/year	-	-
d) Reason for shortfall	-	-
e) Unutilised/ unspent CSR amount in separate CSR account	1,752.68	333.90
Amount yet to be spent	1,752.68	333.90
<b>Nature of CSR Activities</b>		
(i)Construction/ acquisition of any asset	80.82	-
On purposes other than (i) above	2,706.75	1,823.00
Purpose/ Nature of activities	Health, Education, PM Relief Fund,Medical and Livelihood enhancements	Health, Education, PM Relief Fund,Medical and Livelihood enhancements
<b>Total</b>	<b>2,787.57</b>	<b>2,156.90</b>

Details of related party transactions in relation to CSR expenditure as per the relevant accounting standard (Net of refund)

(₹ In Lakhs)

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
SBI Foundation *	-	228.42

\* Refer Note 41 for related party transactions





### 32. Employee Benefit Plans

#### Defined Contributions Plan- Provident Fund, Superannuation Fund and National Pension Scheme

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

(₹ In Lakhs)		
Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
Employer's Contribution to Provident Fund, Superannuation Fund and National Pension Scheme	1,177.21	1,119.53

#### Details of Provision for other employees benefits

(₹ In Lakhs)		
Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
Provision for Leave encashment (based on actuarial valuation)	214.07	163.02
Provision for Long service reward (based on actuarial valuation)	145.63	-
Provision for Retirement Gift (based on actuarial valuation)	43.30	-

#### Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is for employees, which requires contributions to be made to a separately administered fund (through insurer managed scheme). The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the Investment strategy. The contribution is guided by rule 103 of Income tax rules 1962.

Employee benefits relating to employees at foreign offices are valued and accounted for as per their respective local laws.

#### Risks associated with defined benefit plan

**Gratuity is a defined benefit plan and company is exposed to the Following Risks:**

**Interest Rate Risk:** A fall in the discount rate which is linked to the G.Sec Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. An increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality Risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan do not have any longevity risk

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested in the insurance company and a default will wipe out all the assets. Although probability of this is very less as Insurance companies have to follow regulatory guidelines.

Gratuity is taken care by separate trust fund and contribution is guided by rule 103 of Income tax rules 1962.



**Assumptions (Current Period)**

Particulars	Valuation as at	
	31 Mar 2024	31 Mar 2023
Expected Return on Plan Assets	7.23%	7.48%
Rate of Discounting	7.23%	7.48%
Rate of Salary Increase	9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year	9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year
Rate of Employee Turnover	11% & 4%	3.00% p.a. for all service groups.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

**Assumptions (Previous Period)**

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



**SBI FUNDS MANAGEMENT LIMITED**  
**Notes to the Financial Statements**

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

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Present Value of Benefit Obligation at the beginning</b>	<b>2,545.39</b>	<b>2,353.64</b>
Interest Cost	190.40	171.11
Current Service Cost	241.47	225.49
Past Service Cost	848.24	-
(Benefit Paid From the Fund)	(198.95)	(190.41)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(6.87)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	150.04	(5.82)
Actuarial (Gains)/Losses on Obligations - Due to Experience adjustments	(53.86)	(8.62)
<b>Present Value of Benefit Obligation at the end</b>	<b>3,715.86</b>	<b>2,545.39</b>

**Table Showing Change in the Fair Value of Plan Assets**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Fair Value of Plan Assets at the beginning</b>	<b>2,274.86</b>	<b>2,163.48</b>
Interest Income	170.16	157.29
Contributions by the Employer	1,363.80	162.32
(Benefit Paid from the Fund)	(198.95)	(190.41)
Return on Plan Assets, Excluding Interest Income	4.94	(17.82)
<b>Fair Value of Plan Assets at the end</b>	<b>3,614.81</b>	<b>2,274.86</b>

**Amount Recognized in the Balance Sheet**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
(Present Value of Benefit Obligation at the end of the Period)	(3,715.86)	(2,545.39)
Fair Value of Plan Assets at the end of the Period	3,614.81	2,274.86
Funded Status (Surplus/ (Deficit))	(101.05)	(270.53)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(101.05)</b>	<b>(270.53)</b>

**Net Interest Cost**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Present Value of Benefit Obligation at the Beginning of the Period	2,545.39	2,353.64
(Fair Value of Plan Assets at the Beginning of the Period)	(2,274.86)	(2,163.48)
Net Liability/(Asset) at the Beginning	270.53	190.16
Interest Cost	190.40	171.11
(Interest Income)	(170.16)	(157.29)
<b>Net Interest Cost</b>	<b>20.24</b>	<b>13.82</b>



**SBI FUNDS MANAGEMENT LIMITED**  
**Notes to the Financial Statements**

**Expenses recognised in the Statement of Profit or Loss**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Current Service Cost	241.47	225.49
Net Interest Cost	20.24	13.82
Past Service Cost	848.23	-
<b>Expenses recognised</b>	<b>1,109.94</b>	<b>239.31</b>

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

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Actuarial (Gains)/Losses on Obligation For the Period	89.31	(14.44)
Return on Plan Assets, Excluding Interest Income	(4.94)	17.82
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>84.37</b>	<b>3.38</b>

**Balance Sheet Reconciliation**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Opening Net Liability</b>	<b>270.53</b>	<b>190.16</b>
Expenses Recognized in Statement of Profit or Loss	1,109.94	239.31
Expenses Recognized in OCI	84.37	3.38
(Employer's Contribution)	(1,363.80)	(162.32)
<b>Closing liability/(asset)</b>	<b>101.04</b>	<b>270.53</b>

**Category of Assets**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	3,614.81	2,274.86
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	<b>3,614.81</b>	<b>2,274.86</b>

**Other Details**

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
No of Members in Service	1,395.00	1,332.00
Per Month Salary For Members in Service (₹ In Lakhs)	721.61	656.27
Weighted Average Duration of the Defined Benefit Obligation	9.00	10.00
Average Expected Future Service	12.00	15.00
Defined Benefit Obligation (DBO) - Total (₹ In Lakhs)	3,715.86	2,545.39
Defined Benefit Obligation (DBO) - Due but Not Paid	-	-
Expected Contribution in the Next Year (₹ In Lakhs)	437.46	512.01





**SBI FUNDS MANAGEMENT LIMITED****Notes to the Financial Statements****Maturity Analysis of the Benefit Payments****(₹ In Lakhs)**

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Projected Benefits Payable in Future Years From the Date of Reporting :</b>		
1st Following Year	280.81	170.65
2nd Following Year	212.19	114.55
3rd Following Year	296.21	170.19
4th Following Year	204.24	220.69
5th Following Year	264.13	134.86
Sum of Years 6 To 10	1,895.75	1,129.75
Sum of Years 11 and above	4,071.70	3,672.66

**Sensitivity Analysis****(₹ In Lakhs)**

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>3,715.86</b>	<b>2,545.40</b>
Delta Effect of +1% Change in Rate of Discounting	(267.07)	(206.27)
Delta Effect of -1% Change in Rate of Discounting	302.83	236.89
Delta Effect of +1% Change in Rate of Salary Increase	300.81	164.52
Delta Effect of -1% Change in Rate of Salary Increase	(270.08)	(156.24)
Delta Effect of +1% Change in Rate of Employee Turnover	14.50	39.52
Delta Effect of -1% Change in Rate of Employee Turnover	(16.86)	44.28

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.





### 33. Details of Subsidiary

Details of the Company's subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership, interest and voting power held by the company	
			31 Mar 2024	31 Mar 2023
SBI Funds Management (International) Pvt Ltd	Investment Management Services	Mauritius	100%	100%

### 34. Details of Associate

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

Name of Associate	Country of Incorporation	Proportion of ownership interest	
		31 Mar 2024	31 Mar 2023
SBI Pension Funds Private Limited	India	20%	20%

### B. Summarised financial information of associate

**Summarised financial information of material associate :**

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

(₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Financial Assets	21,448.99	15,260.31
Non Financial Assets	1,318.48	1,542.58
Financial Liabilities	1,082.54	1,411.06
Non Financial Liabilities	482.99	432.26

(₹ In Lakhs)

Particulars	For the Year ended 31 Mar 2024	For the Year ended 31 Mar 2023
Revenue	16,347.08	13,506.59
Profit /(loss) from continuing operations	6,276.12	5,350.56
Post-tax profit (loss) from discontinued operations	-	-
Profit /(loss) for the year	6,276.12	5,350.56
Other comprehensive income for the year	(33.75)	-
Total comprehensive income for the year	6,242.37	5,350.56
Dividends received from the associate during the year	-	-

**Reconciliation of the above summarised financial information to the carrying amount of the interest in SBI Pension Funds Private Limited**

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Net worth of SBI Pension Funds Private Limited (₹ In Lakhs)	21,201.94	14,959.57
Proportion of the Company's ownership interest in SBI Pension Funds Private Limited	20%	20%
Goodwill (₹ In Lakhs)	15.04	15.04
Other adjustments	-	-
<b>Company's interest in SBI Pension Funds Private Limited (₹ In Lakhs)</b>	<b>4,255.43</b>	<b>3,006.95</b>



### **35. Segmental Reporting**

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

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

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

The amounts for the same are as follows:

(₹ In Lakhs)

Particulars	31 Mar 2024	31 Mar 2023
Revenue from SBI Mutual Fund (Schemes)	2,59,237.76	2,09,808.03



**36. Maturity Analysis of Assets and Liabilities**

The table below shows an analysis of assets and liabilities analysed according to their maturity profile.

(₹ In Lakhs)

Particulars	As at 31 Mar 2024			As at 31 Mar 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>(1) Financial Assets</b>						
(a) Cash & Cash equivalents	215.54	-	215.54	31.64	-	31.64
(b) Bank Balance other than (a) above	3,012.52	2,459.17	5,471.69	2,908.10	-	2,908.10
(c) <u>Receivables</u>						
(i) Trade Receivables	10,697.72	-	10,697.72	5,600.34	-	5,600.34
(d) Loans	10.56	4,513.15	4,523.71	14.73	4,173.74	4,188.47
(e) Investments	10,737.57	6,50,153.75	6,60,891.32	13,263.49	4,45,246.83	4,58,510.32
(f) Other Financial assets	118.69	690.38	809.07	218.83	637.67	856.50
<b>Sub-total - Financial Assets</b>	<b>24,792.60</b>	<b>6,57,816.45</b>	<b>6,82,609.05</b>	<b>22,037.13</b>	<b>4,50,058.24</b>	<b>4,72,095.37</b>
<b>(2) Non Financial Assets</b>						
(a) Current Tax assets ( Net)	-	104.67	104.67	-	2,196.59	2,196.59
(b) Property, Plant and Equipment	-	25,100.12	25,100.12	-	22,728.61	22,728.61
(c) Intangible Asset Under Development	-	-	-	-	187.90	187.90
(d) Other Intangible assets	-	593.06	593.06	-	420.11	420.11
(e) Other Non- financial assets	1,777.86	1,128.71	2,906.57	1,923.51	360.45	2,283.96
<b>Sub-total - Non Financial Assets</b>	<b>1,777.86</b>	<b>26,926.56</b>	<b>28,704.42</b>	<b>1,923.51</b>	<b>25,893.66</b>	<b>27,817.17</b>
<b>Total Assets</b>	<b>26,570.46</b>	<b>6,84,743.01</b>	<b>7,11,313.47</b>	<b>23,960.64</b>	<b>4,75,951.90</b>	<b>4,99,912.54</b>
<b>LIABILITIES</b>						
<b>(1) Financial Liabilities</b>						
(a) Trade Payables						
(i) Total outstanding dues of micro enterprises and small enterprises	54.29	-	54.29	4.83	-	4.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,788.97	-	1,788.97	1,352.73	-	1,352.73
(b) Other financial liabilities	4,002.71	8,946.31	12,949.02	2,016.65	6,857.10	8,873.75
<b>Sub-total - Financial Liabilities</b>	<b>5,845.97</b>	<b>8,946.31</b>	<b>14,792.28</b>	<b>3,374.21</b>	<b>6,857.10</b>	<b>10,231.31</b>
<b>(2) Non Financial Liabilities</b>						
(a) Provision	8,638.75	4,381.05	13,019.80	8,103.32	2,942.40	11,045.72
(b) Other non-financial liabilities	552.97	-	552.97	769.28	-	769.28
(c) Deferred tax liabilities (Net)	-	7,257.93	7,257.93	-	1,020.38	1,020.38
<b>Sub-total - Non Financial Liabilities</b>	<b>9,191.72</b>	<b>11,638.98</b>	<b>20,830.70</b>	<b>8,872.60</b>	<b>3,962.78</b>	<b>12,835.38</b>
<b>Total Liabilities</b>	<b>15,037.69</b>	<b>20,585.29</b>	<b>35,622.98</b>	<b>12,246.81</b>	<b>10,819.88</b>	<b>23,066.69</b>



**SBI FUNDS MANAGEMENT LIMITED****Notes to the Financial Statements****37. Revenue**

		(₹ In Lakhs)	
Note No.	Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
1	Details of revenue from Schemes pursuant to investment management agreement and contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	<b><u>Revenue from operations</u></b>		
	• Management Fees	2,60,240.72	2,10,360.77
	• Portfolio Management & Other Advisory Fees	8,037.73	5,196.52
	<b>Total</b>	<b>2,68,278.45</b>	<b>2,15,557.29</b>

**2 Disaggregate Revenue**

The table below presents disaggregated revenues of the Company from schemes of mutual fund and from contracts with customers by geography . The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

**Revenue based on geography**

• In India	2,64,147.88	2,13,346.76
• Outside India	4,130.57	2,210.53
<b>Total</b>	<b>2,68,278.45</b>	<b>2,15,557.29</b>



**38. Financial Instruments**

**A. Fair value measurements**

(₹ In Lakhs)

As at 31 Mar 2024	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Cash & Cash equivalents #	-	215.54	215.54	-	-	-	-
Other Bank Balances #	-	5,471.69	5,471.69	-	-	-	-
Trade Receivables #	-	10,697.72	10,697.72	-	-	-	-
Loan	-	4,523.71	4,523.71	-	-	-	-
<b>Investments (excluding investment in Subsidiary and Associates)</b>							
- Mutual funds	4,46,849.98	-	4,46,849.98	4,46,849.98	-	-	4,46,849.98
- Alternative investment funds	6,756.35	-	6,756.35	-	-	6,756.35	6,756.35
- Debt securities	-	2,04,668.79	2,04,668.79	-	2,06,258.12	-	2,06,258.12
- Equity investments	1,988.30	-	1,988.30	-	-	1,988.30	1,988.30
- Preference Shares	-	23.11	23.11	-	23.11	-	23.11
Other Financial Assets #	-	809.07	809.07	-	-	-	-
<b>Total</b>	<b>4,55,594.63</b>	<b>2,26,409.63</b>	<b>6,82,004.26</b>	<b>4,46,849.98</b>	<b>2,06,281.23</b>	<b>8,744.65</b>	<b>6,61,875.86</b>
<b>Financial Liabilities</b>							
Trade payables #	-	1,843.26	1,843.26	-	-	-	-
Other Financial Liabilities #	-	12,949.02	12,949.02	-	-	-	-
<b>Total</b>	<b>-</b>	<b>14,792.28</b>	<b>14,792.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Valuation inputs and relationship to fair value**

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

Financial instruments	Significant unobservable inputs	Probability weights/ range	Sensitivity of inputs to fair value measurement
Alternative Investment Funds	Net Asset Value (NAV)	0.90X -1.10X	A 10% increase in the NAV would increase the carrying value of investment by ₹ 675.64 Lakhs. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 675.64 Lakhs.

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

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

(₹ In Lakhs)

Particulars	Debt Securities	Alternative Investment Funds	Equity share In Others
Opening balance	-	3,861.56	2,020.41
Net gain/(losses) on Financial Instruments recognised in the Statement of Profit and Loss	-	400.56	(32.11)
Purchases of financial instruments	-	4,190.51	-
Sale of financial instruments	-	(1,696.29)	-
<b>Closing balance</b>	<b>-</b>	<b>6,756.34</b>	<b>1,988.30</b>

As at 31 Mar 2023	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Cash & Cash equivalents #	-	31.64	31.64	-	-	-	-
Other Bank Balances #	-	2,908.10	2,908.10	-	-	-	-
Trade Receivables #	-	5,600.34	5,600.34	-	-	-	-
Loan	-	4,194.36	4,194.36	-	-	-	-
<b>Investments (excluding investment in Subsidiary and Associates)</b>							
- Mutual funds	2,73,985.85	-	2,73,985.85	2,73,985.85	-	-	2,73,985.85
- Alternative investment funds	3,861.57	-	3,861.57	-	-	3,861.57	3,861.57
- Debt securities	-	1,78,014.33	1,78,014.33	-	1,78,261.34	-	1,78,261.34
- Equity investments	2,020.41	-	2,020.41	-	-	2,020.41	2,020.41
- Preference Shares	-	23.37	23.37	-	23.37	-	23.37
Other Financial Assets #	-	843.17	843.17	-	-	-	-
<b>Total</b>	<b>2,79,867.83</b>	<b>1,91,615.31</b>	<b>4,71,483.14</b>	<b>2,73,985.85</b>	<b>1,78,284.71</b>	<b>5,881.98</b>	<b>4,58,152.54</b>
<b>Financial Liabilities</b>							
Trade payables #	-	1357.56	1357.56	-	-	-	-
Other Financial Liabilities #	-	8,873.75	8,873.75	-	-	-	-
<b>Total</b>	<b>-</b>	<b>10,231.31</b>	<b>10,231.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Valuation inputs and relationship to fair value**

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

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





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

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Particulars	Debt Securities	Alternative Investment Funds	(₹ In Lakhs)
			Equity share in Others
Opening balance	-	2,098.94	2,001.07
Net gain/(losses) on Financial Instruments recognised in the Statement of Profit and Loss		(70.99)	19.34
Purchases of financial instruments		2,201.70	-
Sale of financial instruments		(368.09)	-
Closing balance	-	3,861.56	2,020.41

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

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

The hierarchy used is as follows:

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

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

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

The valuation techniques used to determine the Fair Valuation of financial instruments are described below :

Financial Instruments	Valuation techniques
Mutual Funds/ AIF Investments	On the basis of latest NAV/Market price available
Debt Securities / Preference Shares	The price provided by valuation agency is considered as the fair value of financial assets
Equity Investments	Break up value as per the latest audited financial statements

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

**B. Financial Risk Management**

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives. Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments other than those with carrying amounts that are reasonable approximations of fair value.

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

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

**1. Liquidity Risk**

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms.

To limit this risk, management has adopted a policy of managing assets with due consideration to liquidity and monitoring future cash flows and liquidity on a regular basis. The Company has developed internal control processes for managing liquidity risk. The Company maintains sufficient bank balance and highly marketable securities such as liquid/ultra-short duration and other debt funds. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

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

As at 31 Mar 2024 (₹ In Lakhs)

Particulars	Carrying Amount	Contractual Cash Flow		
		Total	Up to 1 year	More than 1 year
<b>Financial Liabilities</b>				
- Trade Payables	1,843.26	1,843.26	1,843.26	-
- Lease liabilities	11,161.99	13,471.14	2,935.13	10,536.01
- Other financial liabilities	1,787.03	1,787.03	1,787.03	-

As at 31 Mar 2023

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



## 2. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables, cash and cash equivalents, and financial assets measured at amortised cost. Exposure to credit risk is mitigated through regular monitoring of collections and counterparty's credit worthiness and diversification in exposure. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company has well defined investment policy restricting investments in various risk categories such as high/moderate etc.

### Exposure to credit risk

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

Particulars	(₹ In Lakhs)	
	31 Mar 2024	31 Mar 2023
Maximum Exposure to Credit Risk	1,05,166.63	80,755.75

Further, Refer Note 3 for trade receivables ageing analysis schedule.

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

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. The Company has determined based on historical experience and expectations that the ECL on its trade receivables is insignificant and was not recorded. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

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

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

### Trade and Other Receivables

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

### Cash and Cash Equivalents

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

### Investment in Debt Securities measured at amortised cost

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



**3. Market Risk:**

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

**i. Price risk management:**

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market.

The Company's exposure to price risk arises from investments in equity securities, debt securities, units of mutual funds, and alternative investment funds which are classified as financial assets at Fair Value Through Profit and Loss. The following is the Company's exposure to price risk:

(₹ In Lakhs)		
Particulars	31 Mar 2024	31 Mar 2023
Investment exposure to price risk	4,55,594.63	2,79,867.83

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

**Price sensitivity analysis:**

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

(₹ In Lakhs)		
Particulars	31 Mar 2024	31 Mar 2023
Effect on Profit or Loss		
5% decrease in prices	(22,779.73)	(13,993.39)
5% increase in prices	22,779.73	13,993.39

**ii. Foreign currency risk management:**

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Currency	Liabilities		Assets	
	As at 31 Mar 2024	As at 31 Mar 2023	As at 31 Mar 2024	As at 31 Mar 2023
AED	-	-	18.39	15.03
USD	17.06	-	730.63	283.88
BHD	13.59	13.16	-	-
AUD	-	-	11.81	4.59
JPY	-	-	243.60	91.67
SGD	-	-	530.10	102.89
EURO	-	-	129.35	105.57





**Foreign currency sensitivity analysis:**

The following table details the Company's sensitivity to a 10% increase and decrease in ₹ against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ In Lakhs)

Currency	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	As at 31 Mar 2024	As at 31 Mar 2023	As at 31 Mar 2024	As at 31 Mar 2023
AED Currency impact	1.84	1.50	1.38	1.12
USD Currency impact	71.36	28.39	53.40	21.24
BHD Currency impact	(1.36)	(1.32)	(1.02)	(0.98)
AUD Currency impact	1.18	0.46	0.88	0.34
JPY Currency impact	24.36	9.17	18.23	6.86
SGD Currency impact	53.01	10.29	39.67	7.70
EURO Currency impact	12.94	10.56	9.68	7.90

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year and considering the size of business and size of exposure in Foreign currency is immaterial.

**iii. Interest rate risk management:**

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

**39. Capital management :**

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



**40. Leases (As a lessee)**

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

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

(₹ In Lakhs)

Particulars	31 Mar 2024	31 Mar 2023
<b>Opening balance of Right-of-use assets</b>	<b>7,531.61</b>	<b>6,638.52</b>
Add: Additions during the year	5,122.39	3,134.79
Less: Deletion during the year	(175.48)	(214.33)
Less: Depreciation during the year	(2,485.42)	(2,027.37)
Add/Less: Adjustment of exchange fluctuations	11.67	-
<b>Closing balance of Right-of-use assets</b>	<b>10,004.77</b>	<b>7,531.61</b>

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

Particulars	31 Mar 2024	31 Mar 2023
<b>Balance at the beginning</b>	<b>8,392.67</b>	<b>7,342.66</b>
Add: New Lease arrangements	5,122.39	3,134.79
Less: Deletion	(203.23)	(243.29)
Add/Less: Adjustment of exchange fluctuations	12.37	-
Add: Finance cost accrued	771.06	525.46
Less: Payment of Lease liabilities	(2,933.27)	(2,366.95)
<b>Balance at the end</b>	<b>11,161.99</b>	<b>8,392.67</b>

The following is the break up of current and non-current lease liabilities

Particulars	31 Mar 2024	31 Mar 2023
Current	2,246.20	1,535.57
Non-current	8,915.79	6,857.10
<b>Total</b>	<b>11,161.99</b>	<b>8,392.67</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	31 Mar 2024	31 Mar 2023
Less than one year	2,935.13	2,041.53
One to five years	8,181.68	5,944.45
More than five years	2,354.33	2,281.30
<b>Total</b>	<b>13,471.14</b>	<b>10,267.28</b>





**SBI FUNDS MANAGEMENT LIMITED****Notes to the Financial Statements****(ii) Amounts recognised in the statement of profit or loss**

The statement of profit or loss shows the following amounts relating to leases:

(₹ In Lakhs)

Particulars	31 Mar 2024	31 Mar 2023
Depreciation charge on right-of-use assets	2,485.42	2,027.37
Interest expense (included in finance cost)	771.06	525.46
Expense relating to short-term leases (included administrative expenses)	118.03	102.93
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	-	-
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	-	-
Rent concession	-	-



**41. Related Party Disclosure:**

(i) List of related parties with whom transactions have taken place during the year :

<b>Holding Company</b>	State Bank of India (SBI) holds 62.21% of the share capital
<b>Enterprise having significant influence</b>	Amundi India Holding, a wholly owned subsidiary of Amundi holds 36.54% of the share capital
<b>Subsidiary</b>	SBI Funds Management (International) Private Limited (100% subsidiary)
<b>Controlled Trust</b>	SBI Funds Management Employee Welfare Trust
<b>Associates</b>	SBI Pension Funds Private Limited
<b>Other Related Party</b>	C Edge Technologies Ltd (Joint Venture of State Bank of India) The Clearing Corporation of India Limited Yes Bank AMC Repo Clearing Ltd. <b>RRBs:-</b> Arunachal Pradesh Rural Bank Ellaquai Dehati Bank Mizoram Rural Bank Nagaland Rural Bank Rajasthan Marudhara Gramin Bank Saurashtra Gramin Bank Uttarakhand Gramin Bank Chhattisgarh Rajya Gramin Bank Jharkhand Rajya Gramin Bank Meghalaya Rural Bank Telangana Grameena Bank Utkal Grameen Bank Andhra Pradesh Grameena Vikas Bank Madhyanchal Gramin Bank (Associates of State Bank of India)
<b>Directors</b>	Mr. Shamsher Singh (Managing Director & Chief Executive Officer) Mr. Vinay M. Tonse (Managing Director & Chief Executive Officer) upto December 5, 2022  Mr. Denys de Campigneulle (Deputy Chief Executive Officer/Alternate Director)  Mr. Dinesh Kumar Khara (Chairman) Mr. Fathi Jerfel (Associate Director) Mr. Jean Yves Glain (Associate Director) upto December 09, 2022 Mr. C. N. Ram (Independent Director)  Mr. Om Prakash Gahotra (Independent Director) upto October 21, 2022 Mr. Moiz Miyajiwal (Independent Director) Mrs. Sudha Krishnan (Independent Director) Mr. Shekhar Bhatnagar (Independent Director) Mr. T.T. Ram Mohan (Independent Director) from December 05, 2022 Mr. Swaminathan Janakiraman (Associate Director) upto June 26, 2023 Mr. Vinay Tonse (Associate Director) from September 15, 2023 to November 20, 2023 Mr. Julien Fontaine (Associate Director) from June 02, 2023 to January 10, 2024 Mr. Ashwini Kumar Tewari (Associate Director) from January 10, 2024 Mr. Olivier Mariee (Associate Director) from January 20, 2024
<b>Key Managerial Personnel</b>	Mr. Shamsher Singh (Managing Director & Chief Executive Officer) from December 6, 2022 Mr. D. P. Singh (Deputy Managing Director and Joint Chief Executive Officer) from September 26, 2023 Mr. Inderjeet Ghullani (Chief Financial Officer) Ms. Vinaya Datar (Chief Compliance Officer & Company Secretary)
<b>Other Related parties:-</b> i) Fellow Subsidiaries	SBI Life Insurance Company Limited SBI General Insurance Limited SBI Mutual Fund Trustee Company Private Limited SBI-SG Global Securities Services Private Limited SBICAP Securities Limited SBI Capital Markets Limited SBI Foundation SBI CAP Trustee Company Limited SBI DFHI Limited SBI CDMDF Trustee Pvt. Ltd.
ii) Enterprise under common control	<u>Subsidiary/Associates of Amundi:</u> Amundi Singapore Limited (100%) Amundi Hong Kong Limited (100%) Amundi Asset Management, Paris (100%) Amundi UK Ltd. (100%) NH-Amundi Asset Management Co. Ltd. (30%)



i) Details of transactions with Related Parties during the year 2023-24

(₹ In Lakhs)

Particulars	Holding Company (State Bank of India)	Enterprise Having Significant Influence *	Fellow Subsidiaries *	Enterprise under Common control *	Director/ Relative *	Subsidiary *	Others *	Associates *
<b>Income</b>								
PMS Advisory & Other fees	165.31	-	-	2,228.20	-	-	472.01	-
Interest Income	202.00	-	-	-	-	299.85	-	-
Recovery of Admin Expenses	-	-	31.50	-	-	-	-	-
Dividend Received	-	-	-	-	-	415.33	-	-
<b>Expenses</b>								
Fund Accounting and Custodial Charges	-	-	2,689.91	-	-	-	-	-
Rent paid/( Recovered)	34.25	-	-	-	-	-	-	-
Brokerage - PMS & AIF	298.94	-	-	-	-	-	0.94	-
Demat Charges & Brokerage	-	-	0.02	-	-	-	-	-
Bank charges	26.08	-	-	-	-	-	-	-
Royalty	2,662.39	-	-	-	-	-	-	-
Processing Fee	55.00	-	-	-	-	-	-	-
Electricity/Generator Charges	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-
Business Promotion	69.16	-	-	-	-	-	-	-
Training	4.07	-	-	-	-	-	-	-
Scheme Related Expenses	-	-	0.30	-	-	-	-	-
Reimbursement of Expenses	-	-	20.99	-	-	-	-	-
Membership Admission Fees	-	-	-	-	-	-	0.50	-
Transaction charges	-	-	-	-	-	-	50.68	-
Software Support	-	-	-	-	-	-	28.68	-
Insurance Premium	-	-	672.97	-	-	-	-	-
Reimbursement of salaries of deputed employees from Banks	319.84	-	-	-	-	-	35.29	-
Sitting Fees	-	-	-	-	64.60	-	-	-
Remuneration to Deputy Chief Executive Officer	-	-	-	-	118.25	-	-	-
<b>Other Transactions</b>								
Recovery of Expenses/Statutory dues paid	-	-	7.13	-	-	37.36	-	-
Interim Dividend Paid	12,600.00	7,400.00	-	-	-	20.69	-	-
Recovery of salaries of deputed employees to SBI	34.60	-	-	-	-	-	-	-
Loan	-	-	-	-	-	67.80	-	-

Balances Outstanding as at 31 Mar 2024

Receivable/(Payable)	40.75	-	(182.30)	603.51	-	4,505.12	137.86	-
Balance in Current Accounts	1,963.89	-	-	-	-	-	-	-
Term Deposit	3,706.16	-	-	-	-	-	-	-

(\* Refer Annexure)

Remuneration to Key Managerial Personnel

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

Particulars	(₹ In Lakhs)
2023-24	
i. Short Term Benefits	480.89
ii. Post Employment Benefits	-
iii. Other long term benefits	-
iv. Share based payments	1,368.85
v. Termination Benefits	-

Note:

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



i) Details of transactions with Related Parties during the year 2022-23

(₹ In Lakhs)

Particulars	Holding Company (State Bank of India)	Enterprise Having Significant Influence *	Fellow Subsidiaries *	Enterprise under Common control *	Director/ Relative *	Subsidiary *	Others *	Associates *
<b>Income</b>								
PMS Advisory & Other fees	144.61	-	-	1,528.62	-	-	452.48	-
Interest Income	139.29	-	-	-	-	6.54	-	-
Recovery of Admin Expenses	-	-	30.00	-	-	-	-	-
Dividend Received	-	-	-	-	-	547.96	-	-
Rent Recovered	-	-	2.03	-	-	-	-	-
<b>Expenses</b>								
Fund Accounting and Custodial Charges	-	-	2,346.19	-	-	-	-	-
Rent paid	48.40	-	-	-	-	-	-	-
Brokerage - PMS & AIF	295.68	-	-	-	-	-	-	-
Demat Charges & Brokerage	-	-	4.87	-	-	-	-	-
CSR Activities (#)	-	-	228.42	-	-	-	-	-
Data Processing charges & Scheme related expenses	-	-	-	-	-	-	-	-
Bank charges	24.69	-	-	-	-	-	-	-
Royalty	2,141.90	-	-	-	-	-	-	-
Processing Fee	-	-	-	-	-	-	-	-
Electricity/Generator Charges	0.32	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-
Business Promotion	60.12	-	-	-	-	-	-	-
Training	9.16	-	-	-	-	-	-	-
Scheme Related Expenses	-	-	0.30	-	-	-	-	-
Reimbursement of expenses	28.90	-	-	-	-	-	-	-
Transaction charges	-	-	-	-	-	-	60.94	-
Software Support	-	-	-	-	-	-	33.83	-
Initial settlement amount	-	-	-	-	-	0.10	-	-
Insurance Premium	-	-	584.23	-	-	-	-	-
Sitting Fees	-	-	-	-	45.20	-	-	-
Remuneration to Deputy Chief Executive Officer	-	-	-	-	102.36	-	-	-
Reimbursement of salaries of deputed employees from SBI	305.66	-	-	-	-	-	-	-
<b>Other Transactions</b>								
Purchase of 8.07% Andhra Pradesh SDL 2036	-	-	5,029.24	-	-	-	-	-
Recovery of Expenses	-	-	0.13	-	-	-	-	-
Recovery of salaries of deputed employees to SBI	123.29	-	-	-	-	-	-	-
Interim Dividend Paid	11,025.00	6,475.00	-	-	-	17.84	-	-

Balances Outstanding as at 31 Mar 2023

Receivable/(Payable)	97.96	-	(164.13)	389.37	-	4,156.00	296.98	-
Balance in Current Accounts	396.40	-	-	-	-	-	-	-
Term Deposit	2,529.16	-	-	-	-	-	-	-

(\* Refer Annexure)

(# Refer Note 31)

Remuneration to Key Managerial Personnel

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

Particulars	(₹ In Lakhs)
2022-23	
i. Short Term Benefits	90.08
ii. Post Employment Benefits	-
iii. Other long term benefits	-
iv. Share based payments	-
v. Termination Benefits	-

Note:

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

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





**SBI FUNDS MANAGEMENT LIMITED**  
**Notes to the Financial Statements**

**Annexure to Related Party Transactions**

(₹ In Lakhs)

Particulars	Classification	2023-24	2022-23
<b>Fellow Subsidiaries</b>			
SBI Mutual Fund Trustee Company Private Limited	Other Income	30.00	30.13
SBI CDMDT Trustee Pvt. Ltd.	Other Income	1.50	-
SBI-SG Global Securities Services Private Limited	Professional Fees	2,689.91	2,346.18
SBI Life Insurance Company Limited	Insurance Premium	92.81	144.54
SBI General Insurance Limited	Insurance Premium	580.16	439.69
SBI CAP Trustee Company Private Limited	Scheme Expenses	0.30	0.30
SBICAP Securities Limited	Demat & Demat Brokerage Charges	0.02	4.87
SBICAP Securities Limited	Reimbursement of Expenses	20.99	-
SBI Foundation (#)	CSR Activities	-	228.42
SBI Capital Markets Limited	Other Income	-	2.03
SBI DFHI Ltd	Purchase of 8.07% Andhra Pradesh SDL 2036	-	5,029.24
SBI CDMDT Trustee Pvt. Ltd.	Recovery of Expenses/Statutory dues paid	7.13	-

Director/Relative		2023-24	2022-23
O.P. Gahotra	Sitting Fee	-	8.10
C.N.Ram	Sitting Fee	10.90	7.70
Moiz Miyajiwal	Sitting Fee	14.40	10.50
Sudha Krishnan	Sitting Fee	13.70	9.00
Shekhar Jitendra Bhatnagar	Sitting Fee	11.90	7.40
Dr. T.T.Ram Mohan	Sitting Fee	13.70	2.50
Denys De Campaniles (Deputy CEO)	Remuneration	118.25	102.36

Enterprise Under Common Control		2023-24	2022-23
Amundi Singapore Limited	PMS Advisory & Other fees	209.07	28.87
Amundi Hong Kong Limited	PMS Advisory & Other fees	1,499.19	1,080.87
NH - Amundi Asset Management Co. Ltd	PMS Advisory & Other fees	6.62	6.84
Amundi Asset Management - Paris	PMS Advisory & Other fees	490.17	388.66
Amundi UK Limited	PMS Advisory & Other fees	23.15	23.38

Other Related Party		2023-24	2022-23
C-Edge Technologies Ltd	Software Support (Expense)	28.68	33.83
The Clearing Corporation of India Limited	Transaction charges	50.68	60.94
Regional Rural Banks (RRB)	PMS Advisory & Other fees	472.01	452.48
Regional Rural Banks (RRB)	Reimbursement of salaries of deputed employees from Banks	35.29	-
AMC Repo Clearing Ltd.	Membership Admission Fees	0.50	-
Yes Bank Limited	Retail PMS trail brokerage	0.94	-

Subsidiary		2023-24	2022-23
SBI Funds Management Employee Welfare Trust	Recovery of statutory dues paid	37.36	-
SBI Funds Management Employee Welfare Trust	Interim Dividend Paid	20.69	17.84
SBI Funds Management Employee Welfare Trust	Interest Income	299.85	6.54
SBI Funds Management Employee Welfare Trust	Loan	67.80	-
SBI Funds Management Employee Welfare Trust	Initial settlement amount	-	0.10
SBI Funds Management (International) Private Limited	Dividend Received	415.33	547.96

Receivable / (Payable) - Enterprise Under Common Control		2023-24	2022-23
Amundi Hong Kong Equity India	Receivable	435.57	270.05
Amundi Singapore Limited	Receivable	31.29	-
Amundi India Bond Fund	Receivable	-	6.22
NH-Amundi Asset Management Co. Ltd.	Receivable	1.21	1.03
Amundi Asset Management Paris	Receivable	129.35	105.57
UK Amundi Ltd	Receivable	6.08	6.49

Receivable / (Payable) - Fellow Subsidiaries		2023-24	2022-23
SBI-SG Global Securities Services Private Limited	Payable	(201.29)	(192.21)
SBI Life Insurance Company Limited	Receivable	8.09	18.25
SBI General Insurance Limited	Receivable	10.90	9.83

Receivable / (Payable) - Other		2023-24	2022-23
C-Edge Technologies Ltd	Payable	(2.45)	(8.12)
The Clearing Corporation of India Ltd	Payable	(0.10)	-
RRBs	Receivable	140.41	305.10

Receivable / (Payable) - Subsidiary		2023-24	2022-23
SBI Funds Management Limited - EWT	Loan given	4,223.80	4,156.00
SBI Funds Management Limited - EWT	Accrued interest on loan	275.75	6.54
SBI Funds Management Limited - EWT	Recovery of statutory dues	5.57	-

# Refer Note 31





**SBI FUNDS MANAGEMENT LIMITED**  
**Notes to the Financial Statements**

**42. Dues to Micro, Small and Medium Enterprises**

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

	(₹ In Lakhs)	
Particulars	31 Mar 2024	31 Mar 2023
Principal amount remaining unpaid to any supplier as at the year end *	64.63	11.65
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

**\*Breakup of above is as under :-**

Trade Payables	54.29	4.83
Retention	8.91	6.42
Earnest Deposit	1.43	0.40
<b>Total</b>	<b>64.63</b>	<b>11.65</b>

**43. Expenditure in Foreign Currency :**

	(₹ In Lakhs)	
Particulars	31 Mar 2024	31 Mar 2023
Travelling Expenses	47.14	43.60
Business Promotion & Advertisement	83.86	103.34
Salary	320.76	329.40
Rent and Subscription	255.26	240.83
Professional Fees and others	76.24	132.36
<b>Total</b>	<b>783.26</b>	<b>849.53</b>



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

SBIFML based on its standard operating procedure application filed with the Hon'ble Supreme Court has fully liquidated securities received under liquidation. The proceeds from liquidation have been received from selling the securities, maturity proceeds, expense reversals and collections from coupons. As on March 31st, 2024, the securities amounting to ₹ 18,387 crores have been liquidated, out of which ₹ 520 crores have been liquidated in FY24. The total disbursements made by SBIFML to FT unitholders is ₹27,509 crores which include ₹ 577 crores disbursed in FY24, ₹ 833 crores disbursed in FY23, ₹ 16,977 crores disbursed in FY22 in addition to the ₹ 9,122 crores of the initial disbursement in FY21.

SBIFML has filed interim updates with the Hon'ble Supreme Court regarding progressive status of disbursement and liquidation on 15th March 2021, 17th January 2022, and 5th April 2022. The Hon'ble Supreme Court had vide its order dated April 12, 2022, directed that no further distribution of the available fund/money shall be made by SBIFML without prior permission/approval of this Court, which was subsequently vacated by orders dated 3rd August 2022 and 12th August 2022, by the Hon'ble Supreme Court, wherein the court allowed disbursement of certain amounts to the unitholders of various schemes. The matter is likely to be listed in July 2024.

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

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

- The company does not have any borrowings from banks/financial institutions.
- The company does not have immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company.
- The company does not have investment property in terms IND AS 40.
- The company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- The company has not revalued any of its Intangible assets during the year.
- The company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013).
- The Company does not have any capital work in progress.
- The details of Intangible assets under development are given in Note 10
- There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder
- The company does not have any borrowings from banks or financial institutions on the basis of security of current assets.
- The Company has not been declared a Wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The company has not entered into any material transaction with companies struck off under section 248 of the Companies Act 2013.
- The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.
- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- Disclosure of ratios as per the new amendment under "Division III of Schedule III" under "Part I – Balance Sheet - General Instructions for preparation of Balance Sheet" are not necessary
- The Company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.
- The Company has neither advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) nor received any funds to/ from any other person(s) or entity(ies), including foreign entities (Intermediaries) for lending or investing or providing guarantees to/ on behalf of the ultimate beneficiary during the financial year .



**SBI FUNDS MANAGEMENT LIMITED**

**Notes to the Financial Statements**

47. Disclosure with regard to the new amendments under "Division III of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss" in relation to the following clauses 11(v) 11(vi) and 11(vii) are as under:

- The details of Corporate Social Responsibility (CSR) have been disclosed in note 31.
- The Company does not have transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during financial year in the tax assessments under the Income Tax Act, 1961.
- The Company has not traded or invested in Crypto currency or Virtual Currency during any financial year .

48. The financial statements were approved by the Board of Directors on 25 April 2024.

49. Previous years figures have regrouped/reclassified in line with current year.

As per our report of even date

**For Borkar & Muzumdar**

Chartered Accountants

Firm Registration No: 101569W



**Devang Vaghani**

Partner

Membership No: 109386



Place: Mumbai

Date : 25 April 2024

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

SBI Funds Management Limited



**Dinesh Kumar Khara**

Chairman

DIN 6737041



**Shamsher Singh**

Managing Director & CEO

DIN 09787674



**DENYS CHARLES JEAN MARIE**

**FOUGEROUX DE C**

(Denys De Campigneulles)

Director

DIN 08716335



**Vinaya Datar**

Chief Compliance Officer &

Company Secretary

M. No 15527



**Inderjeet Ghuliani**

Chief Financial Officer

Date : 25 April 2024



**INDEPENDENT AUDITOR'S REPORT**

To the members of **SBI Funds Management Limited**

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

**Opinion**

We have audited the accompanying consolidated financial statements of SBI Funds Management Limited ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company which comprise the Consolidated Balance Sheet as at 31st March 2024, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2024, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the consolidated financial statements and our audit report thereon. The





Holding Company's Annual Report is expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group, and its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Holding Company's Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance





but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its associate company which are incorporated in India has adequate internal financial controls with reference to the consolidated financial statements, in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.



Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### **Other Matter**

We did not audit the financial statements of one foreign subsidiary whose financial statements reflect total assets of Rs. 232.01 Lakh as at 31st March 2024, total revenues of Rs. 806.53 Lakh and net cash outflows amounting to Rs. 5.68 Lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 1248.47 Lakh for the year ended 31st March 2024, as considered in the consolidated financial statements, in respect of one associate company, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the said subsidiary and associate company, is based solely on the audit reports of such other auditors. Our opinion is not modified in respect of this matter.

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, under paragraph 3 (xxi), we report that there have been no qualifications or adverse remarks by the respective auditor in the Companies (Auditor's Report) Order (CARO) reports of the Companies included in the consolidated financial statements of the group.



2. As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statement.
- (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, Consolidated Statement of change in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of Holding Company as on 31st March 2024 taken on record by the Board of Directors of Holding Company and on the basis of reports of the statutory auditors of its associate company, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Group, with respect to the Companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in **Annexure A** wherein we have expressed an unmodified opinion.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements of the group, and its associate company. Refer Note 27 to the consolidated financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- iv.
1. The Holding Company's Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  2. The Holding Company's Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  3. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (1) and (2) above, contain any material mis-statement.
- v. The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in compliance with Section 123 of the Companies Act, 2013. The provisions of Section 123 of the Companies Act, 2013 are not applicable to the subsidiary of the Holding Company.
- vi. Based on our examination which included test checks and that performed by the auditor of associate company which is a company incorporated in India whose financial statements have been audited under the Act, the Holding Company and associate company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and the auditor of the above referred associate company did not come across any instance of audit trail feature being tampered with.



3. As required by Section 143 (5) of the Act, with respect to the Holding Company and its associate company, which are companies incorporated in India and Provision of Section 143(5) of the Act with respect to reporting under the directions issued by the Comptroller and Auditor-General of India is applicable, we report that:

Sr. No.	Directions issued by the Comptroller and Auditor-General of India	Auditor's Comment
a)	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The SBI Funds Management Limited ("the Holding Company") and its associate company has a system in place to process all the accounting transactions through IT system. With regards to Holding Company, as such, we have not come across any accounting transactions processed outside IT system which would have an impact on the integrity of the accounts or any financial implications. With regards to associate company, since all accounting transactions are processed through IT system, question of implications of processing of accounting transactions outside IT system does not arise.
b)	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government Company, then its direction is also applicable for statutory auditor of lender Company).	Based on our examination of relevant records of the SBI Funds Management Limited ("the Holding Company") and its associate company, and the information and explanations received from the Management, there were no borrowings made by Holding Company and its associate company and hence this clause is not applicable for the year 2023-24.
c)	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from central/ state government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on our examination of relevant records of the SBI Funds Management Limited ("the Holding Company") and its associate company and the information and explanations received from the Management, there are no funds received/ receivable from Central/State agencies and





		hence this clause is not applicable for the year 2023-24.
<b>Additional Company Specific Directions u/s 143 (5) issued by the Comptroller and Auditor General of India</b>		
a)	Whether the investible funds received by the company were invested in accordance with the directions of the applicable Statutory Regulators (regulations and rules framed thereunder)	With regards to the Holding Company, there are no regulatory directions to the Holding Company for investing its own funds. The Company has been appointed as the Asset Management Company (investment manager) of the SBI Mutual Fund by the Trustee Company. The Holding Company is investing its surplus funds in compliance with the Investment policy approved by the Board and relevant sections of the Companies Act, 2013. With regards to the associate company, comment of their auditor is given in note below.
b)	Whether the funds invested under the schemes/products by the company are in compliance with the Investment Committee, Risk Committee constituted by the Board, Investment Manual etc. which prescribes the process/procedure, threshold, exposure limits, quality of security etc.	With regards to the Holding Company, the Holding Company manages the funds and makes investment decisions for the SBI Mutual Fund schemes in accordance with the scheme objectives, Trust Deed, provisions of Investment Management Agreement and SEBI Regulations & Guidelines after duly approval of the scheme by the SEBI. The Holding Company is not the owner of the underlying assets/securities of Schemes. Rather, it is the respective schemes which are holding the securities of unit holders under Mutual Fund. Since the financial statements of respective schemes are prepared separately and approved by the Board and audited by a separate auditor appointed by Trust, the undersigned statutory auditor does not have any jurisdiction to audit whether the funds invested under the scheme/products



		are in compliance with the Investment Committee, Risk Committee constituted by the Board, Investment Manual. With regards to the associate company, comment of their auditor is given in note below.
<p><b>Note-</b></p> <p><b>For Subscribers Funds:</b> Associate Company receives NPS funds from subscribers known as "subscribers funds". These schemes are governed by NPS Trust and form part of the books of accounts of NPS Trust and as such subscribers funds do not form part of the books of accounts of the associate company. These schemes are being audited by a separate auditor known as "Scheme Auditor" appointed by NPS Trust. Since the subscribers funds do not form part of the books of accounts of the associate company, the undersigned statutory auditor does not have any jurisdiction to audit whether the subscribers funds have been invested or not as per directions of the applicable Statutory Regulators.</p> <p><b>For associate Company's Own Funds</b> There are no regulatory directions to the associate company for investing its own funds. Associate Company's Board has approved a policy for investment of its own funds known as "Investment Policy for associate Company's Own Funds" last amended &amp; reviewed on 19th October, 2023. Associate Company's own funds have been invested as per the said policy.</p>		

Our above report under section 143(5) of the Act with reference to the Consolidated Financial Statements insofar as it relates to the associate company is based on the corresponding report of the independent auditor of associate company.

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




Devang Vaghani  
Partner  
Membership No: 109386  
UDIN: 24109386BKBZIS8763

Place: Mumbai  
Date: 25th April 2024

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

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SBI Funds Management Limited on the Consolidated Financial Statements of even date]

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

We have audited the internal financial controls with reference to the consolidated financial statements of SBI Funds Management Limited ("the Holding Company") and its associate company, which are companies incorporated in India, as of 31st March 2024 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements of the Holding Company and its associate company, incorporated in India, based on our audit. We Conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements, was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the consolidated financial statements and their



operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its associate company's internal financial controls with reference to the consolidated financial statements of the Holding Company.

### **Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements**

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

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements**

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



## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its associate Company which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting with reference to the consolidated financial statements, and such internal financial controls with reference to the consolidated financial statements were operating effectively as at 31st March 2024, based on the internal financial control criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by ICAI.

## Other Matters

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

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



Devang Vaghani  
Partner  
Membership No: 109386  
UDIN: 24109386BKBZIS8763



Place: Mumbai  
Date: 25th April 2024



**SBI FUNDS MANAGEMENT LIMITED**  
Consolidated Balance Sheet

(₹ In Lakhs)

Particulars	Note No.	As at 31 Mar 2024	As at 31 Mar 2023
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash & Cash equivalents	2	368.44	200.70
(b) Bank Balance other than (a) above	3	5,471.69	2,908.10
(c) Receivables			
(i) Trade Receivables	4	10,769.59	5,655.30
(d) Loans	5	24.16	32.47
(e) Investments	6	6,64,542.06	4,60,912.58
(f) Other Financial Assets	7	803.50	843.17
<b>Sub-total - Financial Assets</b>		<b>6,81,979.44</b>	<b>4,70,552.32</b>
<b>(2) Non Financial Assets</b>			
(a) Current Tax Assets (Net)		102.00	2,202.39
(b) Property, Plant and Equipment	9	25,100.12	22,728.61
(c) Intangible Assets under Development	10	-	187.90
(d) Other Intangible Assets	11	593.06	420.11
(e) Other Non- Financial Assets	12	2,914.30	2,296.57
<b>Sub-total - Non - Financial Assets</b>		<b>28,709.48</b>	<b>27,835.58</b>
<b>Total Assets</b>		<b>7,10,688.92</b>	<b>4,98,387.90</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(i) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	13	54.29	4.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	1,908.43	1,510.80
(b) Other Financial Liabilities	14	12,949.02	8,873.75
<b>Sub-total - Financial Liabilities</b>		<b>14,911.74</b>	<b>10,389.38</b>
<b>(2) Non Financial Liabilities</b>			
(a) Provisions	15	13,019.80	11,045.72
(b) Deferred Tax Liabilities (Net)	8	7,429.67	1,045.04
(c) Other Non-Financial Liabilities	16	552.97	769.28
<b>Sub-total - Non Financial Liabilities</b>		<b>21,002.44</b>	<b>12,860.04</b>
<b>Equity</b>			
(a) Equity Share Capital	17	5,058.23	5,032.14
(b) Other Equity	18	6,69,716.51	4,70,106.34
<b>Sub-total - Equity</b>		<b>6,74,774.74</b>	<b>4,75,138.48</b>
<b>Total Liabilities and Equity</b>		<b>7,10,688.92</b>	<b>4,98,387.90</b>

Summary of Material Accounting Policies 1  
Other Notes to the Financial Statements 2-50  
The accompanying notes form an integral part of the financial statements.

As per our report of even date

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

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

Devang Vaghani  
Partner  
Membership No: 109386

Dinesh Kumar Khara  
Chairman  
DIN 6737041

Shamsher Singh  
Managing Director & CEO  
DIN 09787674



DENYS CHARLES JEAN MARIE  
FOUGEROUX DE C  
(Denys De Campigneulles)  
Director  
DIN 08716335

Vinaya Datar  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Inderjeet Ghuliani  
Chief Financial Officer



Place: Mumbai  
Date : 25 April 2024

Date : 25 April 2024/137

**SBI FUNDS MANAGEMENT LIMITED**  
Consolidated Statement of Profit and Loss

(₹ In Lakhs)

Particulars	Note No.	For the Year Ended 31 Mar 2024	For the Year Ended 31 Mar 2023
<b>Revenue from Operations</b>			
(i) Asset management fees	19	2,69,055.92	2,16,158.59
(ii) Net gain on fair value changes	20	58,262.39	14,169.72
<b>I Total revenue from operations</b>		<b>3,27,318.31</b>	<b>2,30,328.31</b>
<b>II Other Income</b>	21	15,289.58	10,929.10
<b>III. Total Income (I+II)</b>		<b>3,42,607.89</b>	<b>2,41,257.41</b>
<b>Expenses</b>			
(i) Finance cost	40	771.06	525.46
(ii) Scheme expenses		4,960.62	3,012.80
(iii) Employee benefits expenses	22	36,838.76	32,614.17
(iv) Depreciation and amortization expense	9, 11	3,899.63	3,363.65
(v) Other expenses	23	28,975.91	24,634.62
<b>IV. Total expenses</b>		<b>75,245.98</b>	<b>64,170.70</b>
<b>V. Profit / (Loss) before exceptional items and tax ( III-IV )</b>		<b>2,67,361.91</b>	<b>1,77,086.71</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit/(loss) before tax ( V-VI )</b>		<b>2,67,361.91</b>	<b>1,77,086.71</b>
<b>VIII. Share of profit/(loss) of Associates</b>		1,248.47	1,070.11
<b>IX. Tax Expense:</b>			
- Current Tax	24	55,074.08	43,865.99
- Deferred Tax	25	6,257.95	319.41
<b>X. Profit / (loss) for the period (VII+VIII-IX)</b>		<b>2,07,278.35</b>	<b>1,33,971.42</b>
<b>XI. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss :			
i) Remeasurements of the defined benefit plans		(81.05)	(3.38)
ii) Deferred tax on above		20.40	0.85
iii) Foreign currency translation		3.45	28.90
<b>XII. Total Comprehensive Income for the period (X+XI)</b>		<b>2,07,221.15</b>	<b>1,33,997.79</b>
<b>XIII. Earnings per equity share</b>	26		
Basic (₹)		41.10	26.62
Diluted (₹)		40.90	26.50
Summary of Material Accounting Policies	1		
Other Notes to the Financial Statements	2-50		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date

**For Borkar & Muzumdar**  
Chartered Accountants  
Firm Registration No. 401569W

**Devang Vaghani**  
Partner  
Membership No: 109386



Place: Mumbai  
Date : 25 April 2024

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

**Dinesh Kumar Khara**  
Chairman  
DIN 6737041

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

Date : 25 April 2024

**Shamsher Singh**  
Managing Director & CEO  
DIN 09787674

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

**Inderjeet Ghuliani**  
Chief Financial Officer



Particulars	For the Year Ended 31 Mar 2024	For the Year Ended 31 Mar 2023
<b>Cash Flow from Operating Activities</b>		
Net profit Before Tax	2,67,361.91	1,77,086.71
Adjustments for:		
Depreciation and Amortization	3,699.63	3,383.65
Finance cost	771.06	525.46
Employee Stock Option Expenses	2,787.81	2,897.49
(Profit) / Loss on sale of Property, Plant, Equipment (Net)	(13.31)	(9.72)
Exchange Fluctuations	3.45	28.90
Fair valuations of Investment (Net)	(53,877.87)	(6,018.26)
Gain on sale/redemption of investments	(4,384.52)	(8,151.46)
Interest income on investments	(14,432.48)	(9,727.17)
Distribution income from AIF	(244.22)	(219.96)
Dividend from Mutual Fund	(27.09)	-
Other Interest income	(0.87)	(1.37)
Dividend income	(1.61)	(1.61)
Operating profit before working capital changes	2,01,641.89	1,59,792.66
Decrease / (Increase) in Other Bank Balance	(2,563.59)	(36.11)
Decrease / (Increase) in Trade Receivables	(5,114.29)	(835.69)
Decrease / (Increase) in Other Financial Assets	40.37	4,885.51
Decrease / (Increase) in Other Non Financial Assets	(617.73)	(892.17)
(Decrease) / Increase in Trade Payables	447.09	(136.82)
(Decrease) / Increase in Other Financial Liabilities	1,305.95	(246.41)
(Decrease) / Increase in Provisions	1,893.03	797.94
(Decrease) / Increase in Other Non- Financial Liabilities	(218.31)	314.69
Net Cash Generated from Operations	1,96,816.41	1,63,643.60
Income taxes paid net of refund, if any	(52,973.69)	(43,715.78)
<b>Net cash generated from Operating Activities (A)</b>	<b>1,43,842.72</b>	<b>1,19,927.82</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Intangible assets	(231.37)	(263.21)
Purchase of Tangible assets	(852.93)	(901.85)
Purchase of Investments	(3,15,328.30)	(4,24,005.49)
Proceeds from Sale of Investments	1,73,843.74	3,21,234.30
Loan to Staff	8.31	20.33
Other Interest Income	0.87	1.37
Dividend received on Investments	28.00	1.61
Income from AIF	244.22	219.96
Interest income on investments	11,798.43	6,353.75
<b>Net Cash used in Investing Activities (B)</b>	<b>(1,30,489.03)</b>	<b>(97,339.23)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issuance of share capital ( net shares held by EWT	10,074.97	1,360.02
Adjustment in relation to shares held by EWT*	(67.70)	(4,150.60)
Principal element of lease payments	(2,189.26)	(1,870.43)
Interest element of lease payments	(771.06)	(525.46)
Interim Dividend paid	(20,232.90)	(17,612.49)
Final Dividend paid	-	-
<b>Net Cash used in Financing Activities (C)</b>	<b>(13,185.95)</b>	<b>(22,798.96)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>167.74</b>	<b>(210.37)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>200.70</b>	<b>411.07</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>368.44</b>	<b>200.70</b>
<b>Cash and Cash Equivalent comprising of :</b>		
Cash	0.28	0.41
Balance with Banks in current accounts	368.16	200.29
<b>Total</b>	<b>368.44</b>	<b>200.70</b>

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows' and previous year figures have been regrouped.

Summary of Material Accounting Policies  
Other Notes to the Financial Statements

1  
2-50

As per our report of even date

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

Devang Vaghani  
Partner  
Membership No: 109386



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

Dinesh Kumar Khara  
Chairman  
DIN 6737041

Shamsher Singh  
Managing Director & CEO  
DIN 09787674

DENYS CHARLES JEAN MARIE  
FOUGEROUX DE C  
(Denys De Campigneulles)  
Director  
DIN 08716335

Vinaya Datar  
Chief Compliance Officer &  
Company Secretary  
M. No 15527

Inderjeet Ghuliani  
Chief Financial Officer

Place: Mumbai  
Date : 25 April 2024

Date : 25 April 2024



a. Equity Share Capital:

(₹ In Lakhs)				
Particulars	Balance at the beginning of the year	Changes in Equity Share Capital during the year	Share held by EWT*	Balance at the end of the year*
Equity Shares of ₹ 1 each, fully paid up ( Previous Year ₹ 1 each, fully paid up)				
As at 31 March, 2024	5,032.14	26.16	(0.07)	5,058.23
As at 31 March, 2023	5,033.05	4.19	(5.10)	5,032.14

(\*5,17,174 (PY 5,09,606) shares held by SBI Funds Management Limited – Employee Welfare Trust ("EWT"). Refer Note No. 28 for details on EWT)

b. Other Equity

Particulars	Reserves and Surplus					OCI*	Foreign currency translation reserve	Total Other Equity
	Share Application Money	Securities Premium	General Reserve	Shares Option Outstanding Account	Retained Earnings			
Opening balance as at 01 April, 2023	-	5,962.63	12,260.09	5,834.22	4,46,409.43	(449.96)	89.93	4,70,106.34
Profit for the year	-	-	-	-	2,07,278.35	-	-	2,07,278.35
Other Comprehensive Income - Remeasurement gain/(loss) of the defined benefit plans (net of tax)	-	-	-	-	-	(60.65)	-	(60.65)
Foreign currency translation during the year	-	-	-	-	-	-	3.45	3.45
Total Comprehensive Income for the year	-	-	-	-	2,07,278.35	(60.65)	3.45	2,07,221.15
Transfer to/from retained earnings	-	-	500.00	-	(500.00)	-	-	-
Other Additions/Deductions during the year	-	-	-	2,787.81	-	-	-	2,787.81
Adjustment in relation to shares held by EWT	-	(898.02)	-	-	681.24	-	-	(214.78)
Interim Dividend for FY 2023-24	-	-	-	-	(20,232.90)	-	-	(20,232.90)
Additions During the year (towards options exercised)	10,075.05	10,048.89	-	-	-	-	-	20,123.94
Utilised during the year (on account of allotment of shares under ESOP)	(10,075.05)	-	-	-	-	-	-	(10,075.05)
Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)	-	2,774.47	-	(2,774.47)	-	-	-	-
Transfer from Share Options Outstanding Account to Retained Earnings (towards vested options cancelled)	-	-	-	(48.49)	48.49	-	-	-
Changes during the year	-	11,927.34	500.00	(35.15)	(20,003.17)	-	-	(7,610.98)
Closing Balance as at 31 March, 2024	-	17,889.97	12,760.09	5,799.07	6,33,684.61	(510.61)	93.38	6,69,716.51
Opening balance as at 01 April, 2022	-	8,492.47	11,760.09	3,314.84	3,30,456.88	(447.43)	81.03	3,53,637.88
Profit for the year	-	-	-	-	1,33,971.42	-	-	1,33,971.42
Other Comprehensive Income - Remeasurement gain/(loss) of the defined benefit plans (net of tax)	-	-	-	-	-	(2.53)	28.90	26.37
Total Comprehensive Income for the year	-	-	-	-	1,33,971.42	(2.53)	28.90	1,33,997.79
Transfer to/from retained earnings	-	-	500.00	-	(500.00)	-	-	-
Other Additions/Deductions during the year	-	-	-	2,897.49	-	-	-	2,897.49
Adjustment in relation to shares held by EWT	-	(4,253.69)	-	-	78.43	-	-	(4,175.26)
Interim Dividend for FY 2022-23	-	-	-	-	(17,612.49)	-	-	(17,612.49)
Additions During the year (towards options exercised)	1,365.12	1,360.93	-	-	-	-	-	2,726.05
Utilised during the year (on account of allotment of shares under ESOP)	(1,365.12)	-	-	-	-	-	-	(1,365.12)
Transfer from Share Options Outstanding Account to Securities Premium (towards options exercised)	-	362.92	-	(362.92)	-	-	-	-
Transfer from Share Options Outstanding Account to Retained Earnings (towards vested options cancelled)	-	-	-	(15.19)	15.19	-	-	-
Changes during the year	-	(2,529.84)	500.00	2,519.38	(18,018.87)	-	-	(17,529.33)
Closing Balance as at 31 March, 2023	-	5,962.63	12,260.09	5,834.22	4,46,409.43	(449.96)	89.93	4,70,106.34

(\* Other Comprehensive Income)

Summary of Material Accounting Policies  
Other Notes to the Financial Statements

1  
2-50

As per our report of even date

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

Devang Vaghani  
Partner  
Membership No: 109386



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

Dinesh Kumar Khara  
Chairman  
DIN 6737041

DENYS CHARLES JEAN MARIE  
FOUGEROUX DE C  
(Denys De Campigneulle)  
Director  
DIN 08716335

Shamsher Singh  
Managing Director & CEO  
DIN 08787674

Vinay Datar  
Chief Compliance Officer & Company Secretary  
M. No 15527

Inderjeet Ghuliani  
Chief Financial Officer



Place: Mumbai  
Date : 25 April 2024

Date : 25 April 2024



## **SBI Funds Management Limited – Material Accounting Policies – Consolidated**

### **Company Overview**

SBI Funds Management Limited ('SBIFML/ the Company') was incorporated on 7th February 1992 under provisions of the Companies Act, 1956 (Act). The Company is a joint venture between SBI and AMUNDI.

The Company was granted approval by Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1993, subsequently replaced by SEBI (Mutual Funds) Regulations, 1996, to act as the Investment Manager of SBI Mutual Fund ('the Fund'). The Company manages the Investment Portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Restated and Amended Investment Management Agreement dated March 12, 2024. The Company has a wholly owned foreign subsidiary namely SBI Funds Management (International) Private Limited, which is based at Mauritius and manages Off-shore Funds.

The Company is also registered with SEBI under the SEBI (Portfolio Managers) Regulations, 1993 subsequently replaced by SEBI (Portfolio Managers) Regulations, 2020 and provides Portfolio Management Services (PMS) to domestic and international clients.

The Company also offers alternate asset investment products through Alternative Investment Funds (AIF). The Company is acting as Investment Manager of SBI Alternative Equity Fund & SBI Alternative Debt Fund which is registered with SEBI as a category III & category II AIF respectively under SEBI (Alternative Investment Funds) Regulations, 2012. Further, the Company also acts as an Investment Manager to Corporate Debt Market Development Fund (CD MDF), an AIF set up under SEBI AIF Regulations, for developing a Backstop Facility for development of the corporate debt market by providing backstop facility at the time of market dislocation to benefit the wider corporate debt market.

The Company is also providing the management and advisory services to Category I foreign portfolio investors and Category II foreign portfolio investors through fund manager(s) managing the schemes of the SBI Mutual Fund as permitted under Regulation 24(b) of the SEBI (Mutual Funds) Regulations, 1996.

The Company has established a branch in IFSC-GIFT City at Gujarat for undertaking Investment Management activities / services for pooled assets and Portfolio Management services. The International Financial Services Centres Authority (IFSCA) has granted certificate of registration dated November 28, 2022 to SBI Funds Management Limited (IFSC Branch) to carry out activities as a Fund Management Entity (Retail) vide registration number is IFSCA/FME/III/2022-23/010. SBIFML through its IFSC branch is acting as an Investment Manager to SBI Investment Opportunities Fund (IFSC) which is registered with IFSCA as a Category III Alternative Investment Fund.

The Company has incorporated a wholly owned subsidiary company Limited in IFSC-GIFT City, viz. SBI Funds International (IFSC) Limited on February 07, 2024, after receiving no objection certificate from SEBI, for undertaking Portfolio Management Services and Investment Management activities / services for pooled assets in IFSC-GIFT City.

### **1. Material Accounting Policies**

#### **1.1 Basis of preparation and presentation**

##### **a) Statement of compliance**

The Financial statements of SBI Funds Management Limited ('the Company') have been prepared and presented on going concern basis and in accordance with Indian





## SBI Funds Management Limited – Material Accounting Policies – Consolidated

Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (The Act) [the (Indian Accounting Standards) Rules, 2015] and other provisions of the Act as amended from time to time.

### b) Presentation of Consolidated Financial Statements

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

### c) Functional and Reporting currency

Indian Rupee (₹) is the currency of the primary economic environment in which the company operates and hence the functional currency of the company. Accordingly, the financial statements are presented in Indian Rupee (₹).

### d) Rounding off

All figures have been rounded-off to the nearest lakh up to two decimal places, unless otherwise indicated.

### e) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following: -

- Financial instruments that are measured at fair value (refer accounting policy regarding financial instruments)
- Assets held for sale – measured at lower of carrying amount or fair value less cost to sell
- Defined benefit plans- plan assets measured at fair value

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### f) Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its



highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability. This category includes all instruments for which the valuation technique includes inputs that are not observable, and the unobservable inputs have a significant effect on the instrument's valuation.

**g) Use of judgements, estimates and assumptions**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect application of accounting policies and the reported amount of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses for the periods presented.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

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



**h) Investments in subsidiaries and associates**

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any in its separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of such investments, the difference between net disposal proceeds and the carrying amount are recognised in the Statement of Profit and Loss

**i) Principles of consolidation**

The Consolidated Financial Statements relate to SBI Funds Management Limited ('the Company') and its subsidiaries and associate. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- Profits or losses resulting from intra-group transactions are eliminated in full.
- In case of foreign subsidiary, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Non-Controlling Interest's share of profit / loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

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

**Subsidiaries considered for consolidation:**

Sr. No	Name of Subsidiary	Country of Incorporation / Establishment	Proportion of ownership interest	
			31 Mar 2024	31 Mar 2023
1	SBI Funds Management (International) Private Limited	Mauritius	100%	100%



## SBI Funds Management Limited – Material Accounting Policies – Consolidated

2	SBI Funds Management Limited – Employee Welfare Trust (EWT)	India	Controlled Trust	Controlled Trust
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### Foreign Operations:

- Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of foreign operations are translated at closing exchange rates notified by RBI at the balance sheet date.
- Income and expenditure of foreign operations are translated at the average rates prevailing during the year.
- Exchange differences arising on net investment in foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the net investment.
- The Assets and Liabilities of foreign company in foreign currency (other than local currency of the foreign offices/ subsidiaries/joint ventures) are translated into local currency using spot rates applicable to that country.
- The financial statements of foreign subsidiary have been prepared in accordance with the generally accepted accounting principles of its country of incorporation. The differences in accounting policies are not material.

### Controlled Trust:

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

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

### Associates

Sr. No	Name of Associate	Country of Incorporation	Proportion of ownership interest	
			31 Mar 2024	31 Mar 2023
1	SBI Pension Funds Private Limited	India	20%	20%

Investment in Associates are accounted for using the equity method as per Ind AS 28 Investments in Associates and Joint Ventures. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement of profit and loss reflects the share of the results of operations of the associate.





## **1.2 Revenue recognition**

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

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

### **1.2.1 Revenue from Operations**

The company recognises revenue when amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company, regardless of when payment is being made.

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

#### **(a) Management Fees:**

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

#### **(b) Portfolio Management and Advisory Services:**

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

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

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

### **1.2.2 Other Income:**

#### **(a) Dividend income:**

Dividend income from investments is recognised when the right to receive payment has been established.

#### **(b) Interest income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and





at the effective interest rate (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

### **1.3 Scheme Expenses**

(a) Recurring expenses of schemes borne by the Company are recognised under respective expense heads in the Statement of Profit and Loss unless considered recoverable from the schemes in accordance with provisions of SEBI (Mutual Fund) Regulations 1996 and circular along with guidelines by Association of Mutual Funds in India (AMFI) issued from time to time.

Expenses of schemes of SBI Mutual Fund, in excess of the stipulated rates (if any), are required to be borne by the Company in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996, and as such, are charged to the Statement of Profit and Loss. In case of PMS/AIF scheme, based on the contract, expenses if any, are charged to the Statement of Profit and Loss.

(b) Brokerage: Brokerage is paid to the brokers for Portfolio Management and Alternative Investment Schemes as per the terms of agreement entered with respective brokers. Brokerage paid by the Company in line with the applicable regulations is being charged to statement of profit and loss over the contractual period.

(c) New Fund Offer Expenses: Expenses relating to new fund offer of SBI Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996.

### **1.4 Leases**

The Company as a lessee: The Company's lease asset classes primarily consist of leases for office on lease and other assets. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset



## **SBI Funds Management Limited – Material Accounting Policies – Consolidated**

basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **1.5 Foreign currencies**

#### **(a) Foreign Currency Transactions and translations**

Foreign currency transactions are translated into functional currency using respective currency exchange rates prevailing on the date of transaction first qualify for recognition.

##### **i. Monetary items:**

Foreign exchange gains or losses realized up on settlement of transactions or translation of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit and loss using reporting date exchange rates.

##### **ii. Non-monetary items:**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss, respectively).

### **1.6 Employee benefits**

#### **(a) Defined Contribution Plan:**

##### **-Provident Fund**

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

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

##### **-Superannuation**

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



**-National Pension System /Scheme (NPS)**

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

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

Gratuity liability is a defined benefit obligation and is funded through a Gratuity Fund administered by trustees and managed by the Life Insurance Corporation of India. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year. Actuarial gains and losses are immediately recognized in the Statement of Profit and loss. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability, as the case may be. The discount rate is based on the government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in other comprehensive income in the statement of comprehensive income in the period in which they arise.

**(c) Other Long-term employee benefit obligation:**

All eligible employees of the company are eligible for the encashment of leave or leave with pay subject to certain rules, Long term service awards and retirement gift on attaining the superannuation .

The cost of providing other long-term benefits is determined based on independent actuarial valuation carried out as at the end of each financial year

**(d) Employee Share Based Payments:**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on amortised basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

**1.7 Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**(a) Current tax**

Current income tax for current and prior period is recognised at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of reporting period.

Current income taxes are recognised in the statement of profit and loss except for items those are recognised outside profit or loss (either in other comprehensive income or in





## SBI Funds Management Limited – Material Accounting Policies – Consolidated

equity), related tax for such items are recognised either in Other Comprehensive income or in Equity.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

### (b) Deferred tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities are generally recognised for all taxable temporary differences except for investment in subsidiary and associate, when the timings of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The Company offsets deferred tax assets and deferred tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## 1.8 Property, plant and equipment

### (a) Recognition and measurement

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenses directly attributable to the acquisition of an asset.

Advances paid towards the acquisition of property and equipment and the cost of property and equipment not ready for use before the reporting date are disclosed separately in the property and equipment schedule.

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

### (b) Depreciation

Depreciation on property, plant and equipment is recognised using Straight Line Method (SLM) to expense the cost less residual values over estimated useful lives as prescribed under schedule II of Companies Act, 2013. Estimated useful lives of property, plant and equipment as stipulated under Schedule II of the Companies Act, 2013 and adopted by management for various block of assets in as under:

Assets	Useful life (in years)
Office Premises	60
Computers- Servers and networks	6
Computers- End user devices, such as, desktops, laptops, etc.	3
Furniture and fixtures	10
Office Equipment (including Electrical Installation & Building Management systems)	5



## SBI Funds Management Limited – Material Accounting Policies – Consolidated

Glow Sign Board	2
Vehicles	8

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

All fixed assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase/acquisition.

Estimated useful lives and residual values are reviewed at the end of each financial year and changes, if any, are accounted prospectively.

### (c) Capital work in progress

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

## 1.9 Intangible assets

### (a) **Recognition and measurement**

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Initial cost of software implementation is capitalised and any subsequent maintenance cost or enhancement cost are expensed out to statement of profit and loss unless it meets recognition criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation expense is recognised on a straight-line basis over their estimated useful lives in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### (b) **Useful lives of intangible assets**

Estimated useful lives of the intangible assets adopted by management are as follows:

Description of assets	Useful lives (In years)	Method of depreciation / amortization
Computer software	3 - 6 years	SLM
Website development cost	3 years	SLM
Copyright licenses	5 years	SLM

## 1.10 De-recognition of PPE and Intangible Assets

Carrying amount (net of accumulated depreciation and amortisation) of property, plant and equipment and intangible asset is derecognised upon its disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gains or losses arising on such disposal is determined based on difference between net proceeds and carrying amount and such gains or losses are recognised in statement of profit and loss.





**Intangible assets under development**

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

**1.11 Provisions, contingent liability and contingent asset**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risk specified to the liability. The increase in provision due to passage of time is recognised as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of economic resources is considered remote. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

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

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

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



## **1.12 Financial instruments**

### **Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

### **Subsequent measurement**

#### ***Financial assets carried at amortised cost***

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using effective interest rate.

#### ***Financial assets at fair value through other comprehensive income***

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### ***Financial assets at fair value through profit or loss***

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### **Derecognition of Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit or loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analysed.



## **SBI Funds Management Limited – Material Accounting Policies – Consolidated**

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or have expired.

### **Equity instruments:**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### **Offsetting of financial instruments**

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

### **1.13 Earnings per share**

The basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period/year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

### **1.14 Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.



**1.15 Cash and Cash Equivalents**

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

**1.16 Impairment of Non- Financial assets**

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

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

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





**SBI FUNDS MANAGEMENT LIMITED**  
**Consolidated Notes to the Financial Statements**

(₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>2. Cash and Cash Equivalents</b>		
Cash on hand	0.28	0.41
Cheques in hand	-	-
Balance with banks *		
- in current accounts	368.16	200.29
<b>Total</b>	<b>368.44</b>	<b>200.70</b>
(*Refer Note No 41 for Related Party Disclosures)		
<b>3. Other Bank Balances *</b>		
Current account earmarked for unpaid dividend #	0.50	2.44
Earmarked for CSR	1,752.68	365.75
Balances with banks**	3,718.51	2,539.91
(Including interest accrued)		
<b>Total</b>	<b>5,471.69</b>	<b>2,908.10</b>
(*Refer Note No 41 for Related Party Disclosures)		
(** includes (i) AED 50,000 (₹11.35 lakhs) [previous year AED 50,000 (₹ 10.28 lakhs)] towards lien created in favour of Ministry of Economy, Dubai, UAE., for operation of representative office at Dubai.		
(ii) ₹ 2,137 lakhs [previous year ₹ 2,145 lakhs] towards lien created for PMS activities for providing the Performance Guarantee)		
(# ₹0.50 lakhs (Previous year ₹ 2.30 lakhs) earmarked for unpaid dividend)		
<b>4. Trade Receivables *</b>		
(a) Receivables considered good - Secured;	-	-
(b) Receivables considered good - Unsecured;		
i. Management Fees Receivable	7,157.29	3,037.87
ii. Portfolio Management & Advisory Fees Receivable	3,612.30	2,617.43
(c) Receivables which have significant increase in credit risk;	-	-
(d) Receivables – credit impaired	-	-
<b>Total</b>	<b>10,769.59</b>	<b>5,655.30</b>
<b>Loss Allowance</b>		
(a) Receivables considered good - Secured;	-	-
(b) Receivables considered good - Unsecured;		
i. Management Fees Receivable	-	-
ii. Portfolio Management & Advisory Fees Receivable	-	-
(c) Receivables which have significant increase in credit risk;	-	-
(d) Receivables – credit impaired	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Net Amount (Trade Receivable)</b>		
(a) Receivables considered good - Secured;	-	-
(b) Receivables considered good - Unsecured;		
i. Management Fees Receivable	7,157.29	3,037.87
ii. Portfolio Management & Advisory Fees Receivable	3,612.30	2,617.43
(c) Receivables which have significant increase in credit risk;	-	-
(d) Receivables – credit impaired	-	-
<b>Total</b>	<b>10,769.59</b>	<b>5,655.30</b>
<b>Receivables considered good - Unsecured;</b>		
<b>Undisputed</b>		
- Unbilled	1,383.31	591.02
- Billed but not due	-	-
- Billed and due	9,386.28	5,064.28
<b>Disputed</b>	-	-
<b>Total</b>	<b>10,769.59</b>	<b>5,655.30</b>
<b>Trade Receivables - ageing schedule</b>		
<b>Unsecured, considered good &amp; undisputed</b>		
- Unbilled	1,383.31	591.02
- Billed and due		
- Less than 6 Months	9,120.36	4,807.40
- 6 months - 1 year	234.32	255.73
- 1-2 years	31.60	1.15
<b>Disputed</b>	-	-
<b>Total</b>	<b>10,769.59</b>	<b>5,655.30</b>

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

due debts are due from directors or other officers or any of them either severally or jointly with any other person.  
 No debts are due from firms, Limited Liability Partnerships or private companies in which any director is a partner  
 (or a director or a member)





**SBI FUNDS MANAGEMENT LIMITED****Consolidated Notes to the Financial Statements****(₹ In Lakhs)**

<b>Particulars</b>	<b>As at 31 Mar 2024</b>	<b>As at 31 Mar 2023</b>
<b>5. Loans*</b>		
<b>(i) Staff Loans</b>		
(a) Loans receivable considered good - Secured #	17.83	22.20
(b) Loans receivable considered good - Unsecured	6.33	10.27
(c) Loans receivable which have significant increase in credit risk	-	-
(d) Loans receivable - credit impaired	-	-
<b>Total</b>	<b>24.16</b>	<b>32.47</b>

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

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



6. Investments

(₹ In Lakhs)

Particulars	As at 31 Mar 2024					Total
	Amortised cost	At Fair Value			Others	
		Through OCI#	Fair value through profit or loss account	Subtotal		
	1	2	3	4=(2+3)	5	6=(1+4+5)
Mutual fund units	-	-	4,46,849.98	4,46,849.98	-	4,46,849.98
Alternative investment funds	-	-	6,756.35	6,756.35	-	6,756.35
Debt Securities	2,04,668.79	-	-	-	-	2,04,668.79
Investment in Subsidiaries *	-	-	-	-	-	-
Investment in Associates*	-	-	-	-	4,255.43	4,255.43
Investment in Equity Shares	-	-	1,988.30	1,988.30	0.10	1,988.40
Investment in Preference Shares	23.11	-	-	-	-	23.11
<b>Total – Gross (A)</b>	<b>2,04,691.90</b>	-	<b>4,55,594.63</b>	<b>4,55,594.63</b>	<b>4,255.53</b>	<b>6,64,542.06</b>
(i) Overseas Investments	-	-	-	-	-	-
(ii) Investments in India	2,04,691.90	-	4,55,594.63	4,55,594.63	4,255.53	6,64,542.06
<b>Total (B)</b>	<b>2,04,691.90</b>	-	<b>4,55,594.63</b>	<b>4,55,594.63</b>	<b>4,255.53</b>	<b>6,64,542.06</b>
Less: Impairment loss allowance (C)	-	-	-	-	-	-
<b>Total – Net (D) = (A)-(C)</b>	<b>2,04,691.90</b>	-	<b>4,55,594.63</b>	<b>4,55,594.63</b>	<b>4,255.53</b>	<b>6,64,542.06</b>

(₹ In Lakhs)

Particulars	As at 31 Mar 2023					
	Amortised cost	At Fair Value			Others	Total
		Through OCI#	Fair value through profit or loss account	Subtotal		
	1	2	3	4=(2+3)	5	6=(1+4+5)
Mutual fund units	-	-	2,73,985.85	2,73,985.85	-	2,73,985.85
Alternative investment funds	-	-	3,861.57	3,861.57	-	3,861.57
Debt Securities	1,78,014.33	-	-	-	-	1,78,014.33
Investment in Subsidiaries*	-	-	-	-	-	-
Investment in Associates*	-	-	-	-	3,006.95	3,006.95
Investment in Equity Shares	-	-	2,020.41	2,020.41	0.10	2,020.51
Investment in Preference Shares	23.37	-	-	-	-	23.37
<b>Total – Gross (A)</b>	<b>1,78,037.70</b>	<b>-</b>	<b>2,79,867.83</b>	<b>2,79,867.83</b>	<b>3,007.05</b>	<b>4,60,912.58</b>
(i) Overseas Investments	-	-	-	-	-	-
(ii) Investments in India	1,78,037.70	-	2,79,867.83	2,79,867.83	3,007.05	4,60,912.58
<b>Total (B)</b>	<b>1,78,037.70</b>	<b>-</b>	<b>2,79,867.83</b>	<b>2,79,867.83</b>	<b>3,007.05</b>	<b>4,60,912.58</b>
Less: Impairment loss allowance (C)	-	-	-	-	-	-
<b>Total – Net (D) = (A)-(C)</b>	<b>1,78,037.70</b>	<b>-</b>	<b>2,79,867.83</b>	<b>2,79,867.83</b>	<b>3,007.05</b>	<b>4,60,912.58</b>

(# Other Comprehensive Income)

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



**SBI FUNDS MANAGEMENT LIMITED****Consolidated Notes to the Financial Statements****(₹ In Lakhs)**

<b>Particulars</b>	<b>As at 31 Mar 2024</b>	<b>As at 31 Mar 2023</b>
<b>7. Other Financial Assets*</b>		
Investment pending allotment	-	50.53
Security deposits (Unsecured considered good)	757.56	791.80
GST payment under protest	-	-
Others	45.94	0.84
<b>Total</b>	<b>803.50</b>	<b>843.17</b>
(*Refer Note No 41 for Related Party Disclosures)		
<b>8. Deferred Tax</b>		
Deferred Tax Assets	(1,799.40)	(1,310.45)
Deferred Tax Liabilities	9,229.07	2,355.49
<b>Deferred Tax Liabilities (Net) \$</b>	<b>7,429.67</b>	<b>1,045.04</b>
(\$ Refer Note No 25 for disclosure)		



**SBI FUNDS MANAGEMENT LIMITED**  
Consolidated Notes to the Financial Statements

**9 Property, Plant and Equipment**

**9.1 Property, Plant and Equipment - As at 31 Mar 2024**

Particulars	Gross Block (At Cost)				Accumulated Depreciation			Net Block (₹ In Lakhs)
	As at 01.04.2023	Additions for the year	Deductions/ Adjustments/ for the year	As at 31.03.2024	Up to 01.04.2023	For the Year (\$)	Deductions/ Adjustments/ for the year	Up to 31.03.2024
Building (refer note i)	15,018.24	-	-	15,018.24	1,602.30	267.05	-	1,869.35
Electrical Fittings (including Building Management Systems)	89.05	6.49	0.25	95.29	88.26	6.70	0.25	94.71
Furniture and Fixtures	908.17	79.62	33.15	954.64	641.83	96.07	31.23	706.67
Vehicles	44.47	-	0.95	43.52	36.96	3.44	0.95	39.45
Office Equipment	1,133.13	343.13	24.35	1,451.91	658.99	201.96	23.12	837.83
Right to use asset #	13,693.47	5,122.39	473.15	18,342.71	6,161.86	2,485.42	309.34	8,337.94
Computers	2,823.44	52.67	386.43	2,489.68	2,532.29	125.77	386.45	2,271.61
Leasehold Improvements	1,907.14	453.79	93.25	2,267.68	1,166.01	266.90	26.92	1,405.99
<b>Total Tangible Assets</b>	<b>35,617.11</b>	<b>6,058.09</b>	<b>1,011.53</b>	<b>40,663.67</b>	<b>12,888.50</b>	<b>3,453.31</b>	<b>778.26</b>	<b>15,563.55</b>
								<b>25,100.12</b>

**9.2 Property, Plant and Equipment - As at 31 Mar 2023**

Particulars	Gross Block (At Cost)				Accumulated Depreciation			Net Block (₹ In Lakhs)
	As at 01.04.2022	Additions for the year	Deductions/ Adjustments/ for the year	As at 31.03.2023	Up to 01.04.2022	For the Year (\$)	Deductions/ Adjustments/ for the year	Up to 31.03.2023
Building (Refer Note i)	15,018.24	-	-	15,018.24	1,335.25	267.05	-	1,602.30
Electrical Fittings (including Building Management Systems)	82.53	6.54	0.02	89.05	81.53	6.75	0.02	88.26
Furniture and Fixtures	833.39	87.36	12.58	908.17	533.16	119.45	10.78	641.83
Vehicles	44.47	-	-	44.47	33.52	3.44	-	36.96
Office Equipment	855.80	290.05	12.72	1,133.13	500.75	170.62	12.38	658.99
Right to use asset #	11,161.72	3,134.79	603.04	13,693.47	4,523.21	2,027.37	388.72	6,161.86
Computers	2,924.37	56.03	156.96	2,823.44	2,451.00	237.86	156.57	2,532.29
Leasehold Improvements	1,449.02	474.19	16.07	1,907.14	881.20	300.81	16.00	1,166.01
<b>Total Tangible Assets</b>	<b>32,369.54</b>	<b>4,048.96</b>	<b>801.39</b>	<b>35,617.11</b>	<b>10,339.62</b>	<b>3,133.35</b>	<b>564.47</b>	<b>12,888.50</b>
								<b>22,728.61</b>

Note i : On long term assignment basis

**# Right to use asset - As at 31 Mar 2024**

Particulars	Gross Block (At Cost)				Accumulated Depreciation			Net Block (₹ In Lakhs)
	As at 01.04.2023	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2024	Up to 01.04.2023	For the Year (\$)	Deductions/ Adjustments/ Reclassification for the year	Up to 31.03.2024
Building	12,809.50	4,008.09	473.15	16,344.44	5,572.55	1,931.50	309.34	7,194.71
Computers	776.53	978.51	-	1,756.04	518.09	510.39	-	1,028.48
Vehicle	107.44	134.79	-	242.23	71.22	43.53	-	114.75
<b>Grand Total</b>	<b>13,693.47</b>	<b>5,122.39</b>	<b>473.15</b>	<b>18,342.71</b>	<b>6,161.86</b>	<b>2,485.42</b>	<b>309.34</b>	<b>8,337.94</b>
								<b>10,004.77</b>

**# Right to use asset - As at 31 Mar 2023**

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





10. Intangible assets under development (₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Intangible asset under development	-	187.90

10.1 Intangible assets under development ageing schedule

Particulars	(₹ In Lakhs)		
	Amount of intangible assets under development for a period of		
	As at 31 Mar 2024	As at 31 Mar 2023	
	Less than 1 year	Total	Total
Projects in Progress	-	-	187.90
Projects temporarily suspended	-	-	-

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

11 Intangible Assets

11.1 Intangible Assets - As at 31 Mar 2024

Particulars	Gross Block (At Cost)			Accumulated Amortisation			Net Block As at 31.03.2024
	As at 01.04.2023	Additions for the year	Deductions/ Adjustments/ Reclassification for the year	As at 31.03.2024	Up to 01.04.2023	For the Year (\$)	Up to 31.03.2024
Computer Software	2,338.37	16.52	-	2,354.89	2,178.15	115.99	2,294.14
Copyright License	15.81	-	-	15.81	15.81	-	15.81
Website Development Cost	353.39	402.75	-	756.14	93.50	130.33	223.83
<b>Total Intangible Assets</b>	<b>2,707.57</b>	<b>419.27</b>	<b>-</b>	<b>3,126.84</b>	<b>2,287.46</b>	<b>246.32</b>	<b>2,533.78</b>

11.2 Intangible Assets - As at 31 Mar 2023

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

(\$) Depreciation and Amortization Expense \*

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
Depreciation on Property, Plant and Equipment	3,453.31	3,133.35
Amortization of Intangible Assets	246.32	250.30
<b>Total</b>	<b>3,699.63</b>	<b>3,383.65</b>

(\* includes ₹30.57 lakh (previous year ₹ 23.79 lakh) assets costing up to ₹ 5000)



**SBI FUNDS MANAGEMENT LIMITED**  
**Consolidated Notes to the Financial Statements**

(₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>12. Other Non-Financial Assets</b>		
Prepayment under leases	224.10	167.94
GST payment under protest *	658.22	-
Prepaid expenses	1,615.15	1,500.62
Others	416.83	628.01
<b>Total</b>	<b>2,914.30</b>	<b>2,296.57</b>

(\* Refer Note No 29)

**13. Trade Payables\***

(i) Total outstanding dues of micro enterprises and small enterprises \*\*

54.29 4.83

(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises

1,908.43 1,510.80

**Total**

**1,962.72 1,515.63**

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

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

**Trade Payables - MSME**

**Undisputed**

- Unbilled

- -

- Bill not due for payment

- -

- Billed and due for payment

54.29 4.83

**Disputed**

- -

**Total**

**54.29 4.83**

**Trade Payables - Others**

**Undisputed**

- Unbilled

828.12 613.00

- Billed not due for payment

- -

- Billed and due for payment

1,080.31 897.80

**Disputed**

- -

**Total**

**1,908.43 1,510.80**

**Trade Payables - Ageing Schedule**

**Undisputed - MSME**

- Unbilled

- -

- Billed and due

- Less than 1 year

54.29 4.83

**Disputed - MSME**

- -

**Total**

**54.29 4.83**



**SBI FUNDS MANAGEMENT LIMITED****Consolidated Notes to the Financial Statements****(₹ In Lakhs)**

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>Trade Payables - Ageing Schedule</b>		
<b>Undisputed - Others</b>		
- Unbilled	828.12	613.00
- Billed and due		
- Less than 1 year	1,080.31	897.80
<b>Disputed - Others</b>	-	-
<b>Total</b>	<b>1,908.43</b>	<b>1,510.80</b>

**14. Other Financial Liabilities**

CSR Payable	1,752.68	365.75
Other liabilities		
i. Earnest money deposit *	1.69	2.45
ii. Retention money *	30.52	35.03
iii. Interim Dividend payable	0.26	2.30
iv. Creditors for capital expenditure*	1.24	37.02
v. Lease liabilities	11,161.99	8,392.67
vi. Expenses payable	0.64	38.53
<b>Total</b>	<b>12,949.02</b>	<b>8,873.75</b>

(\*Refer Note No 42 for disclosure)

**15. Provisions**

(a) Provision for Employee Benefits	11,287.39	10,162.06
(b) Provision for Contingencies	1,560.45	420.00
(c) Provision for Expenses	171.96	463.66
<b>Total</b>	<b>13,019.80</b>	<b>11,045.72</b>

**16. Other Non-Financial Liabilities****Statutory dues payable**

- Goods and services tax	423.15	452.87
- Withholding taxes	128.37	315.12
- Others	1.45	1.29
<b>Total</b>	<b>552.97</b>	<b>769.28</b>



Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>17. Equity Share Capital</b>		
<b>Authorised</b>		
52,50,00,000 Equity Shares of ₹ 1 each (Previous year 52,50,00,000 Equity Shares of ₹ 1 each)	5,250.00	5,250.00
<b>Issued, Subscribed and Paid Up</b>		
50,58,22,452 Equity Shares of ₹ 1 each (fully paid up) [Net off Shares held by EWT]	5,058.23	5,032.14
(Previous year 50,32,14,191 Equity Shares of ₹ 1 each [fully paid up]) [Net off Shares held by EWT]		

**17.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 Mar 2024		As at 31 Mar 2023	
	No of Shares	(₹ In Lakhs)	No of Shares	(₹ In Lakhs)
<b>Equity Shares (face value of ₹ 1 each)</b>				
Outstanding at the beginning of the year	50,32,14,191	5,032.14	50,33,05,156	5,033.05
Add: Shares issued during the year	26,15,829	26.16	4,18,641	4.19
Less: shares held by EWT	(7,568)	(0.07)	(5,09,606)	(5.10)
<b>Outstanding at the end of the year (face value of ₹ 1 each)</b>	<b>50,58,22,452</b>	<b>5,058.23</b>	<b>50,32,14,191</b>	<b>5,032.14</b>

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of an interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**17.2 Details of Shares held by Holding/Promoter Company**

Particulars	As at 31 Mar 2024		As at 31 Mar 2023	
	No of Shares	(₹ In Lakhs)	No of Shares	(₹ In Lakhs)
State Bank of India	31,50,00,000	3,150.00	31,50,00,000	3,150.00

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

Particulars	As at 31 Mar 2024		As at 31 Mar 2023	
	No of Shares	% of Holding	No of Shares	% of Holding
State Bank of India	31,50,00,000	62.21%	31,50,00,000	62.53%
Amundi India Holding, a wholly owned subsidiary of Amundi	18,50,00,000	36.54%	18,50,00,000	36.73%

48,10,312 (Previous Year: 61,02,287) equity shares of ₹ 1 each are reserved for issuance towards outstanding ESOP (Refer Note No 28)

During the current year 26,15,829 no.s of equity shares (Previous Year 4,18,641 no.s) at a face value of ₹ 1 each have been allotted to employees on exercise of ESOP.

The Company was a joint venture between State Bank of India and Société Générale Asset Management. However, consequent upon Société Générale S.A. and Credit Agricole S.A. entering into an agreement to undertake a global merger of their fundamental asset management businesses, 18,50,000 equity shares constituting 37% (on the date of transfer) of the paid-up equity share capital held by Société Générale Asset Management have been transferred to Amundi India Holding, a wholly owned subsidiary of Amundi on 30th May, 2011 after obtaining relevant regulatory approvals.





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**(₹ In Lakhs)**

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>18. Other Equity</b>		
<b>(A) General Reserve</b>		
Balance at the beginning of the year	12,260.09	11,760.09
Add: Transfer from Retained Earnings	500.00	500.00
<b>Sub-total (A)</b>	<b>12,760.09</b>	<b>12,260.09</b>
<b>(B) Share Application Amount</b>		
Balance at the beginning of the year	-	-
Add: During the year	10,075.05	1,365.12
Less: transferred to : - Paid up Capital	(26.16)	(4.19)
- Securities Premium account	(10,048.89)	(1,360.93)
<b>Sub-total (B)</b>	<b>-</b>	<b>-</b>
<b>(C) Securities Premium</b>		
Balance at the beginning of the year	5,962.63	6,492.47
Add: Transfer from Share Application account	10,048.89	1,360.93
Add: Transfer from ESOP Outstanding account	2,774.47	362.92
Less: Adjustment in relation to shares held by EWT*	(896.02)	(4,253.69)
<b>Sub-total (C)</b>	<b>17,889.97</b>	<b>5,962.63</b>
<b>(D) Retained Earnings</b>		
Balance at the beginning of the year	4,46,409.43	3,30,456.88
Add: Profit for the year	2,07,278.35	1,33,971.42
Add: Transfer from ESOP Outstanding account #	48.49	15.19
Less: Fair Valuation of shares held by EWT(net of deferre tax liability)*	681.24	78.43
Less: Transfer to general reserve	(500.00)	(500.00)
Less: Interim dividend	(20,232.90)	(17,612.49)
<b>Sub-total (D)</b>	<b>6,33,684.61</b>	<b>4,46,409.43</b>
<b>(E) Share Option Outstanding Account (Employee stock options)</b>		
Balance at the beginning of the year	5,834.22	3,314.84
Add: Additions during the year	2,787.81	2,897.49
Less: Transfer to Securities Premium account	(2,774.47)	(362.92)
Less: Transfer to Retained Earnings #	(48.49)	(15.19)
<b>Sub-total (E)</b>	<b>5,799.07</b>	<b>5,834.22</b>
<b>(F) Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	89.93	61.03
Add: Additions during the year	3.45	28.90
<b>Sub-total (F)</b>	<b>93.38</b>	<b>89.93</b>
<b>(G) Other Comprehensive Income</b>		
Balance at the beginning of the year (Net)	(449.96)	(447.43)
Add: Movement during the year	(60.65)	(2.53)
<b>Sub-total (G)</b>	<b>(510.61)</b>	<b>(449.96)</b>
<b>Total (A+B+C+D+E+F+G)</b>	<b>6,69,716.51</b>	<b>4,70,106.34</b>

(# On account of cancellation of vested ESOP Options)

**General Reserve :**

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

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

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

**Securities Premium :**

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

**Retained Earnings:**

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

The Company paid interim dividend of ₹ 20,253.59 Lakh @ ₹ 4.00/- per equity share during the year.

**Foreign Currency Translation Reserve :**

Foreign currency translation reserve represent the translation difference of IFSC branch operations.

**Other Comprehensive Income :**

Consists of the measurement of net defined benefit liability/asset of employee benefits.



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(₹ In Lakhs)

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
<b>19. Asset Management Fees</b>		
Management Fees	2,61,018.19	2,10,962.07
Portfolio Management & Other Advisory Fees	8,037.73	5,196.52
<b>Total</b>	<b>2,69,055.92</b>	<b>2,16,158.59</b>
<b>20. Net Gain On Fair Value Changes</b>		
Net gain / (loss) on financial instruments at fair value through profit or loss	58,262.39	14,169.72
<b>Total</b>	<b>58,262.39</b>	<b>14,169.72</b>
<b>Fair Value Changes</b>		
Realised	4,384.52	8,151.46
Unrealised	53,877.87	6,018.26
<b>Total</b>	<b>58,262.39</b>	<b>14,169.72</b>
<b>21. Other Income</b>		
<b>Dividend income</b>		
- Preference shares (Financial Assets classified at amortised cost)	1.61	1.61
- Mutual Fund (Financial Assets classified at fair value through profit or loss)	27.09	-
<b>Interest income</b>		
- Fixed Deposits*	202.43	139.87
- Staff Loans	0.87	1.37
- Security Deposits	45.56	45.24
- Investment in Bonds (Financial Assets classified at Amortised Cost)	14,432.48	9,727.17
- Investment in AIF (Financial Assets classified at fair value through profit or loss)	244.22	219.96
<b>Dividend and interest income (A)</b>	<b>14,954.26</b>	<b>10,135.22</b>
Net gain on sale of Property, Plant and Equipment	13.31	9.72
Net gain on foreign currency transactions and translations	-	15.25
Interest on Income tax refund	118.49	-
Miscellaneous Income	203.52	768.91
<b>Other income (B)</b>	<b>335.32</b>	<b>793.88</b>
<b>Total (A+B)</b>	<b>15,289.58</b>	<b>10,929.10</b>
(*Refer Note No 41 for Related Party Disclosures)		
<b>22. Employee Benefit Expense</b>		
Salaries and allowances*	30,377.53	26,837.02
Contribution to provident and other funds	2,417.28	1,591.52
Employee Stock Option Expenses	2,787.81	2,897.49
Staff welfare expenses	1,256.14	1,288.14
<b>Total</b>	<b>36,838.76</b>	<b>32,614.17</b>
(*Refer Note No 41 for Related Party Disclosures)		



**SBI FUNDS MANAGEMENT LIMITED**  
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(₹ In Lakhs)

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
<b>23. Other Expenses*</b>		
Rent, Taxes and Energy Cost #	766.11	590.44
Software and IT cost	5,350.26	3,763.68
Insurance	122.56	107.38
Travelling and Conveyance	1,256.46	1,953.64
Recruitment and Training	245.75	213.77
Printing and Stationery	181.45	166.48
Postage and Courier	110.30	106.87
Communication Cost	754.66	722.43
Advertising, Publicity and Business Promotion	4,887.97	4,403.59
Outsource Manpower Services	3,764.70	3,596.52
Legal and Professional Fees	4,070.20	2,825.81
<u>Auditor's remuneration:</u>		
-Audit fees	45.95	41.79
-Certification fee & other assurance fees	6.59	6.36
Directors' Sitting Fees	68.74	47.66
Royalty to SBI for Logo	2,662.39	2,141.30
Corporate Social Responsibility \$	2,787.58	2,156.91
Repairs and Maintenance	458.29	470.66
Net loss on foreign currency transactions and translations	34.03	-
Membership and Subscription	990.12	886.55
Miscellaneous Expenses	411.80	432.78
<b>Total</b>	<b>28,975.91</b>	<b>24,634.62</b>

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

(# Refer Note No 40)

(\$ Refer Note No 31)



**24. Tax Expenses**

**(a) Amount recognised in the Statement of Profit and Loss**

Particulars	For the Year ended 31 Mar 2024	For the Year ended 31 Mar 2023
<b>Current tax</b>		
In respect of the current year	55,074.08	43,865.99
Deferred Tax	6,257.95	319.41
<b>Income tax expense for the year</b>	<b>61,332.03</b>	<b>44,185.40</b>

**(b) Amount recognised in Other Comprehensive Income**

Particulars	For the Year ended 31 Mar 2024	For the Year ended 31 Mar 2023
Tax on remeasurements of the defined benefit plans	20.40	0.85

**(c) Reconciliation of Effective Tax Rate**

Particulars	For the Year ended 31 Mar 2024	For the Year ended 31 Mar 2023
a. Profit before tax	2,67,361.91	1,77,086.71
b. Applicable Tax Rate*	25.17%	25.17%
c. Computed Tax Expenses (a * b)	67,289.65	44,569.18
d. Tax Effect of:-		
- Effect of Items taxable at different rates	(7,419.79)	(1,358.37)
- Net expense non deductible	1414.21	1,275.00
- Tax exempt income & others	(0.24)	(336.22)
- Tax rate differential of subsidiary **	48.2	35.81
<b>Total (d)</b>	<b>(5,957.62)</b>	<b>(383.78)</b>
e. Tax Adjustments of earlier years	-	-
<b>f. Tax expense recognised during the year (c + d + e)</b>	<b>61,332.03</b>	<b>44,185.40</b>
<b>g. Effective Tax Rate (f ÷ a)</b>	<b>22.94%</b>	<b>24.95%</b>

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

\*\* Income of SBI Funds Management (International) Private Limited is taxable at 15% as per the applicable tax rules of Mauritius.





**SBI FUNDS MANAGEMENT LIMITED**  
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**25. Deferred Tax Balances**

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

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Deferred Tax Assets	1,799.40	1,310.45
Deferred Tax Liabilities	(9,229.07)	(2,355.49)
<b>Net</b>	<b>(7,429.67)</b>	<b>(1,045.04)</b>

**Current Year (2023-24)**

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in Equity	Reclassified from Equity to Profit or Loss	Closing Balance
<b>Deferred Tax (Liabilities)/Assets in relation to:</b>						
Depreciation/Amortization on Tangible/Intangible Assets	244.33	60.87	-	-	-	305.20
Fair Valuation of Investments	(2,355.49)	(6,726.50)	-	(147.08)	-	(9,229.07)
Provision for Leave Encashment	609.83	53.88	-	-	-	663.71
Provision for Gratuity	128.76	(55.65)	20.40	-	-	93.51
Others [including 40(a) and 43B]	107.86	334.58	-	-	-	442.44
Right to Use Assets	217.09	74.16	-	-	-	291.25
Fair Value of Security Deposit	2.58	0.71	-	-	-	3.29
<b>(A)</b>	<b>(1,045.04)</b>	<b>(6,257.95)</b>	<b>20.40</b>	<b>(147.08)</b>	<b>-</b>	<b>(7,429.67)</b>
Tax losses	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(1,045.04)</b>	<b>(6,257.95)</b>	<b>20.40</b>	<b>(147.08)</b>	<b>-</b>	<b>(7,429.67)</b>

**Previous Year (2022-23)**

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in Equity	Reclassified from Equity to Profit or Loss	Closing Balance
<b>Deferred Tax (Liabilities)/Assets in relation to:</b>						
Depreciation/Amortization on Tangible/Intangible Assets	163.02	81.31	-	-	-	244.33
Fair Valuation of Investments	(1,774.97)	(555.86)	-	(24.66)	-	(2,355.5)
Provision for Leave Encashment	568.81	41.02	-	-	-	609.83
Provision for Gratuity	50.82	77.09	0.85	-	-	128.76
Others [including 40(a) and 43B]	107.86	-	-	-	-	107.86
Right to Use Assets	179.90	37.19	-	-	-	217.09
Fair Value of Security Deposit	2.74	(0.16)	-	-	-	2.58
<b>Total</b>	<b>(701.82)</b>	<b>(319.41)</b>	<b>0.85</b>	<b>(24.66)</b>	<b>-</b>	<b>(1,045.04)</b>



**26. Earnings Per Share (EPS)**

Particulars	For the Year Ended 31 Mar 2024	For the Year Ended 31 Mar 2023
(a) Nominal Value of an Equity Share (₹)	1.00	1.00
(b) Net Profit available to Equity Shareholders (₹ in Lakhs)	2,07,278.35	1,33,971.42
(c) Number of Shares Outstanding	50,58,22,452	50,37,23,797
(d) Weighted Average Number of Shares Outstanding	50,43,40,323	50,33,26,948
(e) Effect of Potential Equity Shares for Stock Outstanding	24,70,240.00	22,28,677
(f) Weighted Average Number of Equity Shares used for computing Diluted Earning Per Share	50,68,10,563	50,55,55,625
(g) Basic EPS (₹) = (b)/(d)	41.10	26.62
(h) Diluted EPS (₹) = (b)/(f)	40.90	26.50

**27. Contingent Liabilities & Capital Commitments**

(₹ In Lakhs)		
Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>A. Contingent Liabilities</b>		
Claims Against the Company Not Acknowledged as Debts	247.45	254.08
<b>Subtotal (A)</b>	<b>247.45</b>	<b>254.08</b>
<b>B. Capital &amp; Other Commitments</b>		
i. Contracts remaining to be executed on capital account	31.07	216.32
ii. Capital Commitment for AIF Scheme	1,971.45	1,522.09
ii. Capital Commitment for IFSC (Subsidiary)	5,000.00	-
<b>Subtotal (B)</b>	<b>7,002.52</b>	<b>1,738.41</b>
<b>Total (A+B)</b>	<b>7,249.97</b>	<b>1,992.49</b>





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

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

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

Particulars	2023-24	2022-23
	Nos	Nos
Opening Outstanding	13,96,712	15,28,048
Granted During the year	-	-
Exercised	8,27,852	1,09,447
Forfeited	-	-
Lapsed	26,972	21,889
Closing Outstanding ESOPs	5,41,888	13,96,712
Vested Options as at the year end	5,41,888	7,62,967
Weighted average exercise price per share (₹)	360.00	360.00
Weighted Average remaining contractual life (No of years)	3.34	4.34

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 5.6% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 21.30% and (d) dividend yield of around : 0.9% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 95.39/- per option.

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

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

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

Particulars	2023-24	2022-23
	Nos	Nos
Opening Outstanding	26,52,039	27,83,600
Granted During the year	-	-
Exercised	7,19,831	80,676
Forfeited	-	-
Lapsed	87,890	50,885
Closing Outstanding ESOPs	18,44,318	26,52,039
Vested Options as at the year end	9,54,504	8,24,882
Weighted average exercise price per share (₹)	559.90	559.90
Weighted Average remaining contractual life (No of years)	4.50	5.50

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 5.69% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 24.93% and (d) dividend yield of around : 0.83% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 165.807/- per option.

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

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

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

Particulars	2023-24	2022-23
	Nos	Nos
Opening Outstanding	8,26,000	-
Granted During the year	-	8,31,000
Exercised	1,04,912	-
Forfeited	-	-
Lapsed	15,000	5,000
Closing Outstanding ESOPs	7,06,088	8,26,000
Vested Options as at the year end	1,62,718	-
Weighted average exercise price per share (₹)	727.70	727.70
Weighted Average remaining contractual life (No of years)	5.50	6.50





The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 6.02% p.a.; (b) expected life: 4.5 years; (c) expected volatility: 27.2% and (d) dividend yield of around : 0.77% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 223.227/- per option.

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

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

During the current year Company granted 14,66,250 (out of which 5,09,606 from Employees Welfare Trust ) ESOP at fair value. The exercise price of such ESOP on the date of grant is ₹ 859.50

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

Particulars	2023-24
	Nos
Opening Outstanding	-
Granted During the year	14,66,250
Exercised	-
Forfeited	-
Lapsed	12,000
Closing Outstanding ESOPs	14,54,250
Vested Options as at the year end	-
Weighted average exercise price per share (₹)	859.50
Weighted Average remaining contractual life (No of years)	6.50

The fair value of options at the grant date used to compute share based payment charge in profit & loss account and earnings per equity share has been estimated using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are: (a) risk-free interest rate: 6.9% to 7.00 %p.a.; (b) expected life: 4 to 6 5 years; (c) expected volatility: 23.8 % to 27.2% and (d) dividend yield of around : 0.60% p.a. The weighted average fair value of the option, as on the date of grant works out to ₹ 291.04/- per option.

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

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

Particulars	(₹ In Lakhs)	
	31 Mar 2024	31 Mar 2023
ESOP expense charged to statement of profit and loss	2,787.81	2,897.49



**SBI FUNDS MANAGEMENT LIMITED**  
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**29.Provisions**

**Movement in Provision for contingency is as under :**

(₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Carrying amount as at the beginning of the year	420.00	420.00
Additions during the year *	1140.46	-
Utilised during the year	-	-
Reversed during the year	-	-
<b>Carrying amount as at the end of the year</b>	<b>1,560.46</b>	<b>420.00</b>

\* The company shall continue to contest the amount deposited under protest matters related to Securities Lending & Borrowing (SLB) transactions of schemes with GST authority. However the company has reviewed the entire issue, as an abundant caution and as a prudent approach the company has made provision for tax amount along with interest.

**30.Dividend remittances to non-resident shareholders:\***

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
Number of non-resident shareholders	45	5.00
Number of equity shares held by them	18,50,39,494	18,50,05,890
Amount of final dividend paid (₹ In Lakhs)	-	-
Year to which dividend relates	-	-
Amount of interim dividend paid (₹ In Lakhs)	7,401.58	6,475.21
Year to which interim dividend relates	2023-24	2022-23

(\* On payment basis during the period)

**31.Corporate Social Responsibility (CSR)**

(₹ In Lakhs)

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
a) Gross amount required to be spent by the Company during the year (under Section 135 of the Companies Act, 2013)	2,787.57	2,156.90
b) Amount of expenditure incurred	2,787.57	2,156.90
c) Shortfall at the end of the period/year	-	-
d) Reason for shortfall	-	-
e) Unutilised/ unspent CSR amount in separate CSR account	1,752.68	333.90
Amount yet to be spent	1,752.68	333.90
<b>Nature of CSR Activities</b>		
(i)Construction/ acquisition of any asset	80.82	-
On purposes other than (i) above	2,706.75	1,823.00
Purpose/ Nature of activities	Health, Education, PM Relief Fund, Medical and Livelihood enhancements	Health, Education, PM Relief Fund, Medical and Livelihood enhancements
<b>Total</b>	<b>2,787.57</b>	<b>2,156.90</b>

**Details of related party transactions in relation to CSR expenditure as per the relevant accounting standard (Net of refund)**

(₹ In Lakhs)

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
SBI Foundation *	-	228.42

\* Refer Note 41 for related party transactions



## 32. Employee Benefit Plans

### Defined Contributions Plan- Provident Fund, Superannuation Fund and National Pension Scheme

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

(₹ In Lakhs)		
Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
Employer's Contribution to Provident Fund, Superannuation Fund and National Pension Scheme	1,177.21	1,119.53

(₹ In Lakhs)		
Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
Provision for Leave encashment (based on actuarial valuation)	214.07	163.02
Provision for Long service reward (based on actuarial valuation)	145.63	-
Provision for Retirement Gift (based on actuarial valuation)	43.30	-

### Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is for employees, which requires contributions to be made to a separately administered fund (through insurer managed scheme). The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the Investment strategy. The contribution is guided by rule 103 of Income tax rules 1962.

Employee benefits relating to employees at foreign offices are valued and accounted for as per their respective local laws.

### Risks associated with defined benefit plan

**Gratuity is a defined benefit plan and company is exposed to the Following Risks:**

**Interest Rate Risk:** A fall in the discount rate which is linked to the G.Sec Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. An increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality Risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan do not have any longevity risk

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested in the insurance company and a default will wipe out all the assets. Although probability of this is very less as Insurance companies have to follow regulatory guidelines.

Gratuity is taken care by separate trust fund and contribution is guided by rule 103 of Income tax rules 1962.



**SBI FUNDS MANAGEMENT LIMITED**  
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**Assumptions (Current Period)**

Particulars	Valuation as at	
	31 Mar 2024	31 Mar 2023
Expected Return on Plan Assets	7.23%	7.48%
Rate of Discounting	7.23%	7.48%
Rate of Salary Increase	9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year	9.00% p.a. for the next 3 years, 6.00% p.a. thereafter, starting from the 4th year
Rate of Employee Turnover	11% & 4%	3.00% p.a. for all service groups.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

**Assumptions (Previous Period)**

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





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

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Present Value of Benefit Obligation at the beginning</b>	<b>2,545.39</b>	<b>2,353.64</b>
Interest Cost	190.40	171.11
Current Service Cost	241.47	225.49
Past Service Cost	848.24	-
(Benefit Paid From the Fund)	(198.95)	(190.41)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(6.87)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	150.04	(5.82)
Actuarial (Gains)/Losses on Obligations - Due to Experience adjustments	(53.86)	(8.62)
<b>Present Value of Benefit Obligation at the end</b>	<b>3,715.86</b>	<b>2,545.39</b>

**Table Showing Change in the Fair Value of Plan Assets**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Fair Value of Plan Assets at the beginning</b>	<b>2,274.86</b>	<b>2,163.48</b>
Interest Income	170.16	157.29
Contributions by the Employer	1,363.80	162.32
(Benefit Paid from the Fund)	(198.95)	(190.41)
Return on Plan Assets, Excluding Interest Income	4.94	(17.82)
<b>Fair Value of Plan Assets at the end</b>	<b>3,614.81</b>	<b>2,274.86</b>

**Amount Recognized in the Balance Sheet**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
(Present Value of Benefit Obligation at the end of the Period)	(3,715.86)	(2,545.39)
Fair Value of Plan Assets at the end of the Period	3,614.81	2,274.86
Funded Status (Surplus/ (Deficit))	(101.05)	(270.53)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(101.05)</b>	<b>(270.53)</b>

**Net Interest Cost**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Present Value of Benefit Obligation at the Beginning of the Period	2,545.39	2,353.64
(Fair Value of Plan Assets at the Beginning of the Period)	(2,274.86)	(2,163.48)
Net Liability/(Asset) at the Beginning	270.53	190.16
Interest Cost	190.40	171.11
(Interest Income)	(170.16)	(157.29)
<b>Net Interest Cost</b>	<b>20.24</b>	<b>13.82</b>



**SBI FUNDS MANAGEMENT LIMITED**  
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**Expenses recognised in the Statement of Profit or Loss**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Current Service Cost	241.47	225.49
Net Interest Cost	20.24	13.82
Past Service Cost	848.23	-
<b>Expenses recognised</b>	<b>1,109.94</b>	<b>239.31</b>

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

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Actuarial (Gains)/Losses on Obligation For the Period	89.31	(14.44)
Return on Plan Assets, Excluding Interest Income	(4.94)	17.82
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>84.37</b>	<b>3.38</b>

**Balance Sheet Reconciliation**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Opening Net Liability</b>	<b>270.53</b>	<b>190.16</b>
Expenses Recognized in Statement of Profit or Loss	1,109.94	239.31
Expenses Recognized in OCI	84.37	3.38
(Employer's Contribution)	(1,363.80)	(162.32)
<b>Closing liability/(asset)</b>	<b>101.04</b>	<b>270.53</b>

**Category of Assets**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	3,614.81	2,274.86
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	<b>3,614.81</b>	<b>2,274.86</b>

**Other Details**

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
No of Members in Service	1,395.00	1,332.00
Per Month Salary For Members in Service (₹ In Lakhs)	721.61	656.27
Weighted Average Duration of the Defined Benefit Obligation	9.00	10.00
Average Expected Future Service	12.00	15.00
Defined Benefit Obligation (DBO) - Total (₹ In Lakhs)	3,715.86	2,545.39
Defined Benefit Obligation (DBO) - Due but Not Paid	-	-
Expected Contribution in the Next Year (₹ In Lakhs)	437.46	512.01



**SBI FUNDS MANAGEMENT LIMITED**  
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**Maturity Analysis of the Benefit Payments**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Projected Benefits Payable in Future Years From the Date of Reporting :</b>		
1st Following Year	280.81	170.65
2nd Following Year	212.19	114.55
3rd Following Year	296.21	170.19
4th Following Year	204.24	220.69
5th Following Year	264.13	134.86
Sum of Years 6 To 10	1,895.75	1,129.75
Sum of Years 11 and above	4,071.70	3,672.66

**Sensitivity Analysis**

(₹ In Lakhs)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>3,715.86</b>	<b>2,545.40</b>
Delta Effect of +1% Change in Rate of Discounting	(267.07)	(206.27)
Delta Effect of -1% Change in Rate of Discounting	302.83	236.89
Delta Effect of +1% Change in Rate of Salary Increase	300.81	164.52
Delta Effect of -1% Change in Rate of Salary Increase	(270.08)	(156.24)
Delta Effect of +1% Change in Rate of Employee Turnover	14.50	39.52
Delta Effect of -1% Change in Rate of Employee Turnover	(16.86)	44.28

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



### 33. Details of Subsidiary

Details of the Company's subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership, interest and voting power held by the company	
			31 Mar 2024	31 Mar 2023
SBI Funds Management (International) Pvt Ltd	Investment Management Services	Mauritius	100%	100%
SBI Funds Management Limited - Employee Welfare Trust	ESOP Trust	India	Controlled Trust	Controlled Trust

### 34. Details of Associate

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

Name of Associate	Country of Incorporation	Proportion of ownership interest	
		31 Mar 2024	31 Mar 2023
SBI Pension Funds Private Limited	India	20%	20%

#### B. Summarised financial information of associate

##### Summarised financial information of material associate :

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

(₹ In Lakhs)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Financial Assets	21,448.99	15,260.31
Non Financial Assets	1,318.48	1,542.58
Financial Liabilities	1,082.54	1,411.06
Non Financial Liabilities	482.99	432.26

(₹ In Lakhs)

Particulars	For the Year ended 31 Mar 2024	For the Year ended 31 Mar 2023
Revenue	16,347.08	13,506.59
Profit/(loss) from continuing operations	6,276.12	5,350.56
Post-tax profit (loss) from discontinued operations	-	-
Profit/(loss) for the year	6,276.12	5,350.56
Other comprehensive income for the year	(33.75)	-
Total comprehensive income for the year	6,242.37	5,350.56
Dividends received from the associate during the year	-	-

#### Reconciliation of the above summarised financial information to the carrying amount of the interest in SBI Pension Funds Private Limited

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Net worth of SBI Pension Funds Private Limited (₹ In Lakhs)	21,201.94	14,959.57
Proportion of the Company's ownership interest in SBI Pension Funds Private Limited	20%	20%
Goodwill (₹ In Lakhs)	15.04	15.04
Other adjustments	-	-
Carrying amount of the Company's interest in SBI Pension Funds Private Limited (₹ In Lakhs)	4,255.43	3,006.95





### 35. Segmental Reporting

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

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

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

The amounts for the same are as follows:

(₹ In Lakhs)

Particulars	31 Mar 2024	31 Mar 2023
Revenue from SBI Mutual Fund (Schemes)	2,59,237.76	2,09,808.03



### 36. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to their maturity profile.

(₹ in Lakhs)

Particulars	As at 31 Mar 2024			As at 31 Mar 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>(1) Financial Assets</b>						
(a) Cash & Cash equivalents	368.44	-	368.44	200.70	-	200.70
(b) Bank Balance other than (a) above	3,012.52	2,459.17	5,471.69	2,908.10	-	2,908.10
(c) <u>Receivables</u>						
(i) Trade Receivables	10,769.59	-	10,769.59	5,655.30	-	5,655.30
(d) Loans	10.56	13.60	24.16	14.73	17.74	32.47
(e) Investments	10,737.57	6,53,804.49	6,64,542.06	13,263.49	4,47,649.09	4,60,912.58
(f) Other Financial assets	113.12	690.38	803.50	218.83	624.34	843.17
<b>Sub-total - Financial Assets</b>	<b>25,011.80</b>	<b>6,56,967.64</b>	<b>6,81,979.44</b>	<b>22,261.15</b>	<b>4,48,291.17</b>	<b>4,70,552.32</b>
<b>(2) Non Financial Assets</b>						
(a) Current Tax assets ( Net)	-	102.00	102.00	-	2,202.39	2,202.39
(b) Property, Plant and Equipment	-	25,100.12	25,100.12	-	22,728.61	22,728.61
(c) Intangible Asset Under Development	-	-	-	-	187.90	187.90
(d) Other Intangible assets	-	593.06	593.06	-	420.11	420.11
(e) Other Non- financial assets	1,785.59	1,128.71	2,914.30	1,936.12	360.45	2,296.57
<b>Sub-total - Non Financial Assets</b>	<b>1,785.59</b>	<b>26,923.89</b>	<b>28,709.48</b>	<b>1,936.12</b>	<b>25,899.46</b>	<b>27,835.58</b>
<b>Total Assets</b>	<b>26,797.39</b>	<b>6,83,891.53</b>	<b>7,10,688.92</b>	<b>24,197.27</b>	<b>4,74,190.63</b>	<b>4,98,387.90</b>
<b>LIABILITIES</b>						
<b>(1) Financial Liabilities</b>						
(a) Trade Payables						
(i) Total outstanding dues of micro enterprises and small enterprises	54.29	-	54.29	4.83	-	4.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,908.43	-	1,908.43	1,510.80	-	1,510.80
(b) Other financial liabilities	4,002.71	8,946.31	12,949.02	2,016.65	6,857.10	8,873.75
<b>Sub-total - Financial Liabilities</b>	<b>5,965.43</b>	<b>8,946.31</b>	<b>14,911.74</b>	<b>3,532.28</b>	<b>6,857.10</b>	<b>10,389.38</b>
<b>(2) Non Financial Liabilities</b>						
(a) Provision	8,638.75	4,381.05	13,019.80	8,103.32	2,942.40	11,045.72
(b) Other non-financial liabilities	552.97	-	552.97	769.28	-	769.28
(c) Deferred tax liabilities (Net)	-	7,429.67	7,429.67	-	1,045.04	1,045.04
<b>Sub-total - Non Financial Liabilities</b>	<b>9,191.72</b>	<b>11,810.72</b>	<b>21,002.44</b>	<b>8,872.60</b>	<b>3,987.44</b>	<b>12,860.04</b>
<b>Total Liabilities</b>	<b>15,157.15</b>	<b>20,757.03</b>	<b>35,914.18</b>	<b>12,404.88</b>	<b>10,844.54</b>	<b>23,249.42</b>



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**37. Revenue**

Note No.	Particulars	(₹ In Lakhs)	
		Year ended 31 Mar 2024	Year ended 31 Mar 2023

1

Details of revenue from Schemes pursuant to investment management agreement and contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.

**Revenue from operations**

• Management Fees	2,61,018.19	2,10,962.07
• Portfolio Management & Other Advisory Fees	8,037.73	5,196.52

<b>Total</b>	<b>2,69,055.92</b>	<b>2,16,158.59</b>
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**2 Disaggregate Revenue**

The table below presents disaggregated revenues of the Company from schemes of mutual fund and from contracts with customers by geography . The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

**Revenue based on geography**

• In India	2,64,925.35	2,13,948.06
• Outside India	4,130.57	2,210.53

<b>Total</b>	<b>2,69,055.92</b>	<b>2,16,158.59</b>
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### 38. Financial Instruments

#### A. Fair value measurements

(₹ In Lakhs)

As at 31 Mar 2024	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Cash & Cash equivalents #	-	368.44	368.44	-	-	-	-
Other Bank Balances #	-	5,471.69	5,471.69	-	-	-	-
Trade Receivables #	-	10,769.59	10,769.59	-	-	-	-
Loan	-	24.16	24.16	-	-	-	-
<b>Investments (excluding investment in Subsidiary and Associates)</b>							
- Mutual funds	4,46,849.98	-	4,46,849.98	4,46,849.98	-	-	4,46,849.98
- Alternative investment funds	6,756.35	-	6,756.35	-	-	6,756.35	6,756.35
- Debt securities	-	2,04,668.79	2,04,668.79	-	2,06,258.12	-	2,06,258.12
- Equity investments	1,988.30	-	1,988.30	-	-	1,988.30	1,988.30
- Preference Shares	-	23.11	23.11	-	23.11	-	23.11
Other Financial Assets #	-	803.50	803.50	-	-	-	-
<b>Total</b>	<b>4,55,594.63</b>	<b>2,22,129.28</b>	<b>6,77,723.91</b>	<b>4,46,849.98</b>	<b>2,06,281.23</b>	<b>8,744.65</b>	<b>6,61,875.86</b>
<b>Financial Liabilities</b>							
Trade payables #	-	1,962.72	1,962.72	-	-	-	-
Other Financial Liabilities #	-	12,949.02	12,949.02	-	-	-	-
<b>Total</b>	<b>-</b>	<b>14,911.74</b>	<b>14,911.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Valuation inputs and relationship to fair value

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

Financial instruments	Significant unobservable inputs	Probability weights/ range	Sensitivity of inputs to fair value measurement
Alternative Investment Funds	Net Asset Value (NAV)	0.90X -1.10X	A 10% increase in the NAV would increase the carrying value of investment by ₹ 675.64 Lakhs. A 10% decrease in the NAV would decrease the carrying value of investment by ₹ 675.64 Lakhs.

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

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Particulars	Debt Securities			Alternative Investment Funds		Equity share in Others	
Opening balance	-			3,861.56		2,020.41	
Net gain/(losses) on Financial Instruments recognised in the Statement of Profit and Loss				400.56		(32.11)	
Purchases of financial instruments				4,190.51		-	
Sale of financial instruments				(1,696.29)		-	
<b>Closing balance</b>	<b>-</b>			<b>6,756.34</b>		<b>1,988.30</b>	

As at 31 Mar 2023	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Cash & Cash equivalents #	-	200.70	200.70	-	-	-	-
Other Bank Balances #	-	2,908.10	2,908.10	-	-	-	-
Trade Receivables #	-	5,655.30	5,655.30	-	-	-	-
Loan	-	32.47	32.47	-	-	-	-
<b>Investments (excluding investment in Subsidiary and Associates)</b>							
- Mutual funds	2,73,985.85	-	2,73,985.85	2,73,985.85	-	-	2,73,985.85
- Alternative investment funds	3,861.57	-	3,861.57	-	-	3,861.57	3,861.57
- Debt securities	-	1,78,014.33	1,78,014.33	-	1,78,261.34	-	1,78,261.34
- Equity investments	2,020.41	-	2,020.41	-	-	2,020.41	2,020.41
- Preference Shares	-	23.37	23.37	-	23.37	-	23.37
Other Financial Assets #	-	843.17	843.17	-	-	-	-
<b>Total</b>	<b>2,79,867.83</b>	<b>1,87,677.44</b>	<b>4,67,545.27</b>	<b>2,73,985.85</b>	<b>1,78,284.71</b>	<b>5,881.98</b>	<b>4,58,162.54</b>
<b>Financial Liabilities</b>							
Trade payables #	-	1515.63	1515.63	-	-	-	-
Other Financial Liabilities #	-	8,873.75	8,873.75	-	-	-	-
<b>Total</b>	<b>-</b>	<b>10,389.38</b>	<b>10,389.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Valuation inputs and relationship to fair value

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

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





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

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Particulars	Debt Securities	Alternative Investment Funds	(₹ In Lakhs)
			Equity share in Others
Opening balance	-	2,098.94	2,001.07
Net gain/(losses) on Financial Instruments recognised in the Statement of Profit and Loss		(70.99)	19.34
Purchases of financial instruments		2,201.70	-
Sale of financial instruments		(368.09)	-
Closing balance	-	3,861.56	2,020.41

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

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

The hierarchy used is as follows:

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

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

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

The valuation techniques used to determine the Fair Valuation of financial instruments are described below :

Financial Instruments	Valuation techniques
Mutual Funds/ AIF Investments	On the basis of latest NAV/Market price available
Debt Securities / Preference Shares	The price provided by valuation agency is considered as the fair value of financial assets
Equity Investments	Break up value as per the latest audited financial statements

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

**B. Financial Risk Management**

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives. Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments other than those with carrying amounts that are reasonable approximations of fair value.

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

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

**1. Liquidity Risk**

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms.

To limit this risk, management has adopted a policy of managing assets with due consideration to liquidity and monitoring future cash flows and liquidity on a regular basis. The Company has developed internal control processes for managing liquidity risk. The Company maintains sufficient bank balance and highly marketable securities such as liquid/ultra-short duration and other debt funds. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

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

As at 31 Mar 2024

Particulars	Carrying Amount	Contractual Cash Flow		
		Total	Up to 1 year	More than 1 year
<b>Financial Liabilities</b>				
- Trade Payables	1,962.72	1,962.72	1,962.72	-
- Lease liabilities	11,161.99	13,471.14	2,935.13	10,536.01
- Other financial liabilities	1,787.03	1,787.03	1,787.03	-

As at 31 Mar 2023

Particulars	Carrying Amount	Contractual Cash Flow		
		Total	Up to 1 year	More than 1 year
<b>Financial Liabilities</b>				
- Trade Payables	1,515.63	1,515.63	1,515.63	-
- Lease liabilities	8,392.67	10,267.28	2,041.53	8,225.75
- Other financial liabilities	481.08	481.08	481.08	-



## 2. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables, cash and cash equivalents, and financial assets measured at amortised cost. Exposure to credit risk is mitigated through regular monitoring of collections and counterparty's credit worthiness and diversification in exposure. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company has well defined investment policy restricting investments in various risk categories such as high/moderate etc.

### Exposure to credit risk

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

Particulars	₹ In Lakhs	
	31 Mar 2024	31 Mar 2023
Maximum Exposure to Credit Risk	1,00,886.28	76,823.77

Further, Refer Note 3 for trade receivables ageing analysis schedule.

### **Expected Credit Loss (ECL) on Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. The Company has determined based on historical experience and expectations that the ECL on its trade receivables is insignificant and was not recorded. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

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

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

### **Trade and Other Receivables**

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

### **Cash and Cash Equivalents**

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

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

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



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**3. Market Risk:**

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

**i. Price risk management:**

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market.

The Company's exposure to price risk arises from investments in equity securities, debt securities, units of mutual funds, and alternative investment funds which are classified as financial assets at Fair Value Through Profit and Loss. The following is the Company's exposure to price risk:

(₹ In Lakhs)

Particulars	31 Mar 2024	31 Mar 2023
Investment exposure to price risk	4,55,594.63	2,79,867.83

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

**Price sensitivity analysis:**

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

(₹ In Lakhs)

Particulars	31 Mar 2024	31 Mar 2023
Effect on Profit or Loss		
5% decrease in prices	(22,779.73)	(13,993.39)
5% increase in prices	22,779.73	13,993.39

**ii. Foreign currency risk management:**

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ In Lakhs)

Currency	Liabilities		Assets	
	As at 31 Mar 2024	As at 31 Mar 2023	As at 31 Mar 2024	As at 31 Mar 2023
AED	-	-	18.39	15.03
USD	17.06	-	730.63	283.88
BHD	13.59	13.16	-	-
AUD	-	-	11.81	4.59
JPY	-	-	243.60	91.67
SGD	-	-	530.10	102.89
EURO	-	-	129.35	105.57



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**Foreign currency sensitivity analysis:**

The following table details the Company's sensitivity to a 10% increase and decrease in ₹ against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ In Lakhs)

Currency	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	As at 31 Mar 2024	As at 31 Mar 2023	As at 31 Mar 2024	As at 31 Mar 2023
AED Currency impact	1.84	1.50	1.38	1.12
USD Currency impact	71.36	28.39	53.40	21.24
BHD Currency impact	(1.36)	(1.32)	(1.02)	(0.98)
AUD Currency impact	1.18	0.46	0.88	0.34
JPY Currency impact	24.36	9.17	18.23	6.86
SGD Currency impact	53.01	10.29	39.67	7.70
EURO Currency impact	12.94	10.56	9.68	7.90

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year and considering the size of business and size of exposure in Foreign currency is immaterial.

**iii. Interest rate risk management:**

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

**39. Capital management :**

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





**40. Leases (As a lessee)**

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

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

(₹ In Lakhs)

Particulars	31 Mar 2024	31 Mar 2023
<b>Opening balance of Right-of-use assets</b>	<b>7,531.61</b>	<b>6,638.52</b>
Add: Additions during the year	5,122.39	3,134.79
Less: Deletion during the year	(175.48)	(214.33)
Less: Depreciation during the year	(2,485.42)	(2,027.37)
Add/Less: Adjustment of exchange fluctuations	11.67	-
<b>Closing balance of Right-of-use assets</b>	<b>10,004.77</b>	<b>7,531.61</b>

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

Particulars	31 Mar 2024	31 Mar 2023
<b>Balance at the beginning</b>	<b>8,392.67</b>	<b>7,342.66</b>
Add: New Lease arrangements	5,122.39	3,134.79
Less: Deletion	(203.23)	(243.29)
Add/Less: Adjustment of exchange fluctuations	12.37	-
Add: Finance cost accrued	771.06	525.46
Less: Payment of Lease liabilities	(2,933.27)	(2,366.95)
<b>Balance at the end</b>	<b>11,161.99</b>	<b>8,392.67</b>

The following is the break up of current and non-current lease liabilities

Particulars	31 Mar 2024	31 Mar 2023
Current	2,246.20	1,535.57
Non-current	8,915.79	6,857.10
<b>Total</b>	<b>11,161.99</b>	<b>8,392.67</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	31 Mar 2024	31 Mar 2023
Less than one year	2,935.13	2,041.53
One to five years	8,181.68	5,944.45
More than five years	2,354.33	2,281.30
<b>Total</b>	<b>13,471.14</b>	<b>10,267.28</b>



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

The statement of profit or loss shows the following amounts relating to leases:

(₹ In Lakhs)

Particulars	31 Mar 2024	31 Mar 2023
Depreciation charge on right-of-use assets	2,485.42	2,027.37
Interest expense (included in finance cost)	771.06	525.46
Expense relating to short-term leases (included administrative expenses)	118.03	102.93
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	-	-
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	-	-
Rent concession	-	-



**41. Related Party Disclosure:**

(i) List of related parties with whom transactions have taken place during the year :

<b>Holding Company</b>	State Bank of India (SBI) holds 62.21% of the share capital
<b>Enterprise having significant influence</b>	Amundi India Holding, a wholly owned subsidiary of Amundi holds 36.54% of the share capital
<b>Subsidiary</b>	SBI Funds Management (International) Private Limited (100% subsidiary)
<b>Controlled Trust</b>	SBI Funds Management Employee Welfare Trust
<b>Associates</b>	SBI Pension Funds Private Limited
<b>Other Related Party</b>	C Edge Technologies Ltd (Joint Venture of State Bank of India) The Clearing Corporation of India Limited Yes Bank AMC Repo Clearing Ltd. <b>RRBs:-</b> Arunachal Pradesh Rural Bank Ellaquai Dehati Bank Mizoram Rural Bank Nagaland Rural Bank Rajasthan Marudhara Gramin Bank Saurashtra Gramin Bank Uttarakhand Gramin Bank Chhattisgarh Rajya Gramin Bank Jharkhand Rajya Gramin Bank Meghalaya Rural Bank Telangana Grameena Bank Utkal Grameen Bank Andhra Pradesh Grameena Vikas Bank Madhyanchal Gramin Bank (Associates of State Bank of India)
<b>Directors</b>	Mr. Shamsheer Singh (Managing Director & Chief Executive Officer) Mr. Vinay M. Tonse (Managing Director & Chief Executive Officer) upto December 5, 2022  Mr. Denys de Campigneulle (Deputy Chief Executive Officer/Alternate Director)  Mr. Dinesh Kumar Khara (Chairman) Mr. Fathi Jerfel (Associate Director) Mr. Jean Yves Glain (Associate Director) upto December 09, 2022 Mr. C. N. Ram (Independent Director) Mr. Om Prakash Gahotra (Independent Director) upto October 21, 2022 Mr. Moiz Miyajiwal (Independent Director) Mrs. Sudha Krishnan (Independent Director) Mr. Shekhar Bhatnagar (Independent Director) Mr. T.T. Ram Mohan (Independent Director) from December 05, 2022 Mr. Swaminathan Janakiraman (Associate Director) upto June 26, 2023 Mr. Vinay Tonse (Associate Director) from September 15, 2023 to November 20, 2023 Mr. Julien Fontaine (Associate Director) from June 02, 2023 to January 10, 2024 Mr. Ashwini Kumar Tewari (Associate Director) from January 10, 2024 Mr. Olivier Mariee (Associate Director) from January 20, 2024
<b>Key Managerial Personnel</b>	Mr. Shamsheer Singh (Managing Director & Chief Executive Officer) from December 6, 2022 Mr. D. P. Singh (Deputy Managing Director and Joint Chief Executive Officer) from September 26, 2023 Mr. Inderjeet Ghuliani (Chief Financial Officer) Ms. Vinaya Datar (Chief Compliance Officer & Company Secretary)
<b>Other Related parties:-</b> i) Fellow Subsidiaries	SBI Life Insurance Company Limited SBI General Insurance Limited SBI Mutual Fund Trustee Company Private Limited SBI-SG Global Securities Services Private Limited SBI/CAP Securities Limited SBI Capital Markets Limited SBI Foundation SBI CAP Trustee Company Limited SBI DFHI Limited SBI CDMDF Trustee Pvt. Ltd.
ii) Enterprise under common control	<u>Subsidiary/Associates of Amundi:</u> Amundi Singapore Limited (100%) Amundi Hong Kong Limited (100%) Amundi Asset Management, Paris (100%) Amundi UK Ltd. (100%) NH-Amundi Asset Management Co. Ltd. (30%)



i) Details of transactions with Related Parties during the year 2023-24

(₹ In Lakhs)								
Particulars	Holding Company (State Bank of India)	Enterprise Having Significant Influence *	Fellow Subsidiaries *	Enterprise under Common control *	Director/Relative *	Subsidiary *	Others *	Associates *
<b>Income</b>								
PMS Advisory & Other fees	165.31	-	-	2,228.20	-	-	472.01	-
Interest Income	202.00	-	-	-	-	-	-	-
Recovery of Admin Expenses	-	-	31.50	-	-	-	-	-
Dividend Received	-	-	-	-	-	-	-	-
<b>Expenses</b>								
Fund Accounting and Custodial Charges	-	-	2,689.91	-	-	-	-	-
Rent paid/(Recovered)	34.25	-	-	-	-	-	-	-
Brokerage - PMS & AIF	298.94	-	-	-	-	-	0.94	-
Demat Charges & Brokerage	-	-	0.02	-	-	-	-	-
Bank charges	26.08	-	-	-	-	-	-	-
Royalty	2,662.39	-	-	-	-	-	-	-
Processing Fee	55.00	-	-	-	-	-	-	-
Electricity/Generator Charges	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-
Business Promotion	69.16	-	-	-	-	-	-	-
Training	4.07	-	-	-	-	-	-	-
Scheme Related Expenses	-	-	0.30	-	-	-	-	-
Reimbursement of Expenses	-	-	20.99	-	-	-	-	-
Membership Admission Fees	-	-	-	-	-	-	0.60	-
Transaction charges	-	-	-	-	-	-	50.68	-
Software Support	-	-	-	-	-	-	28.68	-
Insurance Premium	-	-	672.97	-	-	-	-	-
Reimbursement of salaries of deputed employees from Banks	319.84	-	-	-	-	-	35.29	-
Administration and Directorship Fees	-	-	-	-	-	-	1.03	-
Sitting Fees	-	-	-	-	64.60	-	-	-
Remuneration to Deputy Chief Executive Officer	-	-	-	-	118.25	-	-	-
<b>Other Transactions</b>								
Recovery of Expenses/Statutory dues paid	-	-	7.13	-	-	-	-	-
Interim Dividend Paid	12,600.00	7,400.00	-	-	-	-	-	-
Recovery of salaries of deputed employees to SBI	34.60	-	-	-	-	-	-	-
Loan	-	-	-	-	-	-	-	-

Balances Outstanding as at 31 Mar 2024

Receivable/(Payable)	40.75	-	(182.30)	603.51	-	-	137.86	-
Balance in Current Accounts	1,963.89	-	-	-	-	-	-	-
Term Deposit	3,706.16	-	-	-	-	-	-	-

(\* Refer Annexure)

Remuneration to Key Managerial Personnel

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

(₹ In Lakhs)	
Particulars	2023-24
i. Short Term Benefits	480.89
ii. Post Employment Benefits	-
iii. Other long term benefits	-
iv. Share based payments	1,368.06
v. Termination Benefits	-

Note:

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





ii) Details of transactions with Related Parties during the year 2022-23

(₹ In Lakhs)

Particulars	Holding Company (State Bank of India)	Enterprise Having Significant Influence *	Fellow Subsidiaries *	Enterprise under Common control *	Director/ Relative *	Subsidiary *	Others *	Associates *
<b>Income</b>								
PMS Advisory & Other fees	144.61	-	-	1,528.62	-	-	452.48	-
Interest Income	139.29	-	-	-	-	-	-	-
Recovery of Admin Expenses	-	-	30.00	-	-	-	-	-
Dividend Received	-	-	-	-	-	-	-	-
Rent Recovered	-	-	2.03	-	-	-	-	-
<b>Expenses</b>								
Fund Accounting and Custodial Charges	-	-	2,346.19	-	-	-	-	-
Rent paid	48.40	-	-	-	-	-	-	-
Brokerage - PMS & AIF	295.68	-	-	-	-	-	-	-
Demat Charges & Brokerage	-	-	4.87	-	-	-	-	-
CSR Activities (#)	-	-	228.42	-	-	-	-	-
Data Processing charges & Scheme related expenses	-	-	-	-	-	-	-	-
Bank charges	24.69	-	-	-	-	-	-	-
Royalty	2,141.30	-	-	-	-	-	-	-
Processing Fee	-	-	-	-	-	-	-	-
Electricity/Generator Charges	0.32	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-
Business Promotion	60.12	-	-	-	-	-	-	-
Training	9.16	-	-	-	-	-	-	-
Scheme Related Expenses	-	-	0.30	-	-	-	-	-
Reimbursement of expenses	28.90	-	-	-	-	-	-	-
Transaction charges	-	-	-	-	-	-	60.94	-
Software Support	-	-	-	-	-	-	33.83	-
Initial settlement amount	-	-	-	-	-	-	-	-
Insurance Premium	-	-	584.23	-	-	-	-	-
Administration and Directorship Fees	-	-	-	-	-	-	1.01	-
Sitting Fees	-	-	-	-	45.20	-	-	-
Remuneration to Deputy Chief Executive Officer	-	-	-	-	102.36	-	-	-
Reimbursement of salaries of deputed employees from SBI	305.56	-	-	-	-	-	-	-
<b>Other Transactions</b>								
Purchase of 8.07% Andhra Pradesh SDL 2036	-	-	5,029.24	-	-	-	-	-
Recovery of Expenses	-	-	0.13	-	-	-	-	-
Recovery of salaries of deputed employees to SBI	123.29	-	-	-	-	-	-	-
Interim Dividend Paid	11,025.00	6,475.00	-	-	-	-	-	-

Balances Outstanding as at 31 Mar 2023

Receivable/(Payable)	97.96	-	(164.13)	389.37	-	-	296.98	-
Balance in Current Accounts	396.40	-	-	-	-	-	-	-
Term Deposit	2,528.16	-	-	-	-	-	-	-

(\* Refer Annexure)

(# Refer Note 31)

Remuneration to Key Managerial Personnel

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

(₹ in Lakhs)

Particulars	2022-23
i. Short Term Benefits	90.08
ii. Post Employment Benefits	-
iii. Other long term benefits	-
iv. Share based payments	-
v. Termination Benefits	-

Note:

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



**Annexure to Related Party Transactions**

(₹ In Lakhs)

Particulars	Classification	2023-24	2022-23
<b>Fellow Subsidiaries</b>			
SBI Mutual Fund Trustee Company Private Limited	Other Income	30.00	30.13
SBI CDMDT Trustee Pvt. Ltd.	Other Income	1.50	-
SBI-SG Global Securities Services Private Limited	Professional Fees	2,689.91	2,346.18
SBI Life Insurance Company Limited	Insurance Premium	92.81	144.54
SBI General Insurance Limited	Insurance Premium	580.16	439.69
SBI CAP Trustee Company Private Limited	Scheme Expenses	0.30	0.30
SBICAP Securities Limited	Demat & Demat Brokerage Charges	0.02	4.87
SBICAP Securities Limited	Reimbursement of Expenses	20.99	-
SBI Foundation (#)	CSR Activities	-	228.42
SBI Capital Markets Limited	Other Income	-	2.03
SBI DFHI Ltd	Purchase of 8.07% Andhra Pradesh SDL 2036	-	5,029.24
SBI CDMDT Trustee Pvt. Ltd.	Recovery of Expenses/Statutory dues paid	7.13	-
<b>Director/Relative</b>			
O.P. Gahotra	Sitting Fee	-	8.10
C.N.Ram	Sitting Fee	10.90	7.70
Moiz Miyajiwala	Sitting Fee	14.40	10.50
Sudha Krishnan	Sitting Fee	13.70	9.00
Shekhar Jitendra Bhatnagar	Sitting Fee	11.90	7.40
Dr. T.T.Ram Mohan	Sitting Fee	13.70	2.50
Denys De Campaniles (Deputy CEO)	Remuneration	118.25	102.36
<b>Enterprise Under Common Control</b>			
Amundi Singapore Limited	PMS Advisory & Other fees	209.07	28.87
Amundi Hong Kong Limited	PMS Advisory & Other fees	1,499.19	1,080.87
NH - Amundi Asset Management Co. Ltd	PMS Advisory & Other fees	6.62	6.84
Amundi Asset Management - Paris	PMS Advisory & Other fees	490.17	388.66
Amundi UK Limited	PMS Advisory & Other fees	23.15	23.38
<b>Other Related Party</b>			
C-Edge Technologies Ltd	Software Support (Expense)	28.68	33.83
The Clearing Corporation of India Limited	Transaction charges	50.68	60.94
Regional Rural Banks (RRB)	PMS Advisory & Other fees	472.01	452.48
Regional Rural Banks (RRB)	Reimbursement of salaries of deputed employees from Banks	35.29	-
AMC Repo Clearing Ltd.	Membership Admission Fees	0.50	-
IQ EQ Fund Services (Mauritius) Limited	Administrator & Directorship Fees	1.03	1.01
Yes Bank Limited	Retail PMS trail brokerage	0.94	-
<b>Receivable / (Payable) - Enterprise Under Common Control</b>			
Amundi Hong Kong Equity India	Receivable	435.57	270.05
Amundi Singapore Limited	Receivable	31.29	-
Amundi India Bond Fund	Receivable	-	6.22
NH-Amundi Asset Management Co. Ltd.	Receivable	1.21	1.03
Amundi Asset Management Paris	Receivable	129.35	105.57
UK Amundi Ltd	Receivable	6.08	6.49
<b>Receivable / (Payable) - Fellow Subsidiaries</b>			
SBI-SG Global Securities Services Private Limited	Payable	(201.29)	(192.21)
SBI Life Insurance Company Limited	Receivable	8.09	18.25
SBI General Insurance Limited	Receivable	10.90	9.83
<b>Receivable / (Payable) - Other</b>			
C-Edge Technologies Ltd	Payable	(2.45)	(8.12)
The Clearing Corporation of India Ltd	Payable	(0.10)	-
RRBs	Receivable	140.41	305.10

# Refer Note 31



## 42. Dues to Micro, Small and Medium Enterprises

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

(₹ In Lakhs)		
Particulars	31 Mar 2024	31 Mar 2023
Principal amount remaining unpaid to any supplier as at the year end *	64.63	11.65
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

\*Breakup of above is as under :-

Trade Payables	54.29	4.83
Retention	8.91	6.42
Earnest Deposit	1.43	0.40
<b>Total</b>	<b>64.63</b>	<b>11.65</b>

## 43. Expenditure in Foreign Currency :

(₹ In Lakhs)		
Particulars	31 Mar 2024	31 Mar 2023
Travelling Expenses	47.14	43.60
Business Promotion & Advertisement	83.86	103.34
Salary	320.76	329.40
Rent and Subscription	255.26	240.83
Professional Fees and others	76.24	132.36
<b>Total</b>	<b>783.26</b>	<b>849.53</b>



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

SBIFML based on its standard operating procedure application filed with the Hon'ble Supreme Court has fully liquidated securities received under liquidation. The proceeds from liquidation have been received from selling the securities, maturity proceeds, expense reversals and collections from coupons. As on March 31st, 2024, the securities amounting to ₹ 18,387 crores have been liquidated, out of which ₹ 520 crores have been liquidated in FY24. The total disbursements made by SBIFML to FT unitholders is ₹27,509 crores which include ₹ 577 crores disbursed in FY24, ₹ 833 crores disbursed in FY23, ₹ 16,977 crores disbursed in FY22 in addition to the ₹ 9,122 crores of the initial disbursement in FY21.

SBIFML has filed interim updates with the Hon'ble Supreme Court regarding progressive status of disbursement and liquidation on 15th March 2021, 17th January 2022, and 5th April 2022. The Hon'ble Supreme Court had vide its order dated April 12, 2022, directed that no further distribution of the available fund/money shall be made by SBIFML without prior permission/approval of this Court, which was subsequently vacated by orders dated 3rd August 2022 and 12th August 2022, by the Hon'ble Supreme Court, wherein the court allowed disbursement of certain amounts to the unitholders of various schemes. The matter is likely to be listed in July 2024.

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

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

- The company does not have any borrowings from banks/financial institutions.
- The company does not have immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company.
- The company does not have investment property in terms IND AS 40.
- The company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- The company has not revalued any of its Intangible assets during the year.
- The company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013).
- The Company does not have any capital work in progress.
- The details of Intangible assets under development are given in Note 10
- There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder
- The company does not have any borrowings from banks or financial institutions on the basis of security of current assets.
- The Company has not been declared a Wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The company has not entered into any material transaction with companies struck off under section 248 of the Companies Act 2013.
- The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.
- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- Disclosure of ratios as per the new amendment under "Division III of Schedule III" under "Part I – Balance Sheet - General Instructions for preparation of Balance Sheet" are not necessary
- The Company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.
- The Company has neither advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) nor received any funds to/ from any other person(s) or entity(ies), including foreign entities (Intermediaries) for lending or investing or providing guarantees to/ on behalf of the ultimate beneficiary during the financial year.





**SBI FUNDS MANAGEMENT LIMITED**  
**Consolidated Notes to the Financial Statements**

47. Disclosure with regard to the new amendments under "Division III of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss" in relation to the following clauses 11(v) 11(vi) and 11(vii) are as under:

- The details of Corporate Social Responsibility (CSR) have been disclosed in note 31.
- The Company does not have transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during financial year in the tax assessments under the Income Tax Act, 1961.
- The Company has not traded or invested in Crypto currency or Virtual Currency during any financial year.

48. Additional Information, as required under schedule III of the Companies Act 2013, of enterprises consolidated as subsidiary/associate:

As at 31 Mar 2024

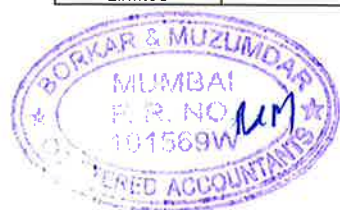
(₹ In Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other Comprehensive income	Amount	As % of total comprehensive income	Amount
<b>I. Parent :</b>								
SBI Funds Management Limited	99.39%	7,06,353.11	99.18%	2,05,580.00	100.00%	-60.65	99.18%	2,05,519.35
<b>II. Subsidiary</b>								
<b>A. Foreign</b>								
SBI Funds Management (International) Private Limited	0.02%	108.80	0.22%	457.74	-	-	0.22%	457.74
<b>B. Indian</b>								
SBI Funds Management Limited - Employee Welfare Trust	0.00%	1.58	0.00%	-7.85	-	-	0.00%	-7.85
<b>III. Associate</b>								
<b>A. Indian</b>								
SBI Pension Funds Private Limited	0.59%	4,225.43	0.60%	1,248.46	-	-	0.60%	1,248.46

As at 31 Mar 2023

(₹ In Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other Comprehensive income	Amount	As % of total comprehensive income	Amount
<b>I. Parent :</b>								
SBI Funds Management Limited	99.35%	4,72,054.60	98.95%	1,32,565.20	100.00%	-2.53	98.95%	1,32,562.67
<b>II. Subsidiary</b>								
<b>A. Foreign</b>								
SBI Funds Management (International) Private Limited	0.01%	63.80	0.25%	340.57	-	-	0.25%	340.57
<b>B. Indian</b>								
SBI Funds Management Limited - Employee Welfare Trust	0.00%	13.13	0.00%	-4.46	-	-	0.00%	-4.46
<b>III. Associate</b>								
<b>A. Indian</b>								
SBI Pension Funds Private Limited	0.63%	3,006.95	0.80%	1,070.11	-	-	0.80%	1,070.11

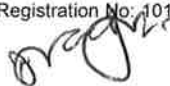


49. The financial statements were approved by the Board of Directors on 25 April 2024.

50. Previous years figures have regrouped/reclassified in line with current year.

As per our report of even date

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



Devang Vaghani  
Partner  
Membership No: 109386



Place: Mumbai  
Date : 25 April 2024

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



Dinesh Kumar Khara  
Chairman  
DIN 6737041



DENYS CHARLES JEAN MARIE  
FOUGEROUX DE C  
(Denys De Campigneulles)  
Director  
DIN 08716335

Date : 25 April 2024



Shamsheer Singh  
Managing Director & CEO  
DIN 09787674



Vinaya Datar  
Chief Compliance Officer &  
Company Secretary  
M. No 15527



Inderjeet Ghuliani  
Chief Financial Officer



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI FUNDS MANAGEMENT LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

The preparation of financial statements of SBI Funds Management Limited for the year ended 31 March 2024 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 2024.

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

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SBI Funds Management Limited for the year ended 31 March 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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



(Guljari Lal)

Director General of Audit (Shipping), Mumbai

Place: Mumbai  
Date : 28.06.2024

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SBI FUNDS MANAGEMENT LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

The preparation of consolidated financial statements of SBI Funds Management Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with Section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 April 2024.

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

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of SBI Funds Management Limited for the year ended 31 March 2024 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of SBI Funds Management Limited and SBI Pension Funds Private Limited but did not conduct supplementary audit of the financial statements of SBI Funds Management (International) Private Limited for the year ended 31 March 2024. Further, Section 139(5) and 143(6)(a) of the Act are not applicable to SBI Funds Management (International) Private Limited being private entity incorporated in Foreign country under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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



(Guljari Lal)

Director General of Audit (Shipping), Mumbai

Place: Mumbai  
Date : 28.06.2024