

# S. G. Salecha & Co.

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF **SBI MUTUAL FUND TRUSTEE COMPANY PRIVATE LIMITED**

#### Report on the Standalone Financial Statements

#### Opinion

We have audited the Standalone financial statements of **SBI MUTUAL FUND TRUSTEE COMPANY PRIVATE LIMITED** ("the company") which comprises the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

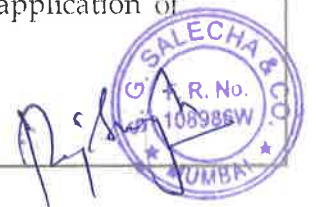
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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**

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

As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the Written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure - B**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- The company did not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There was no amount, which were required to be transferred, to the investor Education and Protection Fund by the Company.
- (h) As required by section 143 (5) of the Companies Act, 2013 and in accordance with the directions issued by the Comptroller and Auditor-General of India we report on the matters specified in clauses I, II & III of the directions as under.

<u>SR. NO.</u>	<u>DIRECTIONS</u>	<u>SPECIFIC COMMENT ON DIRECTION</u>
I	Whether the company has system in place to process all the accounting transactions through IT System? If Yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implication, if any may be stated?	The company has a system in place to process all the accounting transactions through SAP Accounting System. Based on our review and the information's and explanations, provided to us, we are of the opinion that the financial implications of accounting transactions outside IT system on the integrity of the accounts is intact.





	<p><u>II</u> Whether there is any re-structuring 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?</p>	<p>Based on the information and explanations furnished to us, the company has neither availed nor given any loan during the year as well as in the previous year. Accordingly question of re-structuring 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 are not arising and the provision of this clause is not applicable to the company.</p>
<p><u>III</u></p>	<p>Whether funds received /receivable for any specific schemes from central/state agencies were properly accounted for/ utilization of the same as per its terms and conditions? List the cases of deviation.</p>	<p>Based on the information and explanations furnished to us, the company neither has received any funds nor any funds are receivable for any specific schemes from central/state agencies. Accordingly, the question of properly accounting and utilization of the same as per its terms and conditions do not arise and the provision of this clause is therefore not applicable to the company.</p>

For S. G. Salecha & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 108986W



**DHARAMRAJ D SINGH**  
PARTNER  
Membership No.146179  
UDIN NO.: 20146179AAAABE3042

Place of Signature: Mumbai  
Date: 06<sup>th</sup> May, 2020



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

The Annexure referred to in our Report of even date to the Members of SBI MUTUAL FUND TRUSTEE COMPANY PRIVATE LIMITED for the year ended 31<sup>st</sup> March, 2020. We report that:

Clause No.	Matters to be covered in the Report	Specific Comments on the Matters to be Reported
3 (i) (a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed asset;	The Company does not own any fixed assets during the financial year under review. Therefore, comments regarding maintenance of proper records, physical verification of Fixed Assets by the management and title deeds of immovable properties are not required and accordingly the provisions of clause 3 (i) (a) to (c) of the order are not applicable to the Company.
3 (i) (b)	Whether these fixed assets have been physically verified by management at reasonable interval; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	
3 (i) ©	whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	
3 (ii)	Whether physical verification of inventory has been conducted at reasonable interval by the management and Whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	Since the Company is a service provider, the provisions of clause 3 (ii) of the order is not applicable to the Company.
3 (iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under	The Company has not granted any loans, secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register



	Section 189 of the Companies Act, 2013. If so,	maintained under section 189 of the Companies Act, 2013 and accordingly, provision of clause 3 (iii) (a) to (c) of the order, are not applicable to the Company.
3 (iii) (a)	Whether the terms and conditions of the grant of such loan are not prejudicial to the company's interest;	
3 (iii) (b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments and receipts are regular;	
3 (iii) ©	If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	
3 (iv)	In respect of loans, investments, guarantees, and security whether provision of Sections 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	According to the information and explanations given to us, the Company has not given any loans, guarantees or securities in respect of provisions of section 185 and 186 of the Companies Act, 2013. Further, in respect of investments made, the company has complied with the provisions of section 186 of the Companies Act 2013.
3 (v)	In case, the company has accepted deposits, whether the Directives issued by the Reserve Bank of India and the Provision of sec 73 to 76 or any other relevant provision of Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under apply.



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3 (vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	In our opinion and according to the information and explanations given to us the Company is not required to maintain cost records specified by the central government under section 148 (1) of the Companies Act, 2013.
3 (vii) (a)	Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned or a period or more than six months from the date they became payable, shall be indicated;	According to the information and explanations given to us, the provisions of Provident Fund & Employees' State Insurance, are not applicable to the company. The company is regular in depositing Income tax, Service tax, GST and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31 <sup>st</sup> March, 2020 for a period exceeding six months from the date they became payable.
3 (vii) (b)	Where dues of income tax or sales tax or service tax or GST or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	According to information and explanations given to us and the books and records examined by us, there are no disputed amounts payables for Income Tax, Wealth Tax, Service Tax, GST and Cess etc.
3 (viii)	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and government, lender wise details to be provided).	The Company has not availed any loan from financial institution, Banks, government or debenture holders during the current year as well as in the earlier years and accordingly the provision of clause 3 (viii) of the order is not applicable to the Company.





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3 (ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans during the current year as well as in the earlier years and accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.
3 (x)	Whether any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year; if yes, the nature and the amount involved is to be indicated;	According to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
3 (xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	In our opinion, and according to the information and explanations given to us, the Company has not paid any amount to its Directors as a Managerial Remuneration as prescribed by the provision of section 197 read with schedule V of the companies Act, 2013 and accordingly the provision of clause 3 (xi) of the order is not applicable to the Company.
3 (xii)	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company.



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3 (xiii)	Whether all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Accounting Standards.
3 (xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
3 (xv)	Whether the company has Entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	In our opinion and according to the information and explanations given to us, the Company has not entered into any Non-Cash transaction with directors or persons connected with the directors.
3 (xvi)	Whether the company is required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



**S. G. Salecha & Co.** CHARTERED ACCOUNTANTS

Place of Signature: Mumbai  
Date: 06<sup>th</sup> May, 2020

For S. G. Salecha & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 108986W

  
DHARAMRAJ D. SINGH  
PARTNER  
Membership No.146179  
UDIN NO.: 20146179AAAABE3042



# S. G. Salecha & Co.

CHARTERED ACCOUNTANTS

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS REPORT

The Annexure referred to in our Report of even date to the Members of SBI MUTUAL FUND TRUSTEE COMPANY PRIVATE LIMITED for the year ended 31st March, 2020.

We report that:

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

We have audited the internal financial controls over financial reporting of **SBI MUTUAL FUND TRUSTEE COMPANY PRIVATE LIMITED**, ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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





## S. G. Salecha & Co.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting

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



## S. G. Salecha & Co.


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### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. G. Salecha & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 108986W

Place of Signature: Mumbai  
Date: 06<sup>th</sup> May, 2020

  
DHARAMRAJ D. SINGH  
PARTNER  
Membership No.146179  
UDIN NO.: 20146179AAAABE3042



**SBI Mutual Fund Trustee Company Private Limited**
**Balance Sheet as at March 31, 2020**

	Note	As at 31/03/2020	As at 31/03/2019
<b>EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
- Share Capital	3.1	10,00,000	10,00,000
- Reserves and Surplus	3.2	32,08,14,344	30,13,51,631
		<b>32,18,14,344</b>	<b>30,23,51,631</b>
<b>2 CURRENT LIABILITIES</b>			
- Trade Payables	3.3	1,50,100	1,56,160
- Other Current Liabilities	3.4	2,46,427	1,86,575
		<b>3,96,527</b>	<b>3,42,735</b>
<b>TOTAL</b>		<b>32,22,10,871</b>	<b>30,26,94,366</b>
<b>II. ASSETS</b>			
<b>3 NON-CURRENT ASSETS</b>			
- Non-current Investments	3.5	16,45,81,604	16,45,81,604
		<b>16,45,81,604</b>	<b>16,45,81,604</b>
<b>4 CURRENT ASSETS</b>			
- Current Investments	3.6	15,51,25,172	13,18,48,140
- Trade Receivables	3.7	9,32,718	24,65,351
- Cash and Bank Balances	3.8	5,97,000	18,65,151
- Other Current Assets	3.9	9,74,377	19,34,120
		<b>15,76,29,267</b>	<b>13,81,12,762</b>
<b>TOTAL</b>		<b>32,22,10,871</b>	<b>30,26,94,366</b>

The notes are an integral part of these financial statements.

As per our attached report of even date

For S. G. SALECHA & Co.

Chartered Accountants

Firm Regn. No. 108986W

Dharamraj D Singh  
Partner

M. No.146179



Place: Mumbai,

Dated: May 6, 2020

For and on behalf of the Board of Directors of

SBI Mutual Fund Trustee Company Private Limited

Prafulla P Chhajed

Director

DIN:03544734

Richard Mendonca

Director

DIN:00770556

Indrajeet Ghuliani

Senior Vice President - Accounts



**SBI Mutual Fund Trustee Company Private Limited**

**Statement of Profit and Loss for the Year ended 31st March, 2020**

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Particulars	Note	Year ended 31-Mar-20	Year ended 31-Mar-19
(i) Revenue from Operations:			
Trusteeship Fee	3.10	30,879,052	23,594,725
(ii) Other Income	3.11	4,247,681	21,609,131
<b>Total Revenue (i+ii)</b>		<b>35,126,733</b>	<b>45,203,856</b>
<b>Expenses</b>			
- Administrative and Establishment Cost		3,000,000	3,000,000
- Other Expense	3.12	9,455,816	2,742,733
<b>Total Expenses</b>		<b>12,455,816</b>	<b>5,742,733</b>
<b>Profit Before Tax</b>		<b>22,670,917</b>	<b>39,461,123</b>
<b>- Tax Expense</b>			
Current Tax		5,356,007	7,400,000
Previous year adjustments		(3,400)	
Deferred Tax		-	
MAT Credit availed for the Current Year tax		(2,139,003)	
<b>Total Tax</b>		<b>3,213,604</b>	<b>7,400,000</b>
<b>Profit for the period</b>		<b>19,457,313</b>	<b>32,061,123</b>
<b>Earnings per equity share of ₹ 10 each</b>	3.13		
Basic		194.57	320.61
Diluted		194.57	320.61

The notes are an integral part of these financial statements.

As per our attached report of even date

For S. G. SALECHA & Co.

Chartered Accountants

Firm Regn. No. 108986W



Dharamraj D Singh

Partner

M. No.146179



Place: Mumbai,

Dated: May 06,2020

For and on behalf of the Board of Directors



Prafulla P Chhajed

Director

DIN:03544734



Richard Mendonca

Director

DIN:00770556



Inderjeet Ghuliani

SVP- Accounts



**SBI Mutual Fund Trustee Company Private Limited**

**Cash Flow Statement for the year ended 31st March, 2020**

Particulars	For the period ended	
	March 31, 2020	March 31, 2019
<b>Cash flow from operating activities</b>		
Net profit before taxation	2,26,70,917	3,94,61,123
<b>Less:</b>		
Dividend income from current investments	(42,28,648)	(46,33,298)
Profit on sale of non-current investments	-	(1,69,75,833)
Profit on sale of current investments	19,033	-
<b>Operating profit before working capital changes</b>	<b>1,84,61,302</b>	<b>1,78,51,992</b>
Decrease/(Increase) in trade receivables	15,32,633	(3,75,836)
Increase/(Decrease) in other liabilities & trade payables	53,792	(2,56,793)
<b>Cash generated from operations</b>	<b>2,00,47,727</b>	<b>1,72,19,363</b>
Income taxes paid	(22,48,461)	(77,59,883)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,77,99,266</b>	<b>94,59,480</b>
<b>Cash flow from investing activities</b>		
Purchase of non-current investments	-	(6,45,71,604)
Proceeds from sale of non-current investments	-	3,98,45,852
Purchase of current investments	(5,27,36,739)	(8,19,29,509)
Proceeds from sale of current investments	2,94,40,674	9,36,21,962
Dividend income from current investments	42,28,648	46,33,298
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(1,90,67,417)</b>	<b>(84,00,001)</b>
Share capital	-	-
Dividends paid	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>(12,68,151)</b>	<b>10,59,479</b>
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>18,65,151</b>	<b>8,05,672</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>5,97,000</b>	<b>18,65,151</b>
<b>Components of Cash and Cash Equivalents</b>		
Balance with bank in current account	5,97,000	18,65,151

As per our attached report of even date

For S. G. SALECHA & Co.  
Chartered Accountants  
Firm Regn. No. 108986W

Dharamraj D Singh  
Partner  
M. No.146179

Place: Mumbai  
Dated: May 6, 2020



For and on behalf of the Board of Directors of  
SBI Mutual Fund Trustee Company Private Limited

Pratulla P Chhajed  
Director  
DIN:03544734

Richard Mendonca  
Director  
DIN:00770556

Inderjit Chhuttani  
Senior Vice President - Accounts



# **SBI Mutual Fund Trustee Company Private Limited**

## **Notes to the Financial Statements**

### **1 General Information**

SBI Mutual Fund Trustee Company Private Limited ('the Company') was incorporated on 2<sup>nd</sup> January, 2003 under The Companies Act, 1956 as a wholly owned subsidiary of State Bank of India (SBI).

The Company was granted approval by Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996, to carry on the functions and duties of the Trustee of SBI Mutual Fund ('the Fund'), which has launched various schemes till the date of the Balance Sheet.

### **2 Summary of Significant accounting policies**

#### **(a) Basis of preparation:**

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

#### **(b) Use of Estimates:**

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

#### **(c) Revenue Recognition:**

- Trusteeship fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, investment in fixed deposits, investments made by the Asset Management Company and deferred revenue expenses, where applicable), and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.
- Gains and losses on sale of investments are determined using the weighted average cost method.
- Revenue is recognised only when it is reasonably certain that the ultimate collection will be made.
- Dividend income is recognised when the right to receive the same is established.
- All other income and expenditure is accounted on accrual basis.

#### **(d) Investments:**

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



## **SBI Mutual Fund Trustee Company Private Limited**

### **Notes to the Financial Statements**

Purchase and sale of Investment is recorded on the trade date basis.

**(e) Treatment of Contingent Liabilities:**

- The company estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared.
- A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on management's estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the management's current estimates.
- In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.
- In case of remote possibility, neither provision nor disclosure is made in the financials.

**(f) Taxes on Income:**

Taxes on income are computed using the tax effect accounting method whereby such taxes are accrued in the same period as the revenue and expense to which they relate. Current tax is determined as the amount of tax payable in accordance with the Income Tax Act, 1961 for the year. Current tax liability is measured using the applicable tax rates and tax laws.

Deferred tax is recognised, subject to the consideration of prudence, in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent years. Deferred tax asset / liability is measured using the tax rates and the tax laws that have been enacted / substantially enacted at the balance sheet date.

Minimum Alternate Tax (MAT) Credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

**(g) Earnings per share:**

In determining the earnings per share, the company considers the net profit after tax. The number of shares used in computing the earnings per share is the weighted average number of shares outstanding during the year adjusted for increase/ decrease in the number of shares without a corresponding change in the resources.

**(h) Cash and Cash Equivalents:**

Cash and Cash Equivalents comprise of Cash and Bank balances in Current and Fixed Deposit Accounts with original maturity of less than three months from the date of acquisition.

**(i) Cash Flow Statement:**

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



**SBI Mutual Fund Trustee Company Private Limited**  
**Notes to the Financial Statements**

**3 FINANCIAL STATEMENTS**

**3.1 SHARE CAPITAL**

(₹)

Particulars	31-Mar-2020	31-Mar-2019
<b>Authorized Capital :</b>		
1,00,000 (PY:1,00,000) Equity Shares of ₹ 10/- each	10,00,000	10,00,000
	<b>10,00,000</b>	<b>10,00,000</b>
<b>Issued, Subscribed and Fully Paid up :</b>		
1,00,000 (PY:1,00,000) Equity Shares of ₹ 10/- each fully paid up	10,00,000	10,00,000
	<b>10,00,000</b>	<b>10,00,000</b>

All the shares are held by State Bank of India, the Company's holding entity, and its nominees since the incorporation of the company. Any transfer of shares shall take effect only by the approval of the Board of Directors of the company.

**Reconciliation of the number of Equity Shares outstanding**

Particulars	31-Mar-2020	31-Mar-2019
Number of Shares at the beginning of the year	1,00,000	1,00,000
Add: Shares issued	-	-
Less: Shares forfeited	-	-
Number of Shares at the end of the year	<b>1,00,000</b>	<b>1,00,000</b>

**3.2 RESERVES AND SURPLUS**

(₹)

Particulars	Opening as at 1-Apr-2019	Additions	Deductions/ Adjustments	Balance as at 31-Mar-2020
Surplus as per Profit and Loss Account	30,13,51,631	194,62,713	-	32,08,14,344
<b>Total</b>	<b>30,13,51,631</b>	<b>194,62,713</b>	<b>-</b>	<b>32,08,14,344</b>

Details of Profit and Loss Surplus is as given below:

(₹)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance brought forward	30,13,51,631	26,92,90,508
<b>Net Profit after Tax</b>	194,62,713	3,20,61,123
<b>Balance at the end of the year</b>	<b>32,08,14,344</b>	<b>30,13,51,631</b>
<b>Surplus Carried to Balance Sheet</b>	<b>32,08,14,344</b>	<b>30,13,51,631</b>





**SBI Mutual Fund Trustee Company Private Limited**  
**Notes to the Financial Statements**

**3.3 TRADE PAYABLES**

(₹)		
Particulars	31-Mar-2020	31-Mar-2019
<b>Trade Payables</b>		
Dues to Micro and Small enterprises	-	-
Other than Micro and Small Enterprises	1,50,100	156,160
<b>Total</b>	<b>1,50,100</b>	<b>1,56,160</b>

**3.4 OTHER CURRENT LIABILITIES**

(₹)		
Particulars	31-Mar-2020	31-Mar-2019
Statutory Dues –TDS	16,257	10,464
Goods & Service Tax	2,30,170	176,111
<b>Total</b>	<b>2,46,427</b>	<b>1,86,575</b>

**3.5 INVESTMENTS - NON CURRENT**

(₹)				
Particulars	No of units	31-Mar-2020	No of units	31-Mar-2019
<b>INVESTMENTS IN EQUITY SHARES (Trade Unquoted- at Cost)</b>				
Equity shares of SBI Foundation (Each share of ₹10 fully paid up)	1,000 Shares	10,000	1,000 Shares	10,000
<b>OTHER INVESTMENTS (Quoted)</b>				
Investment in Schemes of SBI Mutual Fund* (At Cost)				
SBI Debt Fund Series C- 12 -1122 Days	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
SBI Debt Fund Series C- 18 -1100 Days	3,95,71,60.4	3,95,71,604	3,95,71,60.4	3,95,71,604
SBI Debt Fund Series C- 22 -1100 Days	25,00,000	2,50,00,000	25,00,000	2,50,00,000
<b>Total</b>		<b>16,45,81,604</b>		<b>16,45,81,604</b>
* Face value of each Unit is (₹) 10				
a) Aggregate Market value / NAV of quoted investments		19,11,08,364		17,67,87,924
b) Aggregate provision for diminution in value of investments		Nil		Nil



**SBI Mutual Fund Trustee Company Private Limited**  
**Notes to the Financial Statements**

**3.6 INVESTMENTS – CURRENT**

(₹)

Particulars	No of units	31-Mar-20	No of units	31-Mar-19
<b>OTHER INVESTMENTS (Quoted)</b>				
<b>Investment in Schemes of SBI Mutual Fund (At Cost) with Face Value of each unit ₹10</b>				
SBI Banking & PSU Debt Fund (Formerly Known as SBI Treasury Advantage Fund- Growth) **	1589	27,50,000	1589	27,50,000
SBI STD Fund Direct Plan Growth	24,23,220	4,70,80,515	23,14,383	4,46,80,515
SBI Corporate Bond Fund- Growth	11,65,114	129,00,000	-	-
SBI Liquid Fund –Direct Growth (**)	3397	1,03,23,263	-	-
SBI Magnum Low Duration Fund (Formerly Known as SBI Ultra STD Fund Direct Daily Dividend) **	-	-	829	8,36,430
SBI Magnum Ultra Short (formerly SBI Magnum Insta Cash Direct Plan Growth) **	2179	90,79,210	483	17,00,000
SBI Arbitrage Opportunities Fund- Dividend	51,76,175	7,29,92,184	49,13,963	6,92,48,860
SBI Liquid Fund –Direct Dividend (**)	-	-	5467	54,84,365
SBI Magnum Ultra Short (Formerly Known as SBI Magnum Insta Cash Direct Daily Dividend **)	-	-	4267	71,47,970
<b>Total</b>		<b>15,51,25,172</b>		<b>13,18,48,140</b>
* **Face value of each Unit is ₹1000				
a) Aggregate Market value / NAV of quoted investments		16,96,98,026		13,96,12,437
b) Aggregate provision for diminution in value of investments		Nil		Nil

**3.7 TRADE RECEIVABLES**

(₹)

Particulars	31-Mar-2020	31-Mar-2019
<b>Unsecured, Considered good</b>		
- Outstanding for a period exceeding six months from the date it is due	-	-
- Others	932,718	24,65,351
<b>Total</b>	<b>932,718</b>	<b>24,65,351</b>

**3.8 CASH AND BANK BALANCES**

(₹)

Particulars	31-Mar-2020	31-Mar-2019
<b>Cash &amp; Cash Equivalents</b>		
- in Current accounts	5,97,000	18,65,151
<b>Total</b>	<b>5,97,000</b>	<b>18,65,151</b>



**SBI Mutual Fund Trustee Company Private Limited**  
**Notes to the Financial Statements**

**3.9 OTHER CURRENT ASSETS**

Particulars	31-Mar-2020	31-Mar-2019
<b>Others</b>		
(a) Advance Tax (Net of provisions)	9,74,377	19,34,120
<b>Total</b>	<b>9,74,377</b>	<b>19,34,120</b>

**3.10 REVENUE FROM OPERATIONS**

Particulars	31-Mar-2020	31-Mar-2019
Trusteeship Fee	3,08,79,052	2,35,94,725
<b>Total</b>	<b>3,08,79,052</b>	<b>2,35,94,725</b>

**3.11 OTHER INCOME**

Particulars	31-Mar-2020	31-Mar-2019
Net Gain on Sale / redemption of Investments in Mutual Funds	19,033	1,69,75,833
Dividend on Mutual Fund units	42,28,648	46,33,298
<b>Total</b>	<b>42,47,681</b>	<b>216,09,131</b>

**3.12 OTHER EXPENSES**

Particulars	31-Mar-2020	31-Mar-2019
Directors Sitting Fee	19,25,000	15,90,000
Meeting Expenses	1,05,242	53,039
Legal and Professional Fee	24,59,220	125,087
Travelling, Lodging and Boarding	46,66,703	836,287
Miscellaneous Expenses	164,651	3320
<b>Payment to Auditors</b>		
Audit Fee	75,000	75,000
Tax Audit Fee	35,000	35,000
Other matters	25,000	25,000
<b>Total</b>	<b>94,55,816</b>	<b>27,42,733</b>

**3.13 EARNINGS PER SHARE**

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average numbers of equity shares outstanding during the year as under:

Particulars	31-Mar-2020	31-Mar-2019
Net Profit attributable to Equity Shareholders (A)	1,94,62,713	3,20,61,123
Weighted Average Number of Shares (Nos.) (B)	100,000	100,000
Basic and Diluted Earnings Per Share (A/B)	194.63	320.61
Nominal Value per Share	10	10

**4 CONTINGENT LIABILITIES: Nil (PY: Nil).**



# SBI Mutual Fund Trustee Company Private Limited

## Notes to the Financial Statements

### 5 SEGMENTAL REPORTING:

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

### 6 RELATED PARTY DISCLOSURE:

*Parties where control exists:*

Holding Company	State Bank of India holds 100% of the share capital
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*Other Related parties with whom transacted:*

Fellow Subsidiaries	SBI Funds Management Private Limited SBI Foundation
Mutual Fund for which the company is the trustee	SBI Mutual Fund

List of transactions with related parties:

Nature of Transaction	Holding Company	Fellow Subsidiaries	Mutual Fund, where the Company is the Trustee
Common establishment Expenses	-	30,00,000 (30,00,000)	-
Trusteeship Fees	-	-	3,08,79,052 (2,53,94,725)
Purchase of investments	-	- (10,000)	5,27,36,738 (14,65,01,113)
Sale of investments	-	-	2,94,40,674 (13,34,67,814)
Dividend on units	-	-	42,28,648 (46,33,298)
Balance in current account	5,97,000 (18,65,151)	-	-
Sundry Debtors	-	-	9,32,178 (24,65,351)
Bank Charges	788 (807)	-	-

Note: Figures in the brackets represent previous year figures.

### 7 Deferred Tax Assets / Liabilities: Nil (PY: Nil).

### 8 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.





**SBI Mutual Fund Trustee Company Private Limited**  
**Notes to the Financial Statements**

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

- 9 **Expenditure in Foreign Currency:** Nil (PY: Rs. Nil).
- 10 **Earnings in Foreign Currency:** Nil (PY: Nil).
- 11 The Company has recognised the Minimum Alternate Tax (MAT) Credit of Rs. 21,39,003 during the year for the current tax provision. After the current year MAT credit utilization, the MAT credit (asset) as on 31<sup>st</sup> March 2020 amounting to Rs. 61,39,208 (P.Y. Rs. 82,78,211) has not been recognised in the books of account as there is no convincing evidence of its adjustment in future.
- 12 Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our attached report of even date

**For S. G. SALECHA & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 108986 W**

**Dharmaraj D Singh**  
**Partner**  
**M. No.146179**  
**Place: Mumbai,**  
**Dated: May 06, 2020**



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

**Prafulla P Chhajed**  
**Director**  
**DIN:03544734**

**Richard Mendonca**  
**Director**  
**DIN:00770556**

**Inderjeet Ghuliani**  
**SVP- Accounts**