SBI Pension Funds Private Limited

Future Secure

13TH ANNUAL REPORT

2020-21

Board of Directors

As on 15th July, 2021

Shri Ashwini Kumar Tewari
Chairman

Shri Anthony Rodrigues
Managing Director & CEO

Shri CM Dixit
Independent Director

Shri Saurabh Chandra
Independent Director

Prof. Gitika Kapoor
Independent Director

Shri Raj Vikash Verma
Nominee Director

Managing Director & CEO
Shri Narayanan Sadanandan (till 31st March, 2021)
Shri Sunder Lal Bhatti (w.e.f. 01st April, 2021 till 10th July, 2021)
Shri Anthony Rodrigues (w.e.f. 12th July, 2021)

Chief Financial Officer & Operations Manager
Shri Ashish Patnaik (till 23rd April, 2020)
Shri Venkata Ratnam Vakacharla (w.e.f. 24th April, 2020)

Company Secretary & Compliance Officer
Shri Tejas Mehta

Statutory Auditors
M/s. Talati & Co., Chartered Accountants

Statutory Scheme Auditor
M/s. ASA & Associates LLP, Chartered Accountants

Internal Auditors & Concurrent Auditors for NAV Declaration
M/s. Kochar & Associates, Chartered Accountants

Concurrent Auditors
M/s. SWM & Associates, Chartered Accountants

Bankers to the Company
State Bank of India *(For Company Accounts)*
Axis Bank *(For Scheme Accounts)*

Regd. Office :
SBI Pension Funds Private Limited
CIN - U66020MH2007GOI176787
32, 3rd Floor, Maker Chambers III,
Nariman Point,
Mumbai – 400 021.
Tel. : 022 - 4214 7100
Fax.: 022 - 4214 7113
Website : www.sbipensionfunds.com

SBI Pension Funds Private Limited
Thirteenth Annual Report
2020 - 2021

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Directors' Report

To,
The Members,
SBI Pension Funds Private Limited

The Directors have pleasure in presenting the Thirteenth Annual Report together with the financial statements of your Company for the financial year ended 31st March, 2021.

Financial Performance: -

The highlights of the financial results of the Company for the financial year ended 31st March, 2021 are as under:

(Rs. In lacs)

Description	Current Financial Year (2021)	Previous Financial Year (2020)
Revenue from Operations	1,968.82	1,450.55
Other Income	151.72	241.59
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	544.84	379.37
Less: Depreciation/ Amortisation/ Impairment	76.54	61.72
Profit /loss before Finance Costs, Exceptional items and Tax Expense	468.30	317.65
Less: Finance Costs	4.35	9.46
Profit /loss before Exceptional items and Tax Expense	463.95	308.19
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	463.95	308.19
Less: Tax Expense (Current & Deferred)	119.54	79.97
Profit /loss for the year (1)	344.41	228.21
Total Comprehensive Income/loss (2)	-	-
Total (1+2)	344.41	228.21
Balance of profit /loss for earlier years	1,066.91	838.70
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend paid on Preference Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	1,411.32	1,066.91

Method of Accounting: -

The Company has adopted Indian Accounting Standards (IND AS) from the financial year ending 31st March, 2019. IND AS 116 on Accounting on Lease came into effect on 01st April, 2019. Accordingly, Company has adopted IND AS 116 and applied the standard to Long term Lease contract existing on 01st April, 2020.

Capital Adequacy: -

The Regulator i.e. Pension Fund Regulatory & Development Authority (PFRDA) has not prescribed any Capital Adequacy Ratio for the Pension Fund Industry. However, w.e.f. 01st November, 2012, Pension Fund Managers are required to maintain minimum positive Net Worth of Rs. Twenty-Five (25) crores.

Further, PFRDA vide PFRDA (Pension Fund) (Second Amendment) Regulations, 2020 dated 04th February, 2020 requires the Pension Fund to achieve minimum tangible net worth of Rs. Fifty (50) crores or such higher amount. The timelines to achieve the same would 6 months post selection of Pension Funds based on the fresh RFP issued by the PFRDA.

The Net Worth of your Company as on 31st March, 2021 stood at Rs 44.11 crores. PFRDA has granted a fresh Certificate of Registration to your Company as a Pension Fund Manager. With the revised fee structure, your Company would be able to achieve tangible networth of Rs. Fifty (50) crores by June, 2021.

Share Capital: -

The Authorized Share capital of your Company stood at Rs. 100 crores as on 31st March, 2021. The issued, subscribed and paid-up share capital of your Company stood at Rs. Thirty (30) crores comprising of Three (3) crores equity shares of Rs. 10/- each fully paid.

The shareholding pattern is as under: -

Name of Shareholders	% of Holding
State Bank of India*	60%
SBI Funds Management Private Limited	20%
SBI Capital Markets Limited	20%

* Shareholding alongwith its nominees

During the financial year under review, your Company had not issued any equity/ preference shares or any securities which carry a right or option to convert such securities into shares, equity shares with differential rights, sweat equity shares, warrants, debentures, bonds or any non-convertible securities or employee stock options.

There was no reduction of share capital or buy back of shares, change in the capital structure resulting from restructuring, change in voting rights or re-classification or sub-division of the authorized share capital.

Subsidiaries, Associates and Joint Venture Companies: -

Your Company continues to be a Subsidiary Company of State Bank of India. Your Company does not have any Subsidiaries, Associate and Joint Venture Companies.

Dividend: -

The Company has posted a Profit After Tax of Rs. 344.41 Lacs for the financial year ended 31st March, 2021. The Board of Directors of your Company, after considering the future requirements of capital by the Company, has decided that it would be prudent, not to recommend any dividend for the year under review.

Amount to be carried forward to Reserves: -

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review. The Company proposed to retain the whole amount in Profit & Loss Account.

Change in the nature of Business, if any: -

During the year under review, there was no change in the nature of business of your Company.

Economic Environment: -

COVID-19 which found its origin in Wuhan district of China soon turned into pandemic and impacted the economies world over in CY20. Most of the major economies witnessed contraction due to lockdown. Financial markets faced volatility due to increased risk from pandemic. However, the economies started to rebound in H2CY20 post relaxation in lockdown. Post stronger than expected rebound of major economies in Q3CY20, most of them were impacted by second wave of COVID-19 which led to fresh restrictions in some part of the world especially Europe. Process of vaccination across the globe has gathered pace and it remains key to the future world growth. US benchmark yield witnessed hardening on the back of rising inflation expectation from rising commodity prices and growth coming back. World growth has been supported by accommodative monetary policies and fiscal stimulus led by US.

The U.S. economy declined 3.5% in the CY20 compared with 2.2% increase in CY19. The decrease in real GDP in 2020 reflected decreases in consumptions, investments and exports partly offset by increases in federal government spending and residential fixed investment. UK GDP declined by revised 9.8%, France declined by 8.2%, Italy contracted by 8.9% while Germany declined by 4.9% in CY20. The entire Euro Zone was down by 6.6% in CY20 as compared to 1.3% growth in CY19. Japan contracted by 4.8% in the CY20. In contrast to degrowth across the globe, China reported growth of 2.3% in CY20.

Crude increased by 138% in Financial Year (FY) 21, closing at USD 63 on 31.03.2021 as against USD 26 on 31.03.2020. Bloomberg commodity Index remained flat in FY21 after touching lows in Apr 2020 due to pandemic risk.

Domestic Economy

Growth

GDP recorded a contraction of 10.4% in 9MFY21, in contrast to the growth of 4.4% in 9MFY20. The degrowth can be ascribed to sharp deterioration in the performance across the segment with consumption at -13.1% in 9MFY21 from 6.8% in 9MFY20 and capital formation down by 17.6% in 9MFY21 from growth of 6.5% during previous year. GVA recorded a de-growth of 9.6% in 9MFY21, in contrast to the growth of 4.3% in 9MFY20, led by industry degrowth of 12.4% and services degrowth 11.5%, offset by a mild pickup in agriculture 3.5%. Real GDP in Q3FY21 grew 0.4% led by investment growth of 2.6%. Private consumption degrow by 2.4%, government expenditure degrow by 1.1%. Real GVA in Q3FY21 grew 1% supported by industry GVA growth at 2.7%.

Inflation

The provisional figures for the month of Apr 2020 and May 2020 were not released due to lockdown. CPI declined from 6.2% in June 2020 to 5.5% in Feb 2021 after peaking at 7.6% in Oct 2020. Rise in inflation was led by supply side shock caused by lock down due to pandemic. Core CPI has been on constant increase from 5% in June 2020 to 5.7% in Mar 2021 while averaging around 5.4% for the FY21 (excl. month of Apr and May 2020). On an average inflation for the FY21 (June 2020-Mar 2021) hovered around 6.1%. WPI increased from -1.6% in the month of Apr 2020 to 7.4% in the month of Mar 2021. Average WPI for the FY21 (Apr 2020 – Mar 2021) remained around 1.2%. Increase in WPI for last few months has been a function of higher commodity prices.

Fiscal Deficit

11 Months YTDFY21 fiscal deficit reported at 76% of FY21 Budget RE. Gross tax collections for the same period fell by 1% with direct taxes falling 10% while indirect taxes increased by 8%. Corporate taxes fell by 16% while income taxes fell 3% as part of Direct taxes. Under indirect taxes, GST fell by 10% while customs duty increased by 7%. Excise duty collections grew by 60%. Expenditure growth improved to 14% with revenue expenditure growth expanding by 12% and capex by 33%. Latest numbers reported suggest that Fiscal Deficit may positively surprise with actual deficit number being contained below targeted 9.5% of GDP for FY21.

External Sector

India reported current account surplus of USD 32.4 bn (1.7% of GDP) in 9MFY21 as against deficit of USD 25.1 bn (1.2% of GDP) in 9MFY20 largely due to sharp contraction in trade deficit. Net invisible receipts were lower in April-December 2020 due to a moderation in net private transfer receipts and an increase in investment income payments. The capital account balance declined considerably to USD 51.5 bn for 9MFY21 from USD 65.9 bn 9MFY20. Decline in Capital account balance can be attributed to outflow in External commercial borrowing (USD -6.1 bn) offset by increased portfolio flows with net FDI (USD 40.8 bn) and FPI (USD 30.5 bn) for 9MFY21. Foreign exchange reserves increased from USD 40.7 bn in Apr - Dec 2019 to USD 83.9 bn in Apr - Dec 2020.

Outlook

As per OECD, activity in many sectors has picked up and partially adapted to pandemic restrictions. Vaccine rollout, although uneven, is gaining momentum and government stimulus, particularly in the United States, is likely to provide a major boost to economic activity. But prospects for sustainable growth vary widely between countries and sectors. Faster and more effective vaccination deployment across the world is critical.

Prospects have improved over recent months with signs of a rebound in goods trade and industrial production becoming clear by the end of 2020. Global GDP growth is now projected to be 5.6% in CY22, an upward revision of more than 1 percentage point from the December OECD Economic Outlook. World output is expected to reach pre-pandemic levels by mid-2021 but much will depend on the race between vaccines and emerging variants of the virus.

US 10-year Treasury yields have risen to 14-month highs as a selloff in bond markets continued on expectations for stronger growth and inflation ahead. The main driver of all the global forecast revision is the much larger-than-expected fiscal stimulus package recently passed in the US. The USD 1.9 tn fiscal package represents more than 2.5% of global GDP. We need to wait and see the overall multiplier effect of this package.

The H1FY22 central government dated borrowing at Rs 7.24 tn (Rs 7.66 tn in 1HFY21) accounts for 60% of the FY22 gross borrowings. The net issuance for H1FY22 is around Rs 5.8 tn (Rs 6.35 tn in 1HFY21). The weekly bond auction size will range Rs 260-320 bn, distributed across 25 weeks. The government has retained the right to exercise the green-shoe option to retain additional subscription of up to Rs 60-80 bn in each weekly auction. The government has also retained the WMA limit at Rs1.25 tn for 1HFY21. Meanwhile, net short-term borrowing through T-bills for 1QFY22 is lower at Rs1.9 tn (gross at Rs 4.3 tn) compared to Rs 3.4 tn in Q1FY21. State borrowing calendar was announced at Rs. 1.78 tn. RBI also increased the WMA limits for the States by 46% in the monetary policy.

RBI as expected came with dovish monetary policy. It revised the inflation forecast downward to 5.0% for Q4FY21 (from 5.2% earlier). For FY22, the RBI revised up its inflation forecast marginally. The RBI expects inflation to average at 5.2% in Q1FY22 and Q2FY22 and 4.4% in Q3FY22 (earlier forecast 5.2-5.0% in H1FY22 and 4.3% in Q3FY22). For the full year, average inflation stands at ~5.0%, with risks broadly balanced. Despite this slight upward revision, in today’s policy the RBI downplayed the inflationary risks and commented that they would see through the current elevated core inflation which is largely due to supply side issues as the demand continues to remain low.

The MPC kept the repo rate and accommodative stance unchanged, and shifted its guidance to be based on growth revival prospects rather than a fixed time-frame. The change in narrative from fixed time frame-based guidance made the market jittery. It means that market will always remain in instability caused by growth and other data points. OIS went up as lack of any time-based forward guidance kept the future tightening expectations intact. However, this change in narratives was backed by the announcements of the G-Sec acquisition program (G-SAP 1.0) along with variable rate reverse repo (VRRR) of longer tenor. G-SAP 1.0 highly positive for the market which led to yields moving down by approx. 10 bps. Both the G-SAP 1.0 and VRRR would lead to a flatter yield curve. Given the uncertainty on the growth trajectory amid rising Covid infection cases, we expect policy normalization to be pushed further which was earlier expected around H2CY21. G-SAP 1.0 was truly surprise move as entire borrowing program of FY21 was managed by adhoc OMO and twist announcements. The Governor in the press conference hinted that G-SAP 1.0 may be followed by further announcement post Q1FY22. Additionally, Monetary policy note suggests, G-SAP 1.0 is over and above the regular liquidity tools like OMO. The policy measures announced by RBI would lead to new normal for benchmark yield which was expected to trade in a band but directionally we believe the yields to inch up owing to underlying economic fundamentals.

As we embark towards the new financial year FY22, the resilient domestic setup points towards a recovery in key macroeconomic data viz. GDP, Infrastructure spending post a weak year. Corporate earnings post the dip is likely to stage a handsome growth trajectory. However, after a “V-shaped” recovery and a flush of liquidity in the capital markets in FY21, the economic recovery path ahead is likely to be uneven. Furthermore, rising commodity price led inflation and new strain led risk of restrictions and lockdowns, also persist. The Nifty-50 is trading at 23.6x on one year forward PE basis as compared to its 10-year average of 15.8x and previous peaks of ~19x. We see muted returns for the Indian market over the next few months in our base-case scenario with (a) moderate and steady increase in bond yields (50-75 bps by end-CY2021) (b) steady rise in Covid 19 cases across the country. The Indian market has traded at high valuations for the past few months on the back of (a) expectations of earning upgrades and continued low domestic bond yields and (b) reasonable yield gap. The expectations may get curbed to some extent. We (a) expect monetary policies of global central banks and global economic recovery to put upward pressure on global bond yields and (b) rule out earnings upgrades for now noting consensus at 26% and 18% growth expectations for net profits of Nifty-50 Index for FY22 and FY23. This makes the current levels look expensive and overall risk-reward balance becomes unfavorable. Considering all the aspects of growth and valuation the conviction of buying on declines goes up. We would be prudent in our approach towards deploying money towards equity at opportune time based on merit.

Review of Business Performance and State of the Company’s Affairs

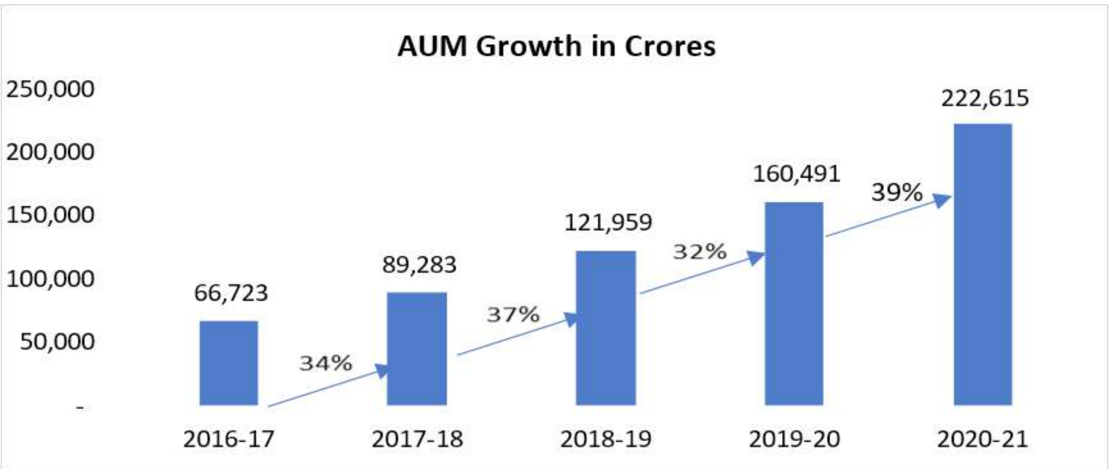
Your Company’s mission is to provide credible, professional and customer focused Pension Fund management and POP Business solutions.

The performance of the Company during the financial year 2020-21 in respect of various business activities are as under:

1) **Fund Management Activity**

- During the year under review, your Company closed the fiscal with AUM of Rs. 2,22,615 crores representing a growth of 39% over the previous fiscal, to retain lead position amongst Pension Fund Managers (7 Nos) in terms of market share 34.82% of total AUM for the Government Sector and 55.22 % of total AUM for the Private Sector with overall Market Share of 38.5%

- During the year under review, a new Scheme was introduced i.e. SBI Pension Funds Private Limited – Tax Saver – Tier 2 Scheme. The said scheme will allow the Central Government employees for making contribution in NPS Tier-II subject to lock in period of 3 years. The inflow under this scheme started w.e.f. 02nd September, 2020.
- During the year under review, due to your Company's superior performance in Schemes Central Government (CG) & State Government (SG), NPS Trust had revised its allocation of incremental Contributions of Central & State Government employees in CG Schemes and SG Schemes. The revised allocation for Scheme CG was 38.00 % for FY 2020-21 (35.38% for FY 2019-20) and for Scheme SG was 38.50% for FY 2020-21 (34.30% for FY 2019-20). Performance based increased allocation in FY20 helped us increase our market share in FY21 for Government Sector.
- The details of Asset Under Management (AUM) growth of the Company:



- As per the PFRDA guidelines on Common Stewardship Code, your Company has formulated a Comprehensive policy to protect the subscribers' interest. The policy broadly covers managing the conflict of interest, monitoring the investee companies, active intervention/engagement with the investee companies, clear policy on voting and periodically reporting of the same to the regulator.

- The Scheme wise Assets Under Management (AUM) are as under:

(Rs. In Crores)

Name of Schemes	**AUM as on 31st March, 2021**	**AUM as on 31st March, 2020**
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme E – Tier I	5,736.48	2,511.90
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme E – Tier II	230.12	102.61
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme C – Tier I	3,157.79	2,201.32
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme C – Tier II	137.91	90.02
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme G – Tier I	6,150.27	4,294.90
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme G – Tier II	239.90	143.53
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme A – Tier I	17.78	8.66
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme State Govt.	1,00,846.79	72,542.49
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme Central Govt.	63,982.56	48,832.59
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme NPS Lite	1,777.01	1,544.13
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme Corporate CG	35,003.48	24,604.12
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme Atal Pension Yojana	5,334.46	3,615.28
NPS Trust A/c SBI Pension Fund - Scheme Tax Saver Tier II	0.79	-
Total	2,22,615.34	1,60,491.55

- The performance of the schemes managed by the Company for the financial year are as under:

(Details in percentage)

Name of Schemes	Benchmark	Last 1 year return	Bench-mark Return for last 1 year	Return since Incep-tion
NPS Trust – A/c SBI Pension Funds Private Limited – Scheme E – Tier I	NIFTY 100 TRI*	66.28%	73.48%	10.28%
NPS Trust - A/c SBI Pension Funds Private Limited - Scheme E - Tier II	NIFTY 100 TRI*	67.40%	73.48%	10.08%
NPS Trust - A/c SBI Pension Funds Private Limited - Scheme C - Tier I	NPS - Corporate Bond Index	10.17%	12.56%	10.50%
NPS Trust – A/c SBI Pension Funds Private Limited - Scheme C - Tier II	NPS - Corporate Bond Index	9.59%	12.56%	10.09%
NPS Trust - A/c SBI Pension Funds Private Limited - Scheme G - Tier I	NPS - Govt. Securities Index	7.72%	6.04%	9.85%
NPS Trust - A/c SBI Pension Funds Private Limited - Scheme G - Tier II	NPS - Govt. Securities Index	7.70%	6.04%	9.88%
NPS Trust - A/c SBI Pension Funds Private Limited - Scheme A - Tier I	NPS - Corporate Bond Index	13.57%	12.56%	9.43%
NPS Trust - A/c SBI Pension Funds Private Limited - Scheme State Govt.	NPS - Govt. Pattern Index	13.30%	16.33%	9.79%
NPS Trust - A/c SBI Pension Funds Private Limited - Scheme Central Govt.	NPS - Govt. Pattern Index	13.57%	16.33%	10.10%
NPS Trust - A/c SBI Pension Funds Private Limited - Scheme NPS Lite	NPS - Govt. Pattern Index	14.15%	16.33%	10.37%
NPS Trust - A/c SBI Pension Funds Private Limited - Scheme Corporate CG	NPS - Govt. Pattern Index	13.38%	16.33%	10.00%
NPS Trust - A/c SBI Pension Funds Private Limited - Scheme Atal Pension Yojana	NPS - Govt. Pattern Index	13.57%	16.33%	9.54%

* We have benchmarked A Tier I against C Tier I for internal use as there is no existing benchmark for the same.

Note : NPS Trust A/c SBI Pension Fund - Scheme Tax Saver Tier II started on 2nd September, 2020. The Scheme does not have meaningful investible surplus, hence does not form part of the above table.

Business Strategy and Outlook:

The PFRDA Annual Registration Fee @ 0.005% of Assets Under Management (AUM) as on 31st March of previous year or Rs. 10.00 lacs whichever is higher in respect of the Govt. Sector without any upper ceiling has resulted in additional burden of Rs. 1.92 crores for the Financial Year 2020-21 which has impacted the profitability of your company.

During the year, the fresh inflow of Rs. 25,546.05 crores coupled with accruals and net of appreciation on account of market valuation took the total AUM under Government Sector NPS to Rs. 1,64,829 crores with a market share of 34.82% (Rs. 4,73,376 crores). Under the Private Sector NPS (including NPS Lite), the fresh inflows of Rs. 11,322.26 crores., accruals and net of appreciation took the AUM to Rs. 57,786 crores with a market share of 55.22% (Rs. 1,04,649 crores). Overall, your company has recorded a growth of 38.70% in its AUM during the year, which increased from Rs. 1,60,491 crores to Rs 2,22,615 crores. Overall market share of your Company remained at 38.51%.

The year under review had witnessed highest ever inflows of Rs. 36,868.32 crores.

2) **POP Activity**

The company received Certificate of Registration for PoP Business vide PFRDA letter No. PFRDA/16/05/114/0020/2018-REG-POP dated 13th February 2019. The Registration Number is 245022019. Vide the same communication, the company was also granted Certificate of Commencement of Business as Point of Presence (PoP) for NPS and/or other pension schemes.

During the year under review, the company had first opted to develop an end-to-end digital platform for both Corporate and Retail segment through which all NPS activity can be done. However, as the product got evolved and so the regulatory requirements. Upcoming requirements compelled us to make relevant changes on the software platform. With all the new changes that are to be implemented, maintenance and upkeep of the technology platform is not cost effective. In view of this the company has now decided to look for the available alternatives to minimise the cost for its POP operations. Amongst the available alternatives, technology platforms made available by the CRA are also considered to onboard the NPS subscribers. Automation of Corporate Contribution processing is being considered along with data and MIS management from the back end.

The focus of the segment is to facilitate and maximise onboarding of Retail and Corporate subscribers on NPS Platform. Subscribers with confidence and faith in Brand SBI and who believe in SBIPFM abilities help to grow SBIPFM AUM corpus by selecting SBIPFM as their pension fund manager

Risk Management: -

In terms of the provisions of Section 134 (3) (n) of the Companies Act, 2013 and also in compliance with Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015, the Company is having a proper risk management framework in place for identification, measurement, management, control and mitigation of various risks inherent in Company’s business and various NPS schemes managed by the Company.

As per Investment Management Agreements entered by the Company with NPS Trust, a comprehensive Board approved Risk Management Policy aligned with the SBI Group Risk Management Policy is in place which is reviewed at half-yearly intervals by the Board of Directors. The risk management policy covers the key risks viz. Operational Risk, Market Risk, Credit & Investment Risk, Liquidity Risk, Reputation Risk and other risks which includes compliance, contagion, counterparty, Information Technology and strategic risk.

The Chief Risk Officer is entrusted with the risk management function & implementation of risk management framework reports directly to the Managing Director & CEO and periodically update the Risk Management Committee on risk profiles. Board level oversight is exercised through the Risk Management Committee of the Company which oversees formulation and review of risk management policy.

The Company has also implemented security measures for preserving the security of data and technology infrastructure for which Board approved Information Technology Cyber Security Policy is in place. It is a set of directives, procedures, guidelines designed to maintain cyber security and manage cyber risks proactively. This policy applies to all employees, contractors, and anyone who has permanent or temporary access to our systems and hardware.

The Risk Management Committee and the Board periodically reviews the Risk Management Policy, procedures & process and functions of the Company. It also reviews the performance of various schemes managed by the company at quarterly intervals.

Board of Directors:-

The Board of Directors of your Company oversees the business and operations of the Company. Your Company has an optimum combination of Non-Independent and Independent Directors. As on 31st March, 2021, the Board of Directors of your Company comprises of Eight Directors, which include Four Independent Directors (including One Woman Director) and Four Nominee Directors including the Managing Director & CEO.

Shri Haridas K.V. (DIN: 07998194), Nominee Director of the Company resigned from the Directorship of your Company from the close of business hours of 31st May, 2020 due to his superannuation from State Bank of India, Holding Company. Shri Navneet Munot (DIN: 05247228), Nominee Director of the Company resigned from the Directorship of your Company from the close of business hours of 21st December, 2020 due to his resignation from SBI Funds Management Private Limited. Shri Narayanan Sadanandan (DIN: 07263104) resigned as the Managing Director & CEO of your Company from the close of business hours of 31st March, 2021 due to his superannuation from State Bank of India, Holding Company.

The Board places on record its sincere appreciation of the valuable contribution made by Shri Haridas K.V., Shri Navneet Munot and Shri Narayanan Sadanandan during their association with your Company.

In place of Shri Narayanan Sadanandan, Shri Sunder Lal Bhatti was appointed as the Nominee Director of the Company on 16th March, 2021 and subsequently was appointed as the Managing Director & CEO of your Company w.e.f. 01st April, 2021 for a period of 2 years on the Bank's usual terms and conditions.

In place of Shri Haridas K.V., Shri Raj Vikash Verma (DIN: 03546341) was appointed as the Nominee Director of your Company w.e.f. 15th December, 2020.

Statement on declaration given by Independent Directors under sub-section (6) of Section 149: -

Section 149(6) of the Companies Act, 2013 is not applicable to a Private Limited Company. However, in terms of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015, your Company has appointed Independent Directors.

The Independent Directors of your Company on a voluntary basis have submitted the declaration confirming that they meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013.

The above declaration also states that they have complied with sub rule (1) and sub rule (2) of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 with respect to inclusion of their name in the databank of the Indian Institute of Corporate Affairs at Manesar and will also file an application for the renewal as an when required.

Statement on Non-disqualification of Directors: -

All the Directors of your Company have submitted the declaration confirming that they are not disqualified under Section 164 of the Companies Act, 2013 to act as Director.

Key Managerial Personnel: -

During the year under review, Shri Ashish Patnaik resigned as the Chief Financial Officer & Operations Manager of the Company from the close of business hours of 23rd April, 2020. In place of Ashish Patnaik, Shri Venkata Ratnam Vakacharla was appointed as the Chief Financial Officer & Operations Manager of the Company w.e.f. 24th April, 2020 on the Bank's usual terms and conditions.

Shri Narayanan Sadanandan resigned as the Managing Director & CEO of the Company from the close of business hours of 31st March, 2021 due to his superannuation from State Bank of India, Holding Company.

In place of Shri Narayanan Sadanandan, Shri Sunder Lal Bhatti was appointed as the Managing Director of your Company w.e.f. 01st April, 2021.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Shri Narayanan Sadanandan, Managing Director, Shri Venkata Ratnam Vakacharla, Chief Financial Officer and Shri Tejas Mehta, Company Secretary are designated as the "Key Managerial Personnel" of your Company during the close of the financial year under review.

Shri Sunder Lal Bhatti, Shri Venkata Ratnam Vakacharla and Shri Tejas Mehta are also designated as CEO, Operations Manager and Compliance Officer respectively under PFRDA (Pension Funds) Regulations, 2015.

Directors' Responsibility Statement: -

Pursuant to the provisions of Section 134 (3) (c) & Section 134 (5) of the Companies Act, 2013, your Directors hereby state that: -

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they had selected such accounting policies & applied them consistently and made judgments & estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2021 and of the profit of the Company for that period;

(iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they had prepared the annual accounts on a going concern basis for financial year 2020-21;

(v) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(vi) they had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board Meetings: -

During the financial year under review, Five (5) meetings of the Board of Directors of your Company were held on the said dates i.e. 23rd April, 2020, 13th July, 2020, 15th October, 2020, 21st January, 2021 and 26th March, 2021.

Corporate Governance: -

As part of good corporate governance, your Company endeavors to effectively manage the business and enhance long-term interests of various stakeholders.

In pursuance of these objectives, the Board actively monitors your Company's operations and exercises fiduciary responsibilities with utmost commitment to enhance transparency, disclosures and adherence to core values. The functioning of the Board is further supplemented by various committees which have been constituted i.e. Audit Committee of the Board, Investment and Risk Management Committee of the Company.

Committees: -

1) **Audit Committee: -**

   In terms of the provisions of Section 177 of the Companies Act, 2013, your Company has voluntarily constituted an Audit committee of the Board of Directors of the Company as per the terms of reference mentioned in the said Section.

   The Audit Committee of the Board of Directors of your Company comprises of the following Members at the end of the financial year under review:

   (i) Shri C.M. Dixit, Independent Director

   (ii) Shri Vijay Kumar Gupta, Independent Director

   (iii) Prof. Gitika Kapoor, Independent Director

   The Audit Committee of your Company had revised its terms of reference, as per the operational requirements, with addition of new scope other than as prescribed under Section 177 of the Companies Act, 2013.

   During the financial year under review, Five (5) meetings of the Audit Committee of the Board of Directors of your Company were held on 23rd April, 2020, 13th July, 2020, 15th October, 2020, 21st January, 2021 and 26th March, 2021.

   During the financial year 2020-21, there were no instances where the recommendations made by the Audit Committee were not accepted by the Board.

2) **Investment Committee: -**

   In terms of the Investment Management Agreement signed with NPS Trust and the PFRDA (Pension Funds) Regulations, 2015, the Investment Committee was constituted with the following terms of reference: -

   - to draw, implement and periodically review the investment Policy;
   - to ensure that all investments are carried out as per the provisions of PFRDA Guidelines/ Directions and to ensure that all investments are made consistent with the protection, safety and liquidity of such funds, in the interest of the subscribers;

- to review the changes, if any, in its team and any other matter relating to investments; and
- such other responsibilities as prescribed by PFRDA.
- To recommend the Stewardship Policy of the Company.
- To recommend the Voting Policy of the Company.
- To review the Letters, Advisory notes, Circulars issued by PFRDA related to the Investments of the Company.

The Investment Committee of your Company comprises of the following Members at the beginning of the financial year under review:

(i) Shri Vijay Kumar Gupta, Independent Director

(ii) Prof. Gitika Kapoor, Independent Director

(iii) Shri Narayanan Sadanandan, Managing Director & CEO

(iv) Shri Anil Kini, Chief Investment Officer (Interim)

The Investment Committee of your Company was re-constituted during the financial year 2020-21 w.e.f. 14th July, 2020 by inducting Chief Risk Officer of the Company. The Committee had also revised its terms of reference in its meeting held on 13th July, 2020 as per the operational requirements.

The Investment Committee of your Company comprises of the following Members at the end of the financial year under review:

(i) Shri Vijay Kumar Gupta, Independent Director

(ii) Prof. Gitika Kapoor, Independent Director

(iii) Shri Narayanan Sadanandan, Managing Director & CEO

(iv) Shri Sanjay Kumar, Chief Investment Officer

(v) Shri Ram Sushil Singh, Chief Risk Officer

During the financial year under review, Five (5) meetings of the Investment Committee of your Company were held on 23rd April, 2020, 13th July, 2020, 15th October, 2020, 21st January, 2021 and 26th March, 2021

Risk Management Committee: -

In terms of the Investment Management Agreement signed with NPS Trust and the PFRDA (Pension Funds) Regulations, 2015, the Risk Management Committee of the Company was constituted with the following terms of reference: -

- To assess the Company's risk profile and key areas of risk in particular;

- To develop and implement a risk management framework and internal control system;
- To examine and determine the sufficiency of the Company's internal process for reporting on and managing key risk areas;
- to draw, implement and periodically review the Risk Policy;
- to review issues raised by Internal Audit that impact the risk management framework;
- to oversee the risk management functions, disaster recovery and business contingency plans; and
- such other responsibilities as prescribed by PFRDA.
- To recommend the Information Technology Cyber Security Policy of the Company.
- To recommend the Disaster recovery and business contingency plans.
- To recommend the Key Risk Indicators (KRIs) which is presented the Group RCMC.

The Risk Management Committee of the Company comprises of the following Members at the beginning of the financial year under review:

(i) Shri Saurabh Chandra, Independent Director

(ii) Shri C.M. Dixit, Independent Director

(iii) Shri Narayanan Sadanandan, Managing Director & CEO

(iv) Shri Anil Kini, Chief Investment Officer (Interim)

(v) Shri Ram Sushil Singh, Chief Risk Officer

The Risk Management Committee of your Company was re-constituted during the financial year 2020-21 w.e.f. 14th July, 2020 by inducting Compliance Officer of the Company. The Committee had also revised its terms of reference in its meeting held on 13th July, 2020 as per the operational requirements.

After reconstitution, the Risk Management Committee of your Company comprises of the following Members at the end of the financial year under review:

(i) Shri Saurabh Chandra, Independent Director

(ii) Shri C.M. Dixit, Independent Director

(iii) Shri Narayanan Sadanandan, Managing Director & CEO

(iv) Shri Sanjay Kumar, Chief Investment Officer

(v) Shri Ram Sushil Singh, Chief Risk Officer

(vi) Shri Tejas Mehta, Company Secretary & Compliance Officer

During the financial year under review, Four (4) meetings of the Risk Management Committee of your Company were held on 23rd April, 2020, 13th July, 2020, 15th October, 2020 and 21st January, 2021.

Auditors: -

M/s. Pradhan Phadke & Associates, Chartered Accountants (Firm Registration No. 108035W) were appointed as the Statutory Auditors of the Company for the financial year 2020-21 by the Comptroller and Auditor General of India (CAG) pursuant to the provisions of Section 139 (5) of the Companies Act, 2013 vide their letter dated 10th August, 2020.

Subsequently, CAG vide their letter dated 17th February, 2021 appointed M/s. Talati & Co., Chartered Accountants (Firm Registration No. 110757W) as the Statutory Auditors of the Company for the financial year 2020-21 in place of M/s. Pradhan Phadke & Associates.

M/s. ASA & Associates, Chartered Accountants (Firm Registration No. 009571N/ N500006) were appointed as the Statutory Scheme Auditors for NPS Schemes under the National Pension System (NPS) for the financial year 2020-21 by the NPS Trust for carrying out audit of the NPS schemes managed by SBI Pension Funds Private Limited.

Your Company had also re-appointed M/s. Kochar & Associates, Chartered Accountants (Firm Registration No. 105256W) as the Internal Auditors for the financial year 2020-21 to conduct the Internal Audit of the Company. The investment operations of the Company are also subject to Internal Audit, in accordance with the scope prescribed in the PFRDA (Appointment of Internal Auditors) Guidance Note, 2013.

Your Company had also re-appointed M/s. Kochar & Associates, Chartered Accountants (Firm Registration No. 105256W) as the Concurrent Auditor for conducting Concurrent audit of NAV declaration for the financial year 2020-21 to comply with PFRDA's circular on Mandatory Concurrent audit of NAV declaration to be done by an external auditor. The Auditor clearly certifies on daily basis that the NAV computations have been carried out strictly in accordance with the Valuation Policies specified under the PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under NPS) Guidelines issued in 2012 and subsequent amendments thereof.

Your Company had also re-appointed M/s. SWM & Associates, Chartered Accountants (Firm Registration No. 137336W) for the financial year 2020-21 as the Concurrent Auditors of the Company to ascertain the External or Regulatory and the Internal Compliance. Concurrent Audit is essential for the control process, integral to the establishment of sound internal accounting functions and effective controls.

Auditors Reports: -

There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors of the Company in their Audit Report. Provision relating to Secretarial Audit by the Company Secretary in Practice is not applicable to the Company.

Particulars of Frauds reported by the Auditors: -

During the year under review, the Statutory Auditors of the Company have not reported any fraud to the Audit Committee/ Board of Directors of the Company and the Central Government pursuant to the provisions of Sections 134 and 143 of the Companies Act, 2013.

Internal Financial Controls: -

The Internal Controls are adequate and commensurate with the size and scale of the operations of your Company. These controls operate through well documented standard operating procedures, policies, process and guidelines that are designed to provide reasonable assurance to the management of the reliability of financial information and compliance to Operating and Statutory/Regulatory requirements. The Internal Controls are routinely tested and certified by the Internal as well as the Statutory Auditors of your Company. Significant audit observations and the management actions thereon are reported to the Audit Committee on a quarterly basis. The Audit committee reviews the observations and assesses the adequacy of the actions proposed as well as monitors their implementation.

Particulars of loans, guarantees or investments under Section 186: -

During the year under review, your Company has not given any loans and guarantees which attract the provisions of Section 186 of the Companies Act, 2013. For the particulars of investments made during the year, please refer Notes to Accounts.

Public Deposits: -

During the year under review, your Company had not accepted any deposits from the public under the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Extract of Annual Return: -

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 can be accessed at the website of the Company i.e. https://www.sbipensionfunds.com/annual-reports/

Material Orders Affecting the Company: -

During the year under review, no significant and material orders were passed by any regulators, courts and tribunals that had impacted the going concern status and Company's operations in future.

Material changes and commitments, if any: -

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements of the Company relate and the date of this report.

The global economy has been impacted by Covid-19 and the Indian economy is also facing challenges that have arisen due to the same. However, the Company's various business continuity systems have ensured that operations of the Company did not get affected in any material manner.

One of the material change during the year under review was Request for Proposal (RFP) for selection of Sponsors of Pension Funds for National Pension System (NPS) for Government Sector Schemes, Private Sector Schemes and other Schemes Regulated/ Administered by PFRDA issued on 23rd December, 2020. The RFP, issued under the Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 including amendments thereof aims at revising the Investment Management Fees charged by the Pension Funds, allowing brokerage @ 0.03% (including applicable taxes on brokerage) on equity transactions only to be charged to Schemes, Revision in Annual Fees to be charged by PFRDA, inviting new players in the Industry, etc. The Sponsors on behalf of the Company had submitted the application and had received the Fresh Certificate of Registration under the Pension Funds Regulations. With the revision in Investment Management Fees to be charged by Pension Funds, the Company revenues will grow by 3X. The new Investment Management Fees is applicable w.e.f. 01st April, 2021

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo: -

The primary objective of the Company is to carry on the business of Funds Management & POP Business. Disclosures pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, are not applicable to your Company during the year under review.

Particulars of Contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013: -

All contracts/arrangements/transactions entered by the Company during the year under review with related parties were in the ordinary course of business and on arm's length basis. Particulars of transactions with related parties referred to in Section 188(1) of the Companies Act, 2013 have been given in Annexure 1.

Statutory Information: -

a. The provisions relating to constituting Nomination & Remuneration and Stakeholders Relationship Committee pursuant to Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 is not applicable to your Company.

b. The provisions relating to establishment of Vigil Mechanism pursuant to Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 is not applicable to your Company.

c. The provisions relating to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to your Company.

d. The provisions relating to Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to your Company.

e. The provisions relating to maintaining cost records pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 is not applicable to your Company.

f. The provisions relating to annual evaluation of the performance of the Board, its Committees and of individual directors pursuant to Section 134 (3) (p) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not applicable to your Company.

g. The provisions relating to transfer(s) to Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 is not applicable to your Company.

h. During the year, the Company has given Bank Guarantees of Rs. 180.00 Lakhs favoring Pension Fund Regulatory & Development Authority (PFRDA) as per regulatory requirement with regard to license to carry out business under Private Sector NPS. As on 31st March, 2021 total outstanding Bank Guarantees are Rs. 590 Lakhs. Additionally, Company has given guarantee of Rs. 20 Lakhs to PFRDA as per regulatory requirement in connection with License for carrying out PoP business under NPS Scheme. Hence total Bank Guarantee outstanding as on 31st March, 2021 is Rs. 610 Lakhs.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: -

The Company has in place a Policy for Prevention of Sexual Harassment of Women at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC)has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The aim is to provide safe and conducive work environment for the women employees to enable them to work without fear, prejudice, gender bias and sexual harassment.

No Complaint of Sexual Harassment has been received during the year under review.

Secretarial Standards issued by ICSI

Your Company is in Compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Acknowledgments: -

The Directors thank the Pension Fund Regulatory & Development Authority (PFRDA), Trustees of the NPS Trust, Subscribers, Business Associates, various NPS intermediaries and other stakeholders for their wholehearted and continued support. The Directors also place on record their sincere thanks to State Bank of India, Sponsor Company, for its support in managing the affairs of the Company. The Directors also take this opportunity to place on record their appreciation of the sincere efforts put in by the employees of the Company and their commendable teamwork and enthusiasm. The Directors look forward to the continued support of shareholders & employees in achieving superior performance and maintaining leadership position amongst Pension Fund Managers in future also.

For and on behalf of the Board

Sd/-
(Ashwini Kumar Tewari)
Chairman

Place : Mumbai
Date : 26th April, 2021

Annexure 1

FORM NO. AOC-2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of Contracts/ Arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **Nil**
   (a) Name(s) of the related party and nature of relationship
   (b) Nature of Contracts/Arrangements/ Transactions
   (c) Duration of the Contracts/Arrangements/ Transactions
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   (e) Justification for entering into such Contracts or Arrangements or Transactions
   (f) Date(s) of approval by the Board
   (g) Amount paid as advances, if any
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of the Contracts/ Arrangements/ Transactions	Date(s) of approval by the Board	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	State Bank of India - Holding Company	Expenses (Lease Agreement)	36 months (01.08.2019 to 31.07.2022)	Since this RPT is in the ordinary course of business and is at arm's length basis, approval of the Board is not applicable.	Rs. 3,54,200/- per month from 01.08.2019 + taxes	No
2		Reimbursement of expenses towards deputation of employees	Ongoing		Rs. 3,00,79,396/- (Including GST)	No
3	SBI General Insurance	Insurance of Fixed Assets	Annually		Rs. 25,083/-	No
4	SBI General Insurance	Mediclaim Insurance for Market Recruits	Annually		Rs. 84,234/-	No
5	State Bank of India	Investment in Fixed Deposits during the year	Ongoing		Rs.23,30,10,431/-	No
6	State Bank of India	Interest on Fixed Deposits earned for the year	Ongoing		Rs. 1,43,86,771/-	No

For and on behalf of the Board

Sd/-
(Ashwini Kumar Tewari)
Chairman

Place : Mumbai
Dated : 26th April, 2021

INDEPENDENT AUDITOR'S REPORT

To
The Members of SBI PENSION FUNDS PRIVATE LIMITED

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying standalone Ind AS financial statements of **SBI Pension Funds Private Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2021, 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 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 Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

2. We conducted our audit 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 Ind AS 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 ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

3. The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and such other disclosures related Information, excluding the standalone Ind AS financial statements and auditors report thereon ('Other Information'). The

other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

RESPONSIBILITY OF MANAGEMENT FOR STANDALONE IND AS FINANCIAL STATEMENTS

4. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed 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 accounting policies; making judgments and estimates that are reasonable and prudent; 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 Ind AS 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 Ind AS financial statements, management 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.

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

   Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements
   Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 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

5. 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 Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

6. As required by section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by 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 books of account.

   d. In our opinion, the aforesaid standalone Ind AS 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 March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, we report that the managerial remuneration paid by the Company to its Directors is in accordance with 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, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

(i) The Company does not have any pending litigations as at 31 March 2021 which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

i. As required by section 143(5) of the Act, we have considered the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the accounts and financial statements of the company, we report as under:

			<u>Remark</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 transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.		**Yes. If accounting process is outside IT system, integrity and reliability of accounting system would be jeoparadized since there is no maker / checker concept in manual accounting.**
II.	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.		**N.A.**
III.	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.		**N.A.**

For TALATI & CO.
Chartered Accountants
FRN: 110757W

Sd/-
[Jay M. Doshi]
[M.No : 138134]
Partner
UDIN: 21138134AAAABY8291

Place: Mumbai
Date: 26.04.2021

ANNEXURE "A": THE INDEPENDENT AUDITOR'S REPORT

To
The Members of SBI PENSION FUNDS PRIVATE LIMITED

[Referred to in paragraph (5) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of physical verification is reasonable.

c. According the information and explanations given to us and on the basis of our examination of the records of the Company, there is no immovable property in the name of the company.

ii. The Company is a pension fund management Company and does not have any inventories. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (the 'Act'). Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or securities covered under sections 185 and 186 of the Act and in respect of investments made by the company, provisions of section 186 has been complied with.

v. According to the information and explanations given to us, 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 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

vii. a. According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of duty of customs and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the Company did not have any dues on account of income tax, sales tax, service tax, duty of customs, value added tax, goods and service tax and duty of excise which have not been deposited on account of dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to financial institutions, banks, or debenture holders during the year. During the year, the Company did not have any loans or borrowing from the Government.

ix. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans. The Company has not raised any money by way of initial public offer or further public offer during the year.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. The company being a Private Limited Company the provisions of section 197 of the Act relating to managerial remuneration are not applicable, accordingly reporting under paragraph 3(xi) of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provision of clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the accompanying financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

xvi. The Company is a pension fund management company and thus is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For TALATI & CO.
Chartered Accountants
FRN: 110757W

Sd/-
[Jay M. Doshi]
[M.No : 138134]
Partner
UDIN : 21138134AAAABY8291

Place: Mumbai
Date: 26.04.2021

ANNEXURE “B” : THE INDEPENDENT AUDITOR’S REPORT

To
The Members of SBI PENSION FUNDS PRIVATE LIMITED

[Referred to in paragraph (6 (f)) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date]

REPORT ON THE INTERNAL FINANCIAL CONTROLS under Clause (i) of Sub-section 3 of Section 143 of (“the Act”)

We have audited the internal financial controls over financial reporting of SBI Pension Funds Private Limited (“the Company”) as at March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as “the Act”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 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 financial statements were established and maintained and whether 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 considering the nature and size of the operations, 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, 2021, 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 ICAI.

For TALATI & CO.
Chartered Accountants
FRN: 110757W

Sd/-
[Jay M. Doshi]
[M.No : 138134]
Partner
UDIN : 21138134AAAABY8291

Place: Mumbai
Date: 26.04.2021

Compliance Certificate

We have conducted the audit of the accounts of SBI Pension Funds Private Limited for the year ended 31st March,2021 in accordance with the directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 & certify that we have complied with all the directions issued to us.

For TALATI & CO.
Chartered Accountants
FRN: 110757W

Sd/-
[M.No : 138134]
Partner
UDIN: 21138134AAAABY8291

Place: Mumbai
Date: 26/04/2021

TO WHOMSOEVER IT MAY CONCERN

This is to certify that, the Net worth Statement of **M/S SBI PENSION FUNDS PRIVATE LIMITED** having CIN: **U66020MH2007GOI176787**, registered address at SBI Pension Funds (P) Limited, Maker Chambers III, Nariman Point, Mumbai City- 400021, Maharashtra, India as on 31st March,2021, as per below mentioned statement of computation of net worth is **Rs. 44,11,32,015/- (Rupees Forty Four Crores Eleven Lakhs Thirty Two Thousand and Fifteen only).**

Computation of networth as on 31/03/2020

Particulars	Amount (in ₹)	Amount (in ₹)
Share Capital	30,00,00,000/-	
Reserves & Surplus	14,11,32,015/-	
NET ASSETS / NETWORTH	**------------------->**	**44,11,32,015/-**

The above statement is prepared on specific request of client and based on the records and documents produced before us for verification.

For TALATI & CO.
Chartered Accountants
FRN: 110757W

Sd/-
[M.No : 138134]
Partner
UDIN: 21138134AAAABY8291

Place: Mumbai
Date: 26/04/2021

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 PENSION FUNDS PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of SBI Pension Funds Private Limited for the year ended 31 March 2021 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 26 April 2021.

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

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of SBI Pension Funds Private Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act.

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

Sd/-

(P V Hari Krishna)
Principal Director of Audit (Shipping), Mumbai

Place : Mumbai
Date : 24/06/2021

Balance Sheet as at 31st March, 2021

Amount in 000

	Particulars	Note No	As at March 31, 2021	As at March 31, 2020
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	2	24,918	78,031
(b)	Bank Balance other than (a) above	3	3,32,439	1,85,000
(c)	Derivative financial instruments		-	-
(d)	Receivables			
	(I) Trade Receivables	4	58,595	43,154
	(II) Other Receivables		-	-
(e)	Loans		-	-
(f)	Investments	5	10	10
(g)	Other Financial assets	6	13,138	77,746
			4,29,100	**3,83,941**
2	**Non-financial Assets**			
(a)	Inventories		-	-
(b)	Current tax Assets (Net)	7	10,225	16,200
(c)	Deferred Tax Assets (Net)			
(d)	Investment Property		-	-
(e)	Biological assets other than bearer plants		-	-
(f)	Property, Plant and Equipments	9	10,659	15,049
(g)	Capital Work-in-Progress		-	-
(h)	Intangible assets under development		-	-
(i)	Goodwill		-	-
(j)	Other Intangible assets	9	4,490	6,989
(k)	Other non-financial assets	10	7,127	6,699
			32,502	**44,937**
	Total Assets		**4,61,602**	**4,28,878**

	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Derivative financial instruments		-	-
(b)	Payables			
	(I) Trade Payables		-	-
	(i) total outstanding dues of micro enterprise and small enterprises		-	-
	(ii) total outstanding dues to creditors other than micro enterprises and small enterprises		-	-
	(II) Other Payables	11	2,970	1,787
	(i) total outstanding dues of micro enterprise and small enterprises		-	-
	(ii) total outstanding dues to creditors other than micro enterprises and small enterprises		-	-
(c)	Debt Securities		-	-
(d)	Borrowings (other than Debt Securities)		-	-
(e)	Deposits		-	-
(f)	Subordinated Liabilities		-	-
(g)	Other financial liabilities	12	5,805	14,054
			8,775	**15,842**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (Net)		-	-
(b)	Provisions	13	8,574	3,733
(c)	Deferred Tax Liabilities (Net)	8	343	387
(d)	Other non-financial liabilities	14	2,779	2,225
			11,696	**6,345**
3	**EQUITY**			
(a)	Equity Share Capital	15	3,00,000	3,00,000
(b)	Other Equity	16	1,41,132	1,06,691
			4,41,132	**4,06,691**
	Total Liabilities and Equity		**4,61,602**	**4,28,878**
Summary of significant accounting policie		1		
The accompanying notes forming part of the Financial Statements				

As per our report of even date attched herewith

For Talati & Co.
Chartered Accountants
Firm Regn No: 110757W

Sd/-
CA Jay Doshi
Partner
Membership No: 138134
Place : Mumbai,
Date : 26/04/2021

For and on behalf of the Board of Directors
SBI PENSION FUNDS PRIVATE LTD.

Ashwini Kumar Tewari
Chairman
DIN: 08797991

Sunder Lal Bhatti
Managing Director & CEO
DIN: 09108767

Tejas Mehta
Company Secretary
PAN- BASPM0817J

Venkata Ratnam V.
Chief Financial Officer
PAN- ABBPV1259J

Statement of Profit and Loss for the year ended March 31st, 2021

Amount in 000

	Particulars	Note No	For the Quarter Ended March 31, 2021	For the Quarter Ended March 31, 2020	For the year Ended March 31, 2021	For the year Ended March 31, 2020
I	**Revenue from Operations**					
(i)	Interest Income		-			-
(ii)	Dividend Income		-			-
(iii)	Fee and commission income	17	54,406	39,957	1,96,883	1,45,055
(iv)	Net gain on fair value changes		-			-
I	Total Revenue From Operations		**54,406**	**39,957**	**1,96,883**	**1,45,055**
II	**Other Income**	18	4,016	7,134	15,172	24,159
III	Profit on Sale of investment		-			-
IV	**Total Income (I+II+III)**		**58,422**	**47,091**	**2,12,055**	**1,69,214**
V	Expenses					
(i)	Finance Costs		-87	236	435	946
(ii)	Net loss on fair value changes		-			-
(iii)	Impairment of financial instruments		-			-
(iv)	Employee benefit Expenses	19	11,141	7,963	35,801	31,619
(v)	Depreciation and amortisation	9	2,064	1,823	7,653	6,173
(vi)	Other Expenses	20	34,216	29,384	1,21,770	99,657
V	**Total Expenses**		**47,334**	**39,406**	**1,65,659**	**1,38,395**
VI	Profit before exceptional items and tax (IV-V)		11,088	7,685	46,396	30,819
VII	Exception items		-			-
VIII	**Profit before tax (VI-VII)**		**11,088**	**7,685**	**46,396**	**30,819**
IX	Tax Expense					
	(1) Current tax		2,518	1,389	11,999	7,412
	(2) Deferred tax	8	15	167	-44	585
IX	Net Tax Expense		**2,533**	**1,555**	**11,955**	**7,997**
X	**Profit for the Period**		8,553	6,130	34,441	22,822
XI	Other Comprehensive Income		-			-
XII	**Total Comprehensive Income for the Period (X+XI)**		**8,553**	**6,130**	**34,441**	**22,822**
	(Comprising Profit/(loss) and Other Coprehensive Income/(Loss) for the period)					
XIII	Earnings per equity share	21				
	Equity Share of par value ` 10/- each					
	(1) Basic		0.29	0.20	1.15	0.76
	(2) Diluted		0.29	0.20	1.15	0.76

Summary of significant accounting policies
The accompanying notes forming part of the Financial Statements 1

As per our report of even date attched herewith

For Talati & Co.
Chartered Accountants
Firm Regn No: 110757W

Sd/-
CA Jay Doshi
Partner
Membership No: 138134
Place : Mumbai,
Date : 26/04/2021

For and on behalf of the Board of Directors
SBI PENSION FUNDS PRIVATE LTD.

Ashwini Kumar Tewari
Chairman
DIN: 08797991

Sunder Lal Bhatti
Managing Director & CEO
DIN: 09108767

Tejas Mehta
Company Secretary
PAN- BASPM0817J

Venkata Ratnam V.
Chief Financial Officer
PAN- ABBPV1259J

Cash flow statement for the year ended 31st March, 2021

Amount in 000

Particulars	For the Quarter Ended March 31, 2021	For the Quarter Ended March 31, 2020	For the year Ended March 31, 2021	For the year Ended March 31, 2020
1. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	11,088	7,685	46,396	30,819
Adjustments for				
Loss on sale of Fixed Assets	-	-	78	
Depreciation	2,064	1,823	7,653	6,173
Other Income	-4,016	-7,134	-15,172	-24,158
Assets Writen off				
Interest on Lease Liability	-87	236	435	946
Operating profit before working capital changes and adjustments for Interest paid, Interest received and dividend received	**9,050**	**2,610**	**39,390**	**13,780**
Adjustment for				
(Increase)/Decrease in Trade Receivable	-2,667	-2,353	-15,442	-12,023
(Increase)/Decrease in Other Financial Assets	-1,680	-4,258	70,583	-6,122
(Increase)/Decrease in Other Non Financial Assets	21,035	11,275	-428	-14,581
Increase/(Decrease) in Other Payables	1,519	357	1,183	471
Increase/(Decrease) in Other Financial Liabilities	16	3,315	-4,434	3,969
Increase/(Decrease) in Provisions	1,773	404	4,840	1,963
Increase/(Decrease) in Other Non Financial Liabilities	-50	619	554	637
Cash used in operations	**28,996**	**11,970**	**96,247**	**-11,905**
Taxes paid	2,518	1,389	11,999	7,412
Net cash used in Operating Activities	**26,478**	**10,581**	**84,248**	**-19,317**
2. CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	4,016	7,134	15,172	24,158
Increase/Decrease in Fixed Deposits	-16,200	57,450	-1,47,439	25,000
Purchase of Tangible & Intangible Assets	-177	-3,990	-872	-11,747
Sale of Tangible & Intangible Assets		-	29	0
CASH USED IN INVESTING ACTIVITIES	**-12,361**	**60,594**	**-1,33,110**	**37,412**
3. CASH FLOW FROM FINANCING ACTIVITIES				
Principal Portion of Rental Payments	-1,063	-1,063	-4,250	-4,066
NET CASH FROM FINANCING ACTIVITIES	-1,063	-1,063	-4,250	-4,066
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**13,053**	**70,113**	**-53,112**	**14,029**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	11,822	7,918	78,031	64,003
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**24,918**	**78,031**	**24,918**	**78,031**

As per our report of even date attched herewith

For Talati & Co.
Chartered Accountants
Firm Regn No: 110757W

Sd/-
CA Jay Doshi
Partner
Membership No: 138134
Place : Mumbai,
Date : 26/04/2021

For and on behalf of the Board of Directors
SBI PENSION FUNDS PRIVATE LTD.

Ashwini Kumar Tewari
Chairman
DIN: 08797991

Sunder Lal Bhatti
Managing Director & CEO
DIN: 09108767

Tejas Mehta
Company Secretary
PAN- BASPM0817J

Venkata Ratnam V.
Chief Financial Officer
PAN- ABBPV1259J

Statement of Changes in Equity for the period ended 31st, March 2021

Amount in 000

A.	**Equity Share Capital**				
	Particulars	**As at March 31st, 2021**		**As at March 31st, 2020**	
		No. of Shares	Amount	No. of Shares	Amount
	Equity shares of face value of Rs. 10/- each				
	issued on subscribed and fully paid up				
	Balance at the beginning of the year	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
	Changes in Equity share capital during	-		-	
	the year				
	Balance at the end of the period	**3,00,00,000**	**30,00,00,000**	**3,00,00,000**	**30,00,00,000**

B. **Other Equity as on 31.03.2021**

	Particulars	**Reserves and Surplus**	**Equity attributable to Shareholders of Company**	**Total Other Equity**
		Retained Earnings		
	Balance at the April 1, 2020	1,06,691	1,06,691	1,06,691
	Add:			
	Profit for the Year	34,441	34,441	34,441
	Balance as at March 31, 2021	**1,41,132**	**1,41,132**	**1,41,132**

Notes to the Financial Statement for the year ended 31st March, 2021

Company's Basic Information-

SBI Pension Funds Private Limited is a Private limited company incorporated on 14th December 2007. It is classified as Union Government Company and is registered at Registrar of Companies, Mumbai. SBI Pension Funds Private Limited's Corporate Identification Number is (CIN) U66020MH2007GOI176787, its registration number is 176787 and its registered office address is Maker Chambers III, Nariman Point, Mumbai 400021. The company acts as Pension Fund Manager of the corpus owned by NPS Trust.

Note 1.1: - Significant Accounting Policies

a. Basis of Preparation of financial statements (Ind AS – 1)

These financial statements have been prepared in accordance with Indian Accounting Standards in India ("Ind AS") notified under the companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) This note provides a list of the significant accounting policies adopted in the preparation of the financial Statements comprising of Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income and notes to accounts.

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.

b. Adoption of New Accounting Standard effective from 1stApril 2019- IND AS 116 on Accounting of Leases

W.e.f 01.04.2019, new standard on Leases came into effect which replaces IND AS 17. Accordingly, company has identified the Lease arrangements which are to be classified as Right to Use. Short Term Lease Arrangements are not considered under this standard.

As a result, Lease agreements having long term, will be identified for IND AS 116 purpose and accordingly accounting treatment will be given as prescribed in IND AS 116

Right to Use to be created as Non-financial Asset at present value for all future Rental Payments.
Lease Liability to be created for the amount equivalent to Right to Use.
Right to Use to be amortised over the period of lease term and to be charged to Profit and loss.
Interest to be calculated on Lease Liability and same to be charged to Profit and Loss as Finance Cost.

c Cash Flow Statement (Ind AS – 7)

Cash Flows are reported using the indirect method whereby the net profit before tax is adjusted for the effects of transactions of non-cash nature and deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing & financing activities of the company are segregated.

d. Cash & Cash Equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

e. Accounting Policies, Changes in Accounting Estimates and Errors (Ind AS – 8)

The preparation of financial statements in conformity with "Ind AS" requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, provision for income taxes, the useful lives of depreciable fixed assets both tangible and intangible assets and provision for impairment, valuation of inventories, assessment of recoverable amounts of deferred tax assets, provision for sales returns, provision for obligations relating to employees, provisions against litigations and contingencies. Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialize.

Judgements:
Financial Statements are made with information about judgements made in applying accounting policies that have a most significant effect on the amount recognized in the Financial Statements.

Assumptions and estimation uncertainties:
Financial Statements are made with information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31st March 2021.

f. Property, Plant & Equipment

Property, Plant & Equipment (Ind AS – 16)
Fixed Assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation and impairment loss, if any. Cost includes direct expenses as well as clearly identifiable indirect expenses incurred to bring the assets to their working condition for its intended use. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible Assets (Ind AS – 38)
Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use attributable to the intangible assets.

g. Depreciation and Amortization (Ind AS – 16)

Depreciation on Property, Plant & Equipment is provided on the 'Straight Line Method' as per schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Individual low-cost assets (acquired for` . 5,000/- or less) are depreciated over a period of one year from the date of acquisition.
The residual value of Property, Plant & Equipment where the estimated useful life as prescribed in the Schedule II of the Companies Act, 2013 was completed, the depreciation charged on such Property, Plant & Equipment has been reduced to the extent up to the excess of WDV over residual value of Property, Plant & Equipment.

Sr.No.	Particulars	Useful Life
1	Plant & Machinery	15 Years
2	Furniture & Fixture	10 years
3	Office Equipment	5 Years
4	Electrical Installation	10 Years
5	Other (Computers)- End Users/ Servers	3/ 6 years
6	Intangible Assets	3 years

Intangibles
Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

Depreciation and amortization methods, useful lives and residual values are reviewed at each reporting date.

Intangibles under Development
Intangible assets which are not put to use but are under development stage, will be accounted as Intangibles under Development.

h. Revenue from Contracts with Customers (Ind AS – 115)

i. Revenue from Operation
Management fee is recognized at specific rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines.
Commission income from POP Business i.e Account opening fees and Contribution processing fees are recognised on the basis of contributions received from subscribers and generation of PRAN.
The Company presents revenues net of Goods and Service Tax in its Statement of Profit and Loss.

ii. Other Income
Revenue is recognized only when it is reasonably certain that the ultimate collection will be made. Interest on Fixed Deposits is recognized on accrual basis. Other income is recognized as and when it is received.

i. Investment Property (Ind AS – 40)

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long term based on Management's intention. Current investments are carried at the lower of cost and fair value of each investment individually. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

j. Retirement Benefits (Ind AS – 19)

a. Provident fund is a defined contribution scheme and the contributions as required by the statute paid to Government Provident Fund are charged to profit and loss account. However, it also includes payment of provident fund of employees on deputation from State Bank of India, paid by state Bank of India, however same is reimbursed by the Company.

b. Liabilities on account of the provision of Gratuity, of officer on deputation from State Bank of India are made by State Bank of India, however same is reimbursed by the Company. Liability on account of Market recruits, is provided for in the books of accounts.

c. Salary, allowances and other perquisites paid to the officers on deputation from State Bank of India (SBI) are reimbursed to SBI on actual basis. Additionally, 30% of officers' salary towards Bank's contribution to SBI Employees' Provident Fund, SBI Employees' Pension Fund and Employees' Gratuity Fund are also reimbursed to SBI.

k. Earnings per share (Ind AS - 33)

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value, which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

l Income Taxes (Ind AS - 12)

Income tax is accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situations where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situations of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized.

Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

m. Impairment of Assets (Ind AS - 36)

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal.

An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

n. Provisions, Contingent Liabilities and Contingent Assets (Ind AS – 37)

A provision is recognized when the Company has a present obligation as a result of a past event; 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 not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates
Contingent Liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities.

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

o. Financial Instruments
Financial assets and financial liabilities are recognised in the Balance Sheet on trade date when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

a) If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);

b) In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of Profit and Loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

p. Financial assets

Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

1) Amortised cost;
2) Fair value through other comprehensive income (FVTOCI); or
3) Fair value through profit and loss (FVTPL).

Initial recognition and measurement

Financial asset is recognised on trade date initially at cost of acquisition net of transaction cost and income that is attributable to the acquisition of the financial asset. Cost equates the fair value on acquisition. Financial asset measured at amortised cost and financial asset measured at fair value through other comprehensive income are presented at gross carrying value in the Financial Statements. Unamortised transaction cost and unamortised income and impairment allowance on financial asset are shown separately under the heading "Other non-financial asset", "Other non-financial liability" and "Provisions" respectively.

Based on the assessment of the business models, the Company has identified the following three choices of classification of its financial assets:

a) Financial assets that are held within a business model whose objective is to collect the contractual cash flows ("Asset held to collect contractual cash-flows"), and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are measured at amortised cost;

b) Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ("Contractual cash flows of Asset collected through hold and sell model") and that have contractual cash flows that are SPPI, are measured at FVTOCI.

c) All other financial assets (e.g. managed on a fair value basis, or held for sale) and equity investments are measured at FVTPL.

Financial asset at amortised cost:

Amortised cost of financial asset is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Contractual cash flows that do not introduce exposure to risks or volatility in the contractual cash flows on account of changes such as equity prices or commodity prices and are related to a basic lending arrangement, do give rise to SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.
The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial asset at fair value through Other Comprehensive Income (FVTOCI)

After initial measurement, basis assessment of the business model as "Contractual cash flows of Asset collected through hold and sell model and SPPI", such financial assets are classified to be measured at

FVTOCI. Contractual cash flows that do introduce exposure to risks or volatility in the contractual cash flows due to changes such as equity prices or commodity prices and are unrelated to a basic lending arrangement, do not give rise to SPPI.
The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The carrying value of the financial asset is fair valued by discounting the contractual cash flows over contractual tenure, basis the internal rate of return of a new similar asset originated in the month of reporting and such unrealised gain/loss is recorded in Other Comprehensive Income (OCI). Where such a similar product is not originated in the month of reporting, the closest product origination is used as a proxy. Upon sale of the financial asset, actual the gain/ loss realised is recorded in the Statement of Profit and Loss and the unrealised/gain losses recorded in OCI are recycled to the Statement of Profit and Loss.

Financial asset at fair value through profit and loss (FVTPL)

Financial asset, which does not meet the criteria for categorization at amortised cost or FVTOCI, is classified as at FVTPL. In addition, the Company may elect to classify a financial asset which otherwise meets the amortised cost or FVTOCI criteria as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly, the measurement principles applicable to the new classification will be applied. During the current financial and previous accounting years, there was no change in the business model under which the Company held financial assets and therefore, no reclassifications were made.

Modification and De-recognition of financial assets

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

1) the rights to receive cash flows from the asset have expired, or

2) the Company has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liability, Equity and Compound Financial Instruments

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Classification

The Company classifies its financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at fair value through profit and loss (FVTPL).

Initial recognition and measurement

Financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that is attributable to the acquisition of the financial liability. Cost equates the fair value on acquisition. The Company may irrevocably designate a financial liability that meet the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

De-recognition of financial liabilities

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

No gain/loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

q. Segment Reporting

Identification of Segments Operating

Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Company.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Further, inter-segment revenue has been accounted for based on the transaction price agreed to between segments, which is primarily market based. Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments

r. Figures as on 31st March 2021 have been regrouped/rearranged wherever necessary to conform to the figures as on 31st March 2020.

As per our report of even date attched herewith

For Talati & Co.
Chartered Accountants
Firm Regn No: 110757W

Sd/-
CA Jay Doshi
Partner
Membership No: 138134
Place : Mumbai,
Date : 26/04/2021

For and on behalf of the Board of Directors
SBI PENSION FUNDS PRIVATE LTD.

Ashwini Kumar Tewari
Chairman
DIN: 08797991

Sunder Lal Bhatti
Managing Director & CEO
DIN: 09108767

Tejas Mehta
Company Secretary
PAN- BASPM0817J

Venkata Ratnam V.
Chief Financial Officer
PAN- ABBPV1259J

NOTE "2" CASH AND CASH EQUIVALENTS		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
At Amortised Cost		
(a) Balances with banks (in the nature of cash and cash equivalents)	12,998	1,431
(b) Bank deposits with maturity less than 3 months	11,920	76,600
Total	**24,918**	**78,031**

NOTE "3" OTHER BALANCES WITH BANKS		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
At Amortised Cost		
(a) Bank deposits with maturity more than 3 months but less than 12 months	85,000	-
(b) Bank deposits with maturity more than 12 months	2,47,439	1,85,000
Total	**3,32,439**	**1,85,000**

NOTE "4" TRADE RECEIVABLES		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
At Amortised Cost		
Receivables considered good - unsecured	58,595	43,154
Less: Allowance for impairment loss	-	-
(Management fee to be received from NPS Trust for Quarter ended March 21)		
Total	**58,595**	**43,154**

NOTE "5" INVESTMENTS		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
Carried at Cost		
Equity Shares of SBI Foundation	10	10
Total	**10**	**10**

NOTE "6" OTHER FINANCIAL ASSETS		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
At Amortised Cost		
Other Receivables	3,918	1,089
Security Deposits	1,395	2,022
Interest accrued on Deposits (with maturity less than 12 months)	1,990	-
Interest accrued on Deposits (with maturity more than 12 months)	5,835	74,635
Total	**13,138**	**77,746**

NOTE "7" CURRENT TAX ASSETS (NET)		
Security Deposits	**As at March 31, 2021**	**As at March 31, 2020**
Total		
Income Tax (AY 2021-22)	8,736	-
Income Tax (AY 2020-21)	1,489	9,879
Income Tax (AY 2019-20)	-	6,321
Total	**10,225**	**16,200**
NOTE "8" INCOME TAXES		
(a) The income tax expense consist of the following		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
At Amortised Cost		
Current tax		
Current tax expense for the period	11,999	7,412
Current tax expense/(benefit) pertaining to prior years	-	-
	11,999	7,412
Deferred tax benefit	-	-
Origination and reversal of temporary differences	-44	585
Change in tax rates	-	-
	-44	585
Total income tax expense recognised in the Period	**11,955**	**7,997**

(b) Deferred Tax Liability			
The major components of deferred tax assets and liabilities for the period ended 31st March 2021 are as follows:			
PARTICULARS	**Opening Balance**	**Recognized/ (Reversed) through profit and loss**	**Closing Balance**
Deferred Tax Assets:-			
(a) Depreciation on property, plant & equipment			-
(b) Unabsorbed lossed to be carried forward	-	-	-
Deferred Tax Liabilities:-			
(a) Depreciation on property, plant & equipment	387	-44	343
Net Deferred Tax Liability	**387**	**-44**	**343**

Gross Deferred Tax assets and liabilities are as follows		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
Deferred Tax Assets:-		
(a) Depreciation on property, plant & equipment	-	
(b) Unabsorbed lossed to be carried forward	-	
Deferred Tax Liabilities:-		
(a) Depreciation on property, plant & equipment	343	387
Net Deferred Tax Asset	**343**	**387**

Notes to the Financial Statements for the Year Ended March 31, 2021
9.Property, Plant & Equipments
Carried at Cost

Amount in '000

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		Value at the beginning Reporting period	Addition during the Period	Deduction during the Period	Value at the end Reporting Period	Value at the beginning Reporting period	Addition during the period	Deduction during the period	Value at the end Reporting Period	WDV as on End of Reporting period	WDV as on Last Reporting period
9.1	Tangible Assets										
1	Plant & Machinery	822	62	176	707	561	40	69	532	175	261
2	Furniture & fixtures	4,397	12	-	4,409	2,493	207	-	2,700	1,708	1,903
3	Office Equipment	1,650	102	-	1,752	1,069	162	-	1,231	520	581
4	Electrical Installations	1,954	-	-	1,954	1,012	103	-	1,115	838	941
5	Other (Computer)	5,141	488	-	5,629	2,056	696	-	2,752	2,877	3,085
	SUB TOTAL (A)	**13,963**	**663**	**176**	**14,450**	**7,191**	**1,208**	**69**	**8,331**	**6,119**	**6,772**
9.2	Right of Use Asset	11,824	-	-	11,824	3,547	3,737	-	7,284	4,540	8,277
	SUB TOTAL (B)	**11,824**	**-**	**-**	**11,824**	**3,547**	**3,737**	**-**	**7,284**	**4,540**	**8,277**
	TOTAL TANGIBLE ASSETS (A +B)	**25,787**	**663**	**176**	**26,274**	**10,739**	**4,945**	**69**	**15,615**	**10,659**	**15,049**
9.3	Intangible Assets	10,283	209	-	10,492	3,294	2,708	-	6,002	4,490	6,989
	SUB TOTAL (C)	**10,283**	**209**	**-**	**10,492**	**3,294**	**2,708**	**-**	**6,002**	**4,490**	**6,989**
	Total [A + B + C] (Current Period)	**36,071**	**872**	**176**	**36,766**	**14,032**	**7,653**	**69**	**21,618**	**15,149**	**22,038**
	Previous Year	12,500	23,571	-	36,071	7,860	6,173	-	14,032	22,037	4,640

NOTE "10" OTHER NON-FINANCIAL ASSETS		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
At Amortised Cost		
	-	
(a) Foreign Posting Advance	-	635
(b) Prepaid Expenses	-	-
Other Prepaid Expenses	7,077	6,027
Unamortized interest on Security Deposits	50	37
Total	**7,127**	**6,699**

NOTE "11" OTHER PAYABLES		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
At Amortised Cost		
(a) Provision for Expenses	1,456	1,787
(b) Contribution Payable	1,514	-
Total	**2,970**	**1,787**

NOTE "12" OTHER FINANCIAL LIABILITIES		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
At Amortised Cost		
(a) Payables related to Suppliers	911	5,350
(b) Liabilty for Lease Payments	4,889	8,704
(c) Advance Contribution Fee from POP	5	-
Total	**5,805**	**14,054**

NOTE "13" PROVISIONS		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
At Amortised Cost		
(a) Provision for Gratuity	1,543	1,164
(b) SBI - Deputees Salary Account	6,931	2,486
(C) Provision for Leave Encashment	100	83
Total	**8,574**	**3,733**

NOTE "14" OTHER NON-FINANCIAL LIABILITIES		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
At Amortised Cost		
(a) GST Payable on Fees	2,224	1,847
(b) TDS Payable	550	374
(c) Other Dues Payable	5	4
Total	**2,779**	**2,225**

NOTE "15" SHARE CAPITAL		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
Authorised		
10,00,00,000 equity shares of ` 10/- each	10,00,000	10,00,000
Total	**10,00,000**	**10,00,000**
Issued, Subscribed and paid up		
30,000 equity shares of ` 10/- each fully paid up	3,00,000	3,00,000
Total	**3,00,000**	**3,00,000**
14.1 Reconciliation of number of equity shares outstanding		
PARTICULARS	No of Shares	Amount
Equity Shares		
Opening Balance as on April 01, 2020	30,000	30,000
Add/Less: During the Period	-	-
Closing Balance as on March 31,2021	**30,000**	**30,000**

14.2 Terms/rights attached to equity shares

(i) The company has only one class of equity shares having a par value of `10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.3 Details of shareholders/Promoters holding more than 5% shares in the company				
	As at March 31, 2021		**As at March 31, 2020**	
	No. of Shares	% of Toal Share Capital	No. of Shares	% of Toal Share Capital
Equity shares of `10/- each fully paid				
State Bank of India Ltd.	18,000	60	18,000	60
SBI Funds Management Pvt. Ltd.	6,000	20	6,000	20
SBI Capital Markets Ltd.	6,000	20	6,000	20
	30,000	100	30,000	100

NOTE "16" OTHER EQUITY		
PARTICULARS	**As at March 31, 2021**	**As at March 31, 2020**
(a) Surplus in Statement of Profit & Loss	1,06,691	83,870
Add:- Addition during the Year	34,441	22,821
Total	**1,41,132**	**1,06,691**

NOTE "17" FEE AND COMMISSION INCOME				
PARTICULARS	**For the Quarter Ended March 31, 2021**	**For the Quarter Ended March 31, 2020**	**For the year Ended March 31, 2021**	**For the year Ended March 31, 2020**
(a) Management Fees	54,255	39,957	1,96,695	1,45,055
(b) Commission from POP Business	151	-	188	-
Total	**54,406**	**39,957**	**1,96,883**	**1,45,055**

NOTE "18" OTHER INCOME				
PARTICULARS	**For the Quarter Ended March 31, 2021**	**For the Quarter Ended March 31, 2020**	**For the year Ended March 31, 2021**	**For the year Ended March 31, 2020**
(a) Interest Income	3,980	7,134	15,136	24,158
(b) Other Income	36	-	36	1
Total	**4,016**	**7,134**	**15,172**	**24,159**

NOTE "19" EMPLOYEE BENEFIT EXPENSES				
PARTICULARS	**For the Quarter Ended March 31, 2021**	**For the Quarter Ended March 31, 2020**	**For the year Ended March 31, 2021**	**For the year Ended March 31, 2020**
(a) Salaries & Wages	9,700	6,763	32,429	27,704
(b) Contribution to provident and other funds	597	370	1,350	1,775
(c) Gratuity	379	497	379	497
(d) Leave Encashment	148	83	148	92
(e) Staff welfare Expenses	246	228	1,126	1,413
(f) Reimbursment of Expenses	71	23	369	138
Total	**11,141**	**7,963**	**35,801**	**31,619**
19.1 Salaries & wages includes salaries & wages paid to employees of State Bank of India on deputation as per effective circular no. CDO/ PRHRD-CM/70/2011-12 and CDO/P & HRD -CM/88/2012-13 dated 04.10.2011 & 15.03.13 respectively of Rs. 1,73,00,416/- (Previous Year : Rs. 1,66,29,718/-)				
19.2 Contribution to provident and other funds also include provident and other funds payment to State Bank of India on salaries & wages paid for the employees on deputation of Rs. 13,50,489/- (Previous Year: Rs. 17,75,133/-)				

NOTE "20" OTHER OPERATING EXPENSES				
PARTICULARS	**For the Quarter Ended March 31, 2021**	**For the Quarter Ended March 31, 2020**	**For the year Ended March 31, 2021**	**For the year Ended March 31, 2020**
Annual Fee – PFRDA	20,061	15,245	80,246	60,979
Brokerage (NPS)	5,529	7,139	15,442	12,802
Brokerage and Commission	168	50	392	231
Directors Sitting Fees	740	300	1,720	1,570
Electricity Expenses	236	146	595	634
I T Expenses	2,318	2,415	8,833	7,534
Insurance Charges	36	7	109	19
Legal and Professional fees	631	798	2,591	2,248
Rent, Rates & Taxes	738	790	3,328	3,197
Repairs & Maintenance	52	96	405	425
Traveling and Conveyance	803	1,069	1,841	5,161
Miscellanrous Expenses	1,692	1,274	5,001	4,683
Foreign Posting Expenses	709	-	709	-
Loss on Sale/Exchange of Fixed Asset	78	-	78	-
Prior Period IT/AMC Expenses	-	-	-	24
Amortization of Security Deposits	-	9	-	51
POP Expenses	405	26	405	26
Total	**34,198**	**29,365**	**1,21,695**	**99,582**

Note 20.1 AUDITORS' REMUNERATION				
PARTICULARS	**For the Quarter Ended March 31, 2021**	**For the Quarter Ended March 31, 2020**	**For the year Ended March 31, 2021**	**For the year Ended March 31, 2020**
For Statutory Audit	19	19	75	75
Total	**19**	**19**	**75**	**75**

Note 21. Earnings per Share	**For the Quarter Ended March 31, 2021**	**For the Quarter Ended March 31, 2020**	**For the year Ended March 31, 2021**	**For the year Ended March 31, 2020**
Profit available for distribution to equity share holders	8,553	6,130	34,441	22,822
Weighted average no of equity shares	30,000	30,000	30,000	30,000
Basic Earnings per share	0.29	0.20	1.15	0.76
Diluted Earnings per share	0.29	0.20	1.15	0.76

Note 22 Contingent liabilities and commitments	As at March 31, 2021	As at March 31, 2020
Bank Guarantees	61,000	43,000
	61,000	**43,000**
Performance Bank Guarantee favoring PFRDA for the period of 5 Years against pledge of Fixed deposit of Rs.7,43,46,268/-		
23. Capital commitments		
There are no capital commenets as on 31.03.2021 (Previous Year NIL)		

24: Operating Segements							**Amount in '000**
The Management has identified two operating segments I,e Pension Fund Management (PFM) and Point of Presence (PoP).							
	For the year ended 31st March 2021				**For the year ended 31st March 2020**		
	Pension Fund Manage-ment	**Point of Presence**	**Other Unallo-cable Expens-es**	**Total**	**Pension Fund Manage-ment**	**Point of Presence**	**Total**
Segment Revenue	1,96,695	188	15,172	2,12,055	-	-	-
Segment Result (before Tax)	45,987	-3,154	3,561	46,394	-	-	-
Segment Assets	4,34,509	4,866	22,227	4,61,602	4,642	3,778	8,420
Segment Liabilities	13,719	1,519	5,232	20,470	3,370	1,980	5,350
Depreciation and Amortization	6,206	1,447	-	7,653	-	-	-
Since previous year, operations have not started for POP Business, No segement revenue and result were identified.							

25: Leases	**Amount in '000**
The company has identified follwing Lease Agreement for Adoption of IND AS 116	
Lease Agreement with State Bank of India for Office Premises. The Tenure of the agreement is valid till 31.07.2022.	
Transition Method applied by the company - Retrospectively with the cumulative effect of initially applying the standard on application date i.e. 1 April 2019.	
Right to Use is disclosed along with Property Plant and Equipement under Non Financial assets.	**4,539.70**
Right to Use is amortized over the period of Lease and Same is charged to Profit and Loss as Depreciation.	**3,737.08**
Lease Libilty for amount equals to Right to Use being further adjusted by Actual Rent Paid and Interest Comonent.	**4,889.11**
Interest on Lease Liabilty at Notinal Rate of Return @ 5%	**435.22**

26. Related Party Disclosures

Key Managerial Person (KMP)
Shri. Narayanan Sadanandan, Managing Director & CEO (Till 31st March 2021)
Shri. Sunder Lal Bhatti (w.e.f 01st April 2021)
Shri Tejas Mehta, Company Secretary & Compliance Officer
Shri. Ashish Patnaik, Chief Financial Officer (Till 23rd April 2020)
Shri. Venkata Ratnam V., Chief Financial Officer (w.e.f 24th April 2020)

Related Parties
State Bank of India- Holding Company
SBI Foundation - Subsidiary of Holding Company
SBI Funds Management Pvt. Ltd.-Associate Company
SBI Capital Markets Ltd.-Associate Company
SBI General Insuranc Company Limited- Subsidiary company of Holding company

Transactions with related parties	**As at March 31, 2021**	
Nature of transaction	**Key managerial person**	**Body corporates where control exists**
Share Capital		
Opening Balance		30,000
Add : Issued during the Year		-
Closing Balance		30,000
Deposits		
Opening Balance		2,61,600
Add: Fixed Deposit made during the Year		2,33,010
Less : Matured during the Year		1,50,251
Closing Balance		3,44,359
Interest Accrued during the Year		
Opening Balance		74,635
Add : Accrued during the Year		8,011
Less : Received during the Year		74,820
Closing Balance		7,826
Reimbursement of salary and other employee benefit		
Opening Balance		2,485
Add: Reimbursement claims for the year		30,079
Less : Payments made during the year		25,633
Closing Balance		6,931
Interest Received on Fixed Deposits		15,136
Rent Paid		4,250
Insurance		109
Registration & Application Fee Receivable		3,500
Salary Paid to KMPs during the Year		
MD & CEO	5,294	
Company Secretory	1,034	
Chief Financial Officer	2,800	

27. Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at March-21	Within 12 months	After 12 months	As at March-20	Within 12 months	After 12 months
ASSETS						
Financial Assets						
Cash and cash equivalents	24,918	24,918	-	78,031	78,031	-
Bank balance other than above	3,32,439	85,000	2,47,439	1,85,000	1,85,000	-
Securities for trade	-			-	-	-
Receivables				-	-	-
Trade Receivables	58,595	58,595	-	43,154	43,154	-
Other Receivables	-			-	-	-
Investments	10	-	10	10	-	10
Other Financial assets	13,138	5,909	7,230	77,747	75,724	2,022
Total Financial Assets	4,29,100	1,74,422	2,54,679	3,83,941	3,81,909	2,032
Non-financial Assets						
Deferred tax Assets (Net)	-	-		-	-	
Current tax asset (Net)	10,225	1,489	8,736	16,200	6,321	9,879
Investment Property	-			-	-	-
Property, Plant and Equipment	10,659	-	10,659	15,049	-	15,049
Capital work in progress	-			-	-	-
Intangible assets	4,490	-	4,490	6,989	-	6,989
Other non-financial assets	7,127	7,077	50	6,699	6,662	37
Total Non - Financial Assets	32,501	8,566	23,934	44,937	12,983	31,954
TOTAL ASSETS	**4,61,601**	**1,82,988**	**2,78,614**	**4,28,878**	**3,94,891**	**33,987**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
Payables	2,970	2,970	-	1,787	1,787	-
Borrowings				-	-	-
Other financial liabilities	5,805	911	4,889	14,054	5,350	8,704
Total Financial Liability	8,775	3,881	4,889	15,842	7,137	8,704
Non-Financial Liabilities						
Deferred tax Liabilities (Net)	343	-	343	387	-	387
Provisions	8,574	7,031	1,543	3,732	2,568	1,164
Other non-financial liabilities	2,779	2,779	-	2,226	2,226	-
Total non financial Liability	11,696	9,810	1,886	6,345	4,794	1,551
Total Liabilities	**20,471**	**13,691**	**6,775**	**22,187**	**11,931**	**10,255**
Net	**4,41,130**	**1,69,298**	**2,71,839**	**4,06,691**	**3,82,960**	**23,731**

NOTES

Awards and Accolodates over the years

- SBI Pension Funds Private Limited was adjudged Silver Award Winner as the Pension Manager of the year 2018 by Outlook Money in the year 2019.
- SBI Pension Funds Private Limited was adjudged winner in the Pension Fund House Category by Outlook Money for the year 2017.
- SBI Pension Funds Private Limited was adjudged winner in the Best Pension Fund Manager Category by Outlook Money for the year 2016.
- SBI Pension Funds Private Limited was adjudged winner in the Best Pension Fund Manager Category by Outlook Money for the year 2015.
- SBI Pension Funds Private Limited was adjudged an award by SKOCH Financial Inclusion (Pensions) - 2013.
- SBI Pension Funds Private Limited was adjudged an award by SKOCH Corporate Leadership (Pensions) - 2013.
- SBI Pension Funds Private Limited was adjudged 'Pension Fund of the Year' for excellence in performance and customer service (to subscribers) by the Indian Pension Fund Congress 2012.

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SBI Pension Funds Private Limited

CIN - U66020MH2007GOI176787

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