

**Dated: March 08, 2021**

**Update on exposures of Scheme(s) of SBI Mutual Fund in Equity Shares of Manpasand Beverages Limited**

The equity shares of Manpasand Beverages Limited (MBL) had been suspended from the trading w.e.f. June 30, 2020 vide circular no. 0498/2020 dated June 17, 2020 issued by National Stock Exchange of India (NSE).

As per our last note on “Update on exposures of Scheme(s) of SBI Mutual Fund in Equity Shares of Manpasand Beverages Limited” dated July 30, 2020, Valuation committee had approved the fair value of these shares at Rs. 5.85 per equity share being its last traded price dated June 29, 2020 as against the then value of Rs. 25.4 per equity shares as per the latest Audited Financials of MBL for the year ended March 31, 2019 as the committee believed that the value of Rs. 25.4 per equity share did not reflect its realizable value considering the additional events occurred to the issuer, continued operational losses and last traded price of the security. Till now, our holding in equity shares of MBL was continued to value at Rs. 5.85 per equity share.

As per recent development, MBL has been taken to insolvency by an operational creditor. The NCLT, Ahmedabad has admitted the insolvency application and has passed an order that MBL is admitted in corporate insolvency resolution process under section 9 of the Insolvency and Bankruptcy Code, 2016 and an Insolvency Professional (IRP) has also been appointed.

As a consequence of the order, the IRP will manage the operations of the company and the promoters/directors shall have to co-operate. Also, all legal proceedings pending, including SBIMF's petition is suspended and no new suits or proceedings can be initiated against the company.

As per the Principles of Fair Valuation specified in Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996, the valuation of investments shall be based on the principles of fair valuation i.e. valuation shall be reflective of the realizable value of the securities/assets. The valuation shall be done in good faith and in true and fair manner through appropriate valuation policies and procedures.

The responsibility of true and fairness of valuation and correct NAV shall be of the asset management company, irrespective of disclosure of the approved valuation policies and procedures i.e. if the established policies and procedures of valuation do not result in fair/ appropriate valuation, the asset management company shall deviate from the established policies and procedures in order to value the assets/ securities at fair value:

Provided that any deviation from the disclosed valuation policy and procedures may be allowed with appropriate reporting to Board of Trustees and the Board of the asset management company and appropriate disclosures to investors.

In case of any conflict between the Principles of Fair Valuation as detailed in the Eight Schedule and Valuation Guidelines issued by the SEBI, the Principles of Fair Valuation shall prevail.

In view of the above additional events, which provide a higher degree of uncertainty with respect to the realizable value of investment in MBL's equity shares, **Valuation Committee has decided to value the investment in MBL's equity shares at zero per equity share.**

As of March 05, 2021, the exposure in equity shares of Manpasand Beverages Limited (ISIN code - INE122R01018) is as under.

Scheme Name	Quantity	Price at which security is valued	Total Value	% of AUM
SBI Large and Midcap Fund	1,682,520	5.85	9,842,742	0.03%
SBI Long Term Equity Fund	1,035,288	5.85	6,056,435	0.01%
SBI Consumption Opportunities Fund	777,068	5.85	4,545,848	0.06%
SBI Magnum Children's Benefit Fund - Savings Plan	103,000	5.85	602,550	0.08%
SBI Magnum Midcap Fund	2,562,406	5.85	14,990,075	0.03%

We will continue to monitor the developments around Manpasand Beverages Limited and take suitable measures with a view to protect the interest of the unit holders.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**