

## DIRECTORS' REPORT

### TO THE MEMBERS

The Directors are pleased to present the 1<sup>st</sup> Annual Report together with the audited accounts of SBI CDMDF Trustee Private Limited for the year ended March 31, 2024.

#### 1. FINANCIAL RESULTS:

The highlights of the financial results of the Company for the period 25<sup>th</sup> July 2023 to 31<sup>st</sup> March 2024 are as under:

Particulars	Rs. in lakhs
Trusteeship Fees	28.34
Profit Before Tax	15.55
Less: Provision for Tax	3.91
Profit for the period	11.64

#### 2. DIVIDEND:

The Company has decided to plough back its entire profits. Hence, no dividend is recommended for the year under review.

#### 3. TRANSFER TO RESERVES:

The Company has not transferred any amount from Statement of Profit and Loss to General Reserves.

#### 4. CAPITAL STRUCTURE:

During the year under review, the Company issued capital of Rs.10 lakhs to State Bank of India (1,00,000 Equity Shares of ₹10/- each fully paid up) in accordance with the Memorandum of Association of the Company. The net worth of the Company as at 31<sup>st</sup> March 2024 is Rs.21.64 lakhs.

#### 5. DETAILS OF SUBSIDIARY COMPANIES / ASSOCIATES / JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

#### 6. MANAGEMENT DISCUSSION & ANALYSIS – BUSINESS ENVIRONMENT:

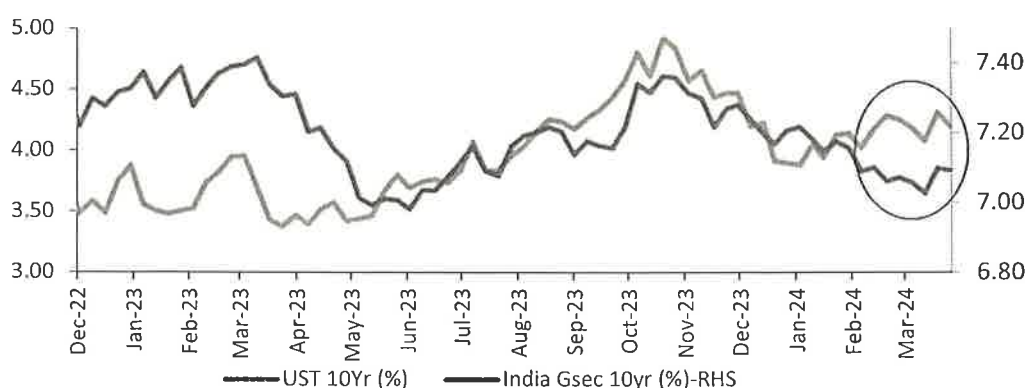
- 6.1. FY24 begins with the RBI opting to pause in the April 23 review and triggering market expectations of some policy loosening later during the year. FY24 GDP growth and CPI were projected at 6.5% and 5.2% respectively. Significant policy loosening was also being priced in most developed global markets with the FED expected to cut more than 100bps on account of



concerns around growth and financial stability following the crisis at the small / regional banks. Macro outcomes during the fiscal year have evolved contrary to consensus with economic growth remaining resilient even as inflation recedes gradually towards the policy target.

- 6.2. After a more synchronous move in yields in H1 FY24 in line with US Treasuries, bond yields in India have broadly delinked over H2FY24. Sound macro fundamentals as well as well-matched demand- supply equation has supported the move lower in long term yields, even as net FPI flows into government securities picked up post the JP Morgan Index announcement. FPI debt flows in the last fiscal have been around USD 14bn which is remarkable considering the net outflows seen over the preceding years.

**Chart 1: Sovereign yields delinking incrementally from UST moves.**

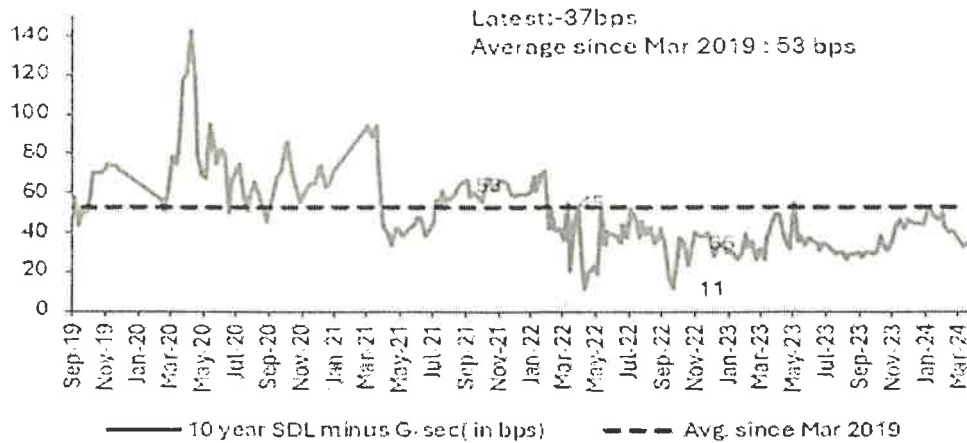


Source: Bloomberg, SBIFM Research

- 6.3. The new fiscal year starts in the context of real GDP projection for FY25 at 7.0% and average CPI for the year at 4.5% as per RBI's estimates. The global context has been a closer alignment of market expectations and FED dot plots with respect to prospects of policy easing in CY24. At the same time, with near term data not validating expectations of immediate policy reductions, CY24 so far has witnessed an uptick in global sovereign yields. India has remained an exception to this trend so far.
- 6.4. While the policy rate has remained at 6.5%, policy transmission was sought to be managed through modulating system liquidity. Over the last quarter, sufficient steps have been signalled to align the overnight rate closer to the policy rate of 6.5%. Effectively, as the headline CPI has moderated closer to 5%, the effective policy tightening that had been in place since August 23 has been unwound.
- 6.5. FY24 gross borrowings by the centre and states totalled Rs 15.43 trillion and Rs 10.05 trillion respectively. State government borrowings after having undershot the calendar in Jan- Feb 24 picked up pace with a cumulative issuance of Rs 1.93 trillion in March. This takes the FY24 SDL borrowings to around 92% of the issuance calendar. SDL spreads however remained tight at around 40bps and lower across tenors.



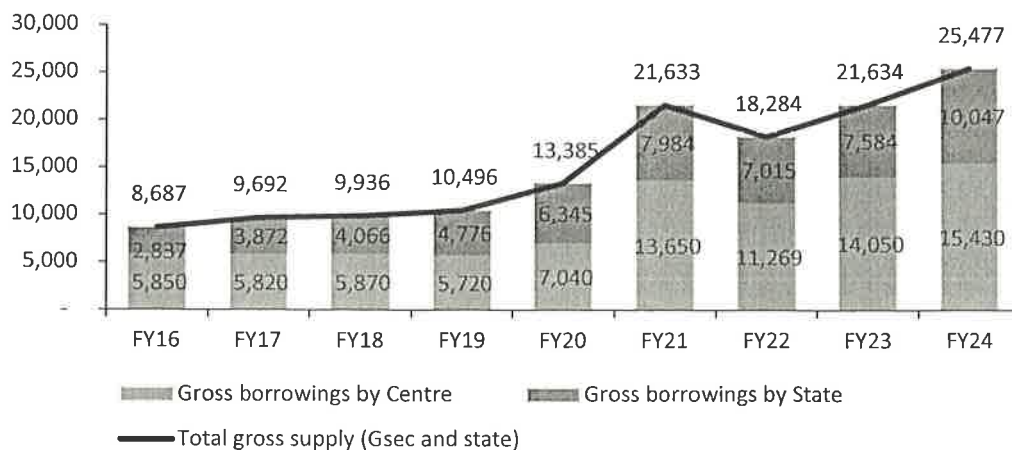
**Chart 2: SDL spreads stay tighter even as gross issuances reach closer to the indicative calendar.**



Source: Bloomberg, SBIFM Research

- 6.6. The schedule for H1 central government borrowings at 53% of the issuance is below market estimates and previous year's pattern. At the same time, the tenor mix has largely been in line with strong investor demand as seen in the higher scheduled issuances in the 30y and above tenor. The maturity pattern of issuances alongside anticipated unwinding of the liquidity premium should lead to a steepening bias to the yield curve. SDL borrowings for Q1 FY25 have been announced with a gross number of Rs 2.54 trillion. This is slightly above estimates, with a likelihood of lower actual issuances if the trends in previous FY are to repeat. Overall FY25 gross supply may not be significantly lower than what it was in FY24 given the higher SDL supply.

**Chart 3: Gross government bond supply at ~INR 25 trillion in FY24 (vs. INR 21.6 trillion in FY23)**



Source: Bloomberg, SBIFM Research



- 6.7. Scheduled commercial banks appetite for sovereign securities has remained robust overall in FY24, with overall SLR around 27.5% of NDTL. With the gap between credit and deposit growth persisting, the extent of excess SLR at a system wide level would be a key factor influencing market yields over the next FY. With steady demand expected to persist from other key segments including insurance and long-term investors and new demand from FPI, banking system demand could still be a key swing factor. The new investment norms for bank SLR holding and the impact on eventual bank buying also is a key variable to monitor.
- 6.8. Not much is expected to change with respect to the monetary stance in the near term as the RBI has clearly delinked the stance from system liquidity dynamics and aligned it with progress towards the inflation target. The fiscal consolidation announced should complement the RBI efforts towards aligning inflation lower. While there has been steady progress towards bringing headline within the range and core remaining softer, there remains ground to cover with respect to aligning CPI to the midpoint target of 4% on a durable basis. A forward outlook where growth remains stronger and macro financial stability is not under threat, provides the central bank sufficient leeway to sequence policy actions to sustainably meet the inflation mandate. This would be independent of policy actions undertaken by other central banks. Even as the RBI tolerance towards liquidity surplus increases to ensure alignment of operating target to the policy rate, a stance change could potentially be only a H2 FY25 possibility.
- 6.9. With visibility emerging on the liquidity dynamics, the elevated levels at the front end of the curve should settle lower over the coming months. This should enable better risk-reward equation for incremental investments at the shorter segment (up to 5y) of the curve. While shifting external market dynamics on policy rates as well as geopolitical issues and its impact on key commodities remain key risks, the recent market resilience remains comforting at the margin.

## 7. FUND FACTSHEET

- 7.1. The structure and investment parameters of Corporate Debt Market Development Fund ("CDMDF" / "the Fund") are summarized below:

Sr. No.	Parameters	Description
1	The Sponsor	SBI Funds Management Limited
2	Investment Manager	SBI Funds Management Limited
3	Nature of the Fund	Close-ended, Chapter III-C of SEBI (Alternative Investment Funds) Regulations 2012
4	Fund Size (AUM)	~INR 3,510 crores as on 31 <sup>st</sup> March 2024
5	First Close Date	27 <sup>th</sup> October 2023
6	Fund Tenure	For a period of 15 years
7	Fund Tenure Extensions	With a prior approval of the Government of India in consultation with SEBI
8	Fund expenses (subject to certain exclusions)	During the normal time – 0.15% of the portfolio value excluding taxes



		During Market Dislocation – 0.20% of the portfolio value excluding taxes
9	Investment strategy	<p><b>During Normal Time:</b> Low duration – Government Securities and SDLs, T-bills, Tri-party Repo on G-sec, Guaranteed Corporate bond repo with maturity not exceeding 7 days.</p> <p><b>During Market Dislocation:</b> Investment grade listed debt securities up to 5 years residual maturity, and CPs. Prudential limits: 5% per Issuer and 7.5% per Issuer Group.</p>

- 7.2. CDMDF had its Initial Closing on 27th October 2023 with 35 Asset Management Companies (AMCs) (against A1 units), 266 Specified debt-oriented MF Schemes (against A2 units) and sponsor contribution (against class B units), all aggregating to Capital Contribution of Rs.3093.15 crore (net of stamp duty). AMCs contributed 2bps of AUM with their Specified debt-oriented MF schemes and Specified debt-oriented MF schemes contributed 25 bps of their respective AUM as of 31st December 2022.
- 7.3. As per clause 10 of section V of the Private Placement Memorandum (PPM) there is a reset period on bi-annual basis, with the first one being 31st December 2023. On the first reset period, there were overall 273 Specified debt-oriented MF Schemes, including 7 new Schemes, and a incremental contribution of Rs.356.82 crore against the A2 units.
- 7.4. The NAV of each class of units as on 31<sup>st</sup> March 2024 is INR 10185.5917. The current NAVs of the different classes of units may be accessed at - <https://sbifunds.com/CDMDF> or <https://www.amfindia.com/cdmdfnav>
- 7.5. The below table reflects the composition of the AUM of the Fund as of 31<sup>st</sup> March 2024:

Sr. No.	Investments	Market Value (in Rs. crores)	% of Portfolio
1	7.33% GOI 2026	1,038	29.57
2	6.69% Madhya Pradesh SDL 2025	145	4.12
3	5.80% Maharashtra SDL 2025	140	3.98
4	8.07% Gujarat SDL 2025	76	2.18
5	7.26% Karnataka SDL 2025	51	1.45
6	8.05% Karnataka SDL 2025	40	1.16
7	182 DTB (May/June/July 2024 maturities)	2,019	57.51
8	Cash, Call, Taxes payable & Other assets	1	0.03
	(net of liabilities)		
	<b>Total</b>	<b>3,510</b>	<b>100.00</b>

## 8. CHANGE IN THE NATURE OF BUSINESS

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





**9. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2023-24 and the date of this report.

**10. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

**10.1. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Since the Company does not own any facility, the disclosure under this head is not applicable.

**10.2. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the financial year under review, there was no earnings as well as outgo in foreign currency.

**11. RISK MANAGEMENT SYSTEM**

The AMC, i.e., SBI Funds Management Limited, has in place a Risk Management Policy duly approved by the Risk Management Committee and the Board of Directors of the AMC. The Policy applies to all the businesses conducted by SBI Funds Management Limited (the AMC) including the Mutual Fund, PMS, as well as AIF.

An Enterprise Risk approach is followed, and the Policy covers Investment Risk, Operational Risk, Reputation Risk, Cyber Risk, Financial Risk etc. The Enterprise Risk control framework, escalation, and monitoring mechanism is outlined in the Policy and is in place within the Company. We follow the Risk Control Self-Assessment approach for identification of risks and the same is duly escalated to the Board of Directors of the Company as well as the Risk Management Committee and the Board of Directors of the AMC.

**12. INTERNAL FINANCIAL CONTROLS**

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



**13. LOANS, GUARANTEES OR INVESTMENTS.**

There are no Loans or Guarantees given by the Company nor any investments made by the Company under the provisions of Section 186 of the Companies Act, 2013.

**14. DEPOSITS:**

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

**15. RELATED PARTIES TRANSACTIONS**

All related party transactions entered into by the Company during the financial year were on arm's length basis and in the ordinary course of business of the Company. The details of all related party transactions have been placed before the Audit Committee of the Board and are provided in Note no. 6 to the financial statements of the Company.

**16. DIRECTORS**

16.1. During the period under review and till the date of this Report, the following changes took place in the Board of Directors of the Company:

- a) Mr. Bharat Kumar Mishra (DIN: 09385794) was appointed as First Director of the Company and ceased to be Director from the close of business hours on September 27, 2023.
- b) Mr. Mihir Narayan Prasad Mishra (DIN: 08321878) was appointed as First Director of the Company and ceased to be Director from the close of business hours on September 27, 2023.
- c) Mr. N. S. Venkatesh (DIN: 01893686) was appointed as an Additional Director (Associate Director) w.e.f. September 25, 2023 by the Board with the approval of SEBI, subject to the approval of the shareholders. He ceased to be Director w.e.f. December 31, 2023.
- d) Mr. Santosh Kumar Mohanty (DIN: 06690879) was appointed as an Additional Director (Independent Director) w.e.f. September 25, 2023 by the Board with the approval of SEBI, subject to the approval of the shareholders. It is now proposed to appoint him as an Independent Director for a period of three years w.e.f. September 25, 2023, at the ensuing Annual General Meeting.
- e) Dr. Hemanta Kumar Pradhan (DIN: 02607244) was appointed as an Additional Director (Independent Director) w.e.f. September 25, 2023 by the Board with the approval of SEBI, subject to the approval of the shareholders. It is now proposed to appoint him as



an Independent Director for a period of three years w.e.f. September 25, 2023, at the ensuing Annual General Meeting.

- f) Mr. Ravindranath Gandrakota (DIN: 08099949) was appointed as an Additional Director (Independent Director) w.e.f. September 25, 2023 by the Board with the approval of SEBI, subject to the approval of the shareholders. It is now proposed to appoint him as an Independent Director for a period of three years w.e.f. September 25, 2023, at the ensuing Annual General Meeting.
- g) Mr. Venkat Nageswar Chalasani (DIN: 07234179), Chief Executive –, AMFI, was appointed as an Additional Director (Associate Director) w.e.f. February 07, 2024 by the Board with the approval of SEBI, subject to approval of the Shareholders. It is now proposed to appoint him as an Associate Director w.e.f. February 07, 2024, at the ensuing Annual General Meeting.

The Board placed on record its appreciation of the valuable contributions made by Mr. Bharat Kumar Mishra, Mr. Mihir Narayan Prasad Mishra and Mr. N. S. Venkatesh during their tenure.

The Company is a Private Limited Company, hence, the provision of appointment for Independent Directors does not apply. However, in terms of SEBI (Alternative Investment Funds) Regulations, 2012, the Company has appointed Independent Directors with prior approval of SEBI.

## 16.2. BOARD MEETINGS

5 Board meetings were held during the financial year under review on following dates: July 26, August 21, September 29 and December 1 of 2023 and February 12 of 2024. The attendance of each director at the meetings of the Board of Directors was as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Bharat Kumar Mishra *	09385794	Associate	2
Mr. Mihir Narayan Prasad Mishra *	08321878	Associate	2
Mr. N. S. Venkatesh ^	01893686	Associate	1
Mr. Santosh Kumar Mohanty **	06690879	Independent	3
Dr. Hemanta Kumar Pradhan **	02607244	Independent	3
Mr. Ravindranath Gandrakota**	08099949	Independent	3
Mr. Venkat Nageswar Chalasani \$	07234179	Associate	1

(\*) Ceased to be a Director from the close of business hours on September 27, 2023 during the period under review as specified in Para 16.1 above

(^ ) Appointed w.e.f. September 25, 2023 and ceased to be a Director w.e.f. December 31, 2023 during the period under review as specified in Para 16.1 above





(\*\*) Appointed w.e.f. September 25, 2023 during the period under review as specified in Para 16.1 above

(§) Appointed w.e.f. February 07, 2024 during the period under review as specified in Para 16.1 above

#### 16.3. AUDIT COMMITTEE OF DIRECTORS

The Audit Committee was constituted by the Board of Directors on November 01, 2023 vide resolution approved by circulation. The Audit Committee reviews the internal/concurrent audit reports of Corporate Debt Market Development Fund (CDMDF) and its compliance with SEBI AIF regulations, approves and recommends the financial results of CDMDF and the Company.

The Audit Committee met once during the year on February 12 of 2024. The attendance of each member at the meeting of the Audit Committee was as under:

Name of the Director	Director Identification Number (DIN)	Category of Director	Number of meetings attended
Mr. Santosh Kumar Mohanty **	06690879	Independent	1
Mr. Ravindranath Gandrakota **	08099949	Independent	1
Mr. Venkat Nageswar Chalasani §	07234179	Associate	1

(\*\*) Inducted on the Committee w.e.f. November 01, 2023

(§) Inducted on the Committee w.e.f. February 08, 2024

#### 16.4. INDEPENDENT DIRECTOR DECLARATION U/S 149 (6)

Section 149(6) of the Companies Act, 2013 is not applicable to a Private Company. However, in terms of SEBI (Alternative Investment Funds) Regulations, 2012, the Company has appointed Independent Directors. All the Independent Directors have submitted the requisite declarations, on a voluntary basis, confirming that they continue to meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and SEBI (Alternative Investment Funds) Regulations, 2012.

#### 17. GOVERNANCE COMMITTEE FOR CDMDF

In terms of the framework for CDMDF issued by the Ministry of Finance, Department of Economic Affairs vide notification dated July 26, 2023 and SEBI (Alternative Investment Funds) Regulations, 2012, SBI Funds Management Limited (Investment Manager of CDMDF) has formed a Governance Committee for CDMDF. The Governance Committee is required to approve policies of CDMDF, supervise the activities of CDMDF, especially relating to management of conflict of interest, if any,



and shall have oversight on management of asset liability mismatches during times of market dislocation.

The members of the Governance Committee are as follows:

- a) Mr. Keki Mistry - Non-Independent Director of HDFC Bank Ltd.
- b) Mr. Neeraj Gambhir - Group Executive (Treasury, Markets & Wholesale Banking) of Axis Bank Ltd.
- c) Mr. Hare Krishna Jena - Managing Director of The Clearing Corporation of India Limited
- d) Mr. Navneet Munot - Managing Director & CEO of HDFC Asset Management Company Limited and Chairman of Association of Mutual Funds in India

The Governance Committee met once during the year on February 12 of 2024. All the members attended the meeting.

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

The Directors hereby confirm that:

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

#### **19. KEY MANAGERIAL PERSONNEL**

There is no employee covered under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, the provisions are not applicable to the Company.



**20. ANNUAL RETURN**

In terms of the provisions of Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company, i.e., [www.sbifunds.com/cdm1df](http://www.sbifunds.com/cdm1df)

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

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

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

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

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

The Company has not done any one-time settlement nor taken loan from any Bank or financial institution.

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

There was no fraud identified by the Company. The auditors of the Company have also not reported any frauds under section 143(12) of the Companies Act, 2013.

**25. MAINTENANCE OF COST RECORDS**

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

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

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

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



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

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

**27. CODE OF CONDUCT**

The Directors confirm that all Board members have affirmed compliance with the Company's Code of Conduct for the financial year 2023-24.

**28. STATUTORY AUDITORS**

The Comptroller and Auditor General of India (CAG) has appointed M/s. Dileep & Prithvi as the Statutory Auditor of the Company for the year under review, who will retire at the conclusion of the first Annual General Meeting. The remuneration of the Statutory Auditor has been fixed by the CAG. There we no qualifications, reservations or adverse comments or disclaimers made by the statutory auditor in their audit report.

**29. COMPLIANCE OF SECRETARIAL STANDARDS**

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

**30. ACKNOWLEDGEMENT**

The Directors take this opportunity to express their gratitude for the continued support and co-operation extended by the State Bank of India, the Registrars & Transfer Agents, the Custodians, the Collecting Banks, Government Agencies, Auditors, SEBI, AMFI, the Board of Directors of SBI Funds Management Limited and market intermediaries.

**For and on behalf of the Board of Directors  
of SBI CDMDF Trustee Private Limited**

Place: *Bhubaneswar*  
Date: *02/08/2024*



*Santosh Kumar Mohanty*  
**Santosh Kumar Mohanty**  
Chairman  
DIN: 06690879



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF SBI CDMDF TRUSTEE PRIVATE LIMITED**

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

**Opinion**

We have audited the accompanying financial statements of **SBI CDMDF TRUSTEE PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2024, and its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

The Company's Board of Directors ("the Board") is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.







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

The Company's Board is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.







*Dileep & Prithvi*

CHARTERED ACCOUNTANTS

- Conclude on the appropriateness of the Board 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**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure - A**, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.





# Dileep & Prithvi

CHARTERED ACCOUNTANTS

- (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**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

- (a) The Company does not have any pending litigations which would impact its financial position.
- (b) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement.
- (e) The Company has not declared or paid dividend during the year under audit.
- (f) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the accounting period for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.





# Dileep & Prithvi

CHARTERED ACCOUNTANTS

3. As required by Section 143(5) of the Companies Act, 2013 and in accordance with the directions issued by the Comptroller and Auditor-General of India we report on the matters specified in clauses I, II & III of the revised directions as under:

<u>Sr. No.</u>	<u>Revised Directions</u>	<u>Specific Comment on Revised Direction</u>
<u>I</u>	Whether the company has system in place to process all the accounting transactions through IT System? If Yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implication, if any may be stated?	The Company has a system in place to process all the accounting transactions through IT system. According to the information and explanations given to us, and on the basis of our examination there are no accounting transactions processed outside IT system impacting the integrity of the accounts.
<u>II</u>	Whether there is any re-structuring of an existing loan or cases of waiver/write off of debts /loans /interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then its direction is also applicable for the statutory auditor of lender company).	According to the information and explanations given to us, and on the basis of our examination of the records of the Company, we report that there are no cases of waiver/write off of Debts/loans/interest due to the Company's inability to repay.
<u>III</u>	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 terms and conditions? List the cases of deviation.	According to the information and explanation given to us, and on the basis of our examination of the records of the Company, there are no funds (grants / subsidy, etc) received / receivable for specific schemes from Central/State Government or its agencies and as such there is no deviation.

**For M/s Dileep & Prithvi**

Chartered Accountants

Firm Reg. No. 122290W

**Himmat Mal Mali**

(Partner)

Membership No. 183378

UDIN: 24183378BKDAXX5875

Place of Signature: Mumbai

Date: 19<sup>th</sup> April, 2024





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

**Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of SBI CDMDF Trustee Private Limited ("the Company") on the Financial Statements as of and for the year ended 31st March 2024**

- (i) The Company does not own any Property, Plant and Equipments during the financial year under audit. Accordingly, reporting under clause 3(i)(a) to (e) of the Order is not applicable to the Company.
- (ii) Since the Company is a service provider primarily rendering Trusteeship services, it does not hold any physical inventories and hence, clause 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not made any investments or 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. Hence, clause 3(iii)(a) to (f) of the Order is not applicable to the Company.
- (iv) The Company has not given any loans, guarantees or securities in respect of provisions of Sections 185 and 186 of Companies Act, 2013. Further, in respect of investments made, the Company has complied with the provisions of Section 186 of the Companies Act, 2013.
- (v) In our opinion, the Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government of India has not specified the maintenance of Cost records under Section 148(1) of Companies Act, 2013 for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and other statutory dues as applicable to the Company with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and any other material statutory dues applicable to the Company, were outstanding as on the last day of the financial year, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues outstanding in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.







# *Dileep & Prithvi*

CHARTERED ACCOUNTANTS

- (viii) In our opinion and according to the information and explanations given to us, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence, reporting under clause 3(x) of the Order is not applicable to the Company.
- (xi) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable, and details of such transactions have been disclosed in the financial statements, as required by the applicable Accounting Standards.
- (xiv) Section 138 of Companies Act, 2013 is not applicable to the company and hence clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered during the year into any non-cash transactions with its directors or persons connected with them and hence, clause 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditor of the Company during the year and hence, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the





***Dileep & Prithvi***

**CHARTERED ACCOUNTANTS**

Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clause 3(xx) of the Order is not applicable.
- (xxi) In our opinion, the Company is not required to prepare consolidated financial statements and hence, reporting under clause 3 (xxi) of the Order is not applicable to the Company.

**For M/s Dileep & Prithvi**

Chartered Accountants

Firm Reg. No. 122290W

**Himmat Mal Mali**

(Partner)

Membership No. 183378

UDIN: 24183378BKDAXX5875

Place of Signature: Mumbai

Date: 19<sup>th</sup> April, 2024







***Dileep & Prithvi***

CHARTERED ACCOUNTANTS

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

**Annexure referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date**

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

We have audited the internal financial controls over financial reporting of **SBI CDMDF TRUSTEE PRIVATE LIMITED**, ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A





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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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.

---

**For M/s Dileep & Prithvi**

Chartered Accountants

Firm Reg. No. 122290W

**Himmat Mal Mali**  
(Partner)

Membership No. 183378

UDIN: 24183378BKDAXX5875

Place of Signature: Mumbai

Date: 19<sup>th</sup> April, 2024



**SBI CDMDF Trustee Private Limited**

**Balance Sheet as at 31st March 2024**

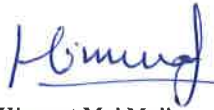
₹ in lakhs

		Note No.	As at 31-Mar-2024
<b>I</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>SHAREHOLDERS FUNDS</b>		
	(a) Share Capital	2.1	10.00
	(b) Reserves and Surplus	2.2	11.64
			<b>21.64</b>
<b>2</b>	<b>CURRENT LIABILITIES</b>		
	(a) Trade Payables	2.3	0.45
	(b) Other Current Liabilities	2.4	0.99
			<b>1.44</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>23.08</b>
<b>II.</b>	<b>ASSETS</b>		
<b>1</b>	<b>NON-CURRENT ASSETS</b>		
	(a) Long Term Loans & Advances	2.5	0.67
			<b>0.67</b>
<b>2</b>	<b>CURRENT ASSETS</b>		
	(a) Trade Receivables	2.6	6.41
	(b) Cash and Cash Equivalents	2.7	16.00
			<b>22.41</b>
	<b>TOTAL ASSETS</b>		<b>23.08</b>

Refer Significant Accounting Policies and accompanying notes which form an integral part of the financial statements.

As per our report attached of even date

For M/s Dileep & Prithvi  
Chartered Accountants  
Firm Regn. No. 122290W



**Himmat Mal Mali**

Partner  
M. No. 183378



For and on behalf of the Board of Directors of  
SBI CDMDF Trustee Private Limited



**Santosh Kumar  
Mohanty**  
Director  
DIN: 06690879

**Ravindranath  
Gandrakota**  
Director  
DIN: 08099949





**Inderjeet Ghuliani**  
Chief Financial Officer  
(SBI Funds Management Limited)

Place: Mumbai  
Date: 19th April 2024

Date: 19th April 2024

**SBI CDMDF Trustee Private Limited**

**Statement of Profit and Loss for the year ended 31st March 2024**

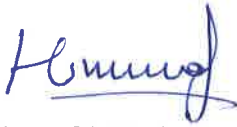
₹ in lakhs

	Particulars	Note No.	For the year ended 31-Mar-2024
<b>I</b>	<b>Revenue from Operations</b>	2.8	28.34
<b>II</b>	<b>Other Income</b>		-
<b>III</b>	<b>Total Income (I + II)</b>		28.34
<b>IV</b>	<b>Expenses</b>		
	(1) Other Expenses	2.9	12.79
	<b>Total Expenses</b>		12.79
<b>V</b>	<b>Profit Before Tax (III - IV)</b>		15.55
<b>VI</b>	<b>Tax Expense</b>		
	(1) Current Tax		3.91
	(2) Deferred Tax		-
	<b>Total Tax Expense</b>		3.91
<b>VII</b>	<b>Profit for the Year (V - VI)</b>		11.64
<b>VIII</b>	<b>Earnings Per Equity Share of ₹ 10 each</b>	3	
	(1) Basic		11.64
	(2) Diluted		11.64

*Refer Significant Accounting Policies and accompanying notes which form an integral part of the financial statements.*

**As per our report attached of even date**

**For M/s Dileep & Prithvi**  
Chartered Accountants  
Firm Regn. No. 122290W



**Himmat Mal Mali**

Partner  
M. No. 183378



**For and on behalf of the Board of Directors of  
SBI CDMDF Trustee Private Limited**



**Santosh Kumar  
Mohanty**

Director  
DIN: 06690879

**Ravindranath  
Gandrakota**

Director  
DIN: 08099949


  
**Inderjeet Ghuliani**  
Chief Financial Officer  
(SBI Funds Management Limited)

**Place: Mumbai**  
**Date: 19th April 2024**

**Date: 19th April 2024**

**SBI CDMDF Trustee Private Limited**

**Cash Flow Statement for the year ended 31st March 2024**

₹ in lakhs

Particulars	For the year ended 31-Mar-2024
<b><u>Cash Flow From Operating Activities</u></b>	
Net Profit Before Taxation	15.55
<b>Operating profit before working capital changes</b>	<b>15.55</b>
Decrease/(Increase) in Trade Receivables	(6.41)
Decrease/(Increase) in other Current Assets	-
Increase/(Decrease) in Trade Payables & other Current Liabilities	1.44
<b>Net Cash Generated From Operations</b>	<b>10.58</b>
Income taxes paid	(4.58)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>6.00</b>
<b><u>Cash Flow From Investing Activities</u></b>	
Purchase of non-current investments	-
Purchase of current investments	-
Proceeds from sale/redemption of current investments	-
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-</b>
<b><u>Cash Flow From Financing Activities</u></b>	
Issue of Share Capital	10.00
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>10.00</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>16.00</b>
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>-</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>16.00</b>
<b><u>Components of Cash and Cash Equivalents</u></b>	
Balance with bank in current account	<b>16.00</b>

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS 3 'Cash Flow Statements'.

Refer Significant Accounting Policies and accompanying notes which form an integral part of the financial statements.

**As per our report attached of even date**

**For M/s Dileep & Prithvi**

Chartered Accountants


Firm Regn. No. 122290W

  
**Himmat Mal Mali**  
Partner  
M. No. 183378



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

**SBI CDMDF Trustee Private Limited**

  
**Santosh Kumar Mohanty**  
Director  
DIN: 06690879

  
**Ravindranath Gandrakota**  
Director  
DIN: 08099949



  
**Inderjeet Ghuliani**  
Chief Financial Officer  
(SBI Funds Management Limited)

**Place: Mumbai**

**Date: 19th April 2024**

**Date: 19th April 2024**



# **SBI CDMDF Trustee Private Limited**

## **Notes to the Financial Statements**

### **1. Significant Accounting Policies**

#### **Corporate Information**

SBI CDMDF Trustee Private Limited ('the Company') was incorporated on 25th July 2023 under the Companies Act, 2013 as a wholly owned subsidiary of State Bank of India (SBI). The Company is appointed as the Trustee to Corporate Debt Market Development Fund ('the Fund') vide Trust Deed dated October 3, 2023, to supervise the activities of the Fund.

#### **1.1. Basis of preparation:**

The accounting and reporting policies of the Company conform to Generally Accepted Accounting Principles in India (Indian GAAP). These financial statements comply in all material respects with mandatory accounting standards as specified under section 133 of the Companies Act, 2013 (the Act) and rules made thereunder as applicable to the Company. These financial statements have been prepared and presented under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual, unless otherwise stated.

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

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. The management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### **1.3. Current and Non-Current Classification:**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the services and the time between the provision of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non - current classification of assets and liabilities.

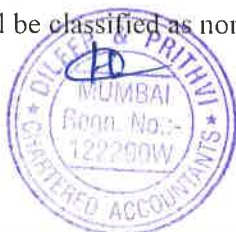
#### **Assets**

An asset shall be classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) it is expected to be realized within twelve months after the reporting date; or
- c) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets shall be classified as non-current.





# **SBI CDMDF Trustee Private Limited**

## **Notes to the Financial Statements**

### **Liabilities**

A liability shall be classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the company's normal operating cycle;
- b) it is due to be settled within twelve months after the reporting date; or
- c) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities shall be classified as non-current.

### **1.4. Investments:**

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

Purchase and sale of investments are recorded on trade date.

### **1.5. Cash and Cash Equivalents**

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprises of cash in hand, bank balances and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### **1.6. Revenue Recognition:**

- Trusteeship fee is recognised on accrual basis at specific rates as per the Trust Deed and Fund documents.
- Gains and losses on sale of investments are determined using the weighted average cost method.
- Dividend income is recognised when the right to receive the same is established.

### **1.7. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



## **SBI CDMDF Trustee Private Limited**

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

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

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

Contingent assets are not recognised but disclosed in the financial statements where an inflow of economic benefits is probable.

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

#### **1.8. Taxes on Income:**

Income tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Tax assets and tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax assets and liabilities are recognized for future tax consequences attributable for timing differences between carrying amounts of existing assets and liabilities in the financial statements and their respective tax base. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carried forward tax losses and unabsorbed depreciation only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable income. Deferred tax assets, unrecognized or recognized, are re-assessed at each balance sheet date and are recognized / reduced to the extent that it is reasonably certain / no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### **1.9. Earnings Per Share:**

The Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for effects of all dilutive potential equity shares.



**SBI CDMDF Trustee Private Limited**

**Notes to Financial Statements for the year ended 31st March 2024**

**Note No. 2.1 - EQUITY SHARE CAPITAL**

*₹ in lakhs*

Particulars	As at 31-Mar-2024
<b>AUTHORISED</b>	
1,00,000 Equity Shares of ₹10/- each	10.00
	<b>10.00</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>	
1,00,000 Equity Shares of ₹10/- each fully paid up	10.00
	<b>10.00</b>

**a. Details of Shareholding as at March 31, 2024**

**Equity Shares held by:**

1,00,000 shares are held by State Bank of India, the Company's holding entity, and its nominees since the incorporation of the Company. Any transfer of shares shall take effect only by the approval of the Board of Directors of the Company.

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

Particulars	As at 31-Mar-2024
Number of Shares at the beginning of the year	-
Add: Shares issued	1,00,000
Number of Shares at the end of the year	<b>1,00,000</b>

**c Each Equity Share is entitled to one voting right only.**

**Note No. 2.2 - RESERVES AND SURPLUS**

**a Surplus as per Statement of Profit and Loss**

*₹ in lakhs*

Particulars	As at 31-Mar-2024
<b>Net Profit after Tax</b>	11.64
Balance brought forward	-
<b>Surplus Carried to Balance Sheet</b>	<b>11.64</b>



**SBI CDMDF Trustee Private Limited**

**Notes to Financial Statements for the year ended 31st March 2024**

**Note No. 2.3 - TRADE PAYABLES**

*₹ in lakhs*

Particulars	As at 31-Mar-2024
<b>Trade Payables</b>	
Dues to Micro, Small & Medium Enterprises (MSME)	-
Other than MSME	0.45
<b>Total</b>	<b>0.45</b>

**Trade Payables - Ageing Schedule**

*₹ in lakhs*

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Other <i>(includes provisions also)</i>	0.45	-	-	-	0.45
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

**Note No. 2.4 - OTHER CURRENT LIABILITIES**

*₹ in lakhs*

Particulars	As at 31-Mar-2024
<b>Statutory Dues:</b>	
TDS & Profession Tax Payable	0.20
GST Payable (net)	0.79
<b>Total</b>	<b>0.99</b>

**Note No. 2.5 - LONG TERM LOANS & ADVANCES**

*₹ in lakhs*

Particulars	As at 31-Mar-2024
Advance Tax (Net)	0.67
<b>Total</b>	<b>0.67</b>



**SBI CDMDF Trustee Private Limited**

**Notes to Financial Statements for the year ended 31st March 2024**

**Note No. 2.6 - TRADE RECEIVABLES**

*₹ in lakhs*

Particulars	As at 31-Mar-2024
<b>Unsecured, Considered good</b>	
- Outstanding for a period exceeding six months from the date its due	-
- Others (Trusteeship Fees)	6.41
<b>Total Trade Receivables</b>	<b>6.41</b>

**Trade Receivables - Ageing Schedule**

*₹ in lakhs*

Particulars		Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	CY	6.41	-	-	-	-	<b>6.41</b>
(ii) Undisputed Trade Receivables – considered doubtful		-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good		-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful		-	-	-	-	-	-

**Note No. 2.7 - CASH AND CASH EQUIVALENTS**

*₹ in lakhs*

Particulars	As at 31-Mar-2024
Balance with Bank in Current Account	16.00
<b>Total Cash and Cash Equivalents</b>	<b>16.00</b>

**Note No. 2.8 - REVENUE FROM OPERATIONS**

*₹ in lakhs*

Particulars	Year ended 31-Mar-2024
Trusteeship Fees	28.34
<b>Total Revenue</b>	<b>28.34</b>

**Note No. 2.9 - OTHER EXPENSES**

*₹ in lakhs*

Particulars	Year ended 31-Mar-2024
Administrative & Establishment Cost	1.50
Directors Sitting Fees	7.10
Travelling, Lodging & Boarding	0.05
Meeting Expenses	2.79
Legal and Professional Fees	0.61
<b>Payment to Auditors:</b>	
Audit Fee	0.50
Other matters	-
Miscellaneous Expenses	0.24
<b>Total</b>	<b>12.79</b>



**SBI CDMDF Trustee Private Limited**

**Notes to Financial Statements for the year ended 31st March 2024**

**3 Earnings Per Share (E.P.S.)**

EPS is computed in accordance with the AS-20 'Earnings Per Share'. The numerators and denominators used to calculate the Basic and Diluted EPS are given below:

Particulars	31-Mar-2024
Net Profit attributable to Equity Shareholders (A) ( <i>₹ in lakhs</i> )	11.64
Weighted Average Number of Shares (Nos.) (B)	1,00,000
Basic and Diluted Earnings Per Share (A/B) ( <i>₹ per share</i> )	11.64
Nominal Value per Share	10.00

The Company does not have any potential equity shares and, accordingly, the Basic and Diluted EPS are the same.

**4 Contingent Liabilities & Capital Commitments:** Nil (PY: Nil)

**5 Segmental Reporting:**

The Company is in the business of providing Trusteeship services to Corporate Debt Market Development Fund (CDMDF). The Company is engaged in only one business segment and its operations are carried out entirely in Mumbai, India. Hence, there are no separate reportable segments as per AS-17 'Segment Reporting'.

**6 Related Party Disclosure:**

<b>Holding Company</b>	State Bank of India holds 100% of the share capital
<b>Other Related parties with whom transacted:</b> Fellow Subsidiaries	SBI Funds Management Limited
<b>Alternate Investment Fund (AIF), for which the Company is the Trustee</b>	Corporate Debt Market Development Fund
<b>Key Managerial Personnel:</b> Directors	Mr. Santosh Kumar Mohanty (DIN: 06690879) Dr. H. K. Pradhan (DIN: 02607244) Mr. Ravindranath Gandrakota (DIN: 08099949) Mr. Venkat Nageswar Chalasani (DIN: 07234179) Mr. N. S. Venkatesh (up to 31.12.2023) (DIN: 01893686) Mr. Mihir Narayan Prasad Mishra (up to 27.9.2023) (DIN: 08321878) Mr. Bharat Kumar Mishra (up to 27.9.2023) (DIN: 09385794)

**List of transactions with related parties:**

Nature of Transaction	Holding Company	Fellow Subsidiaries	CDMDF	Directors
Administrative & Establishment Expenses	-	1.50	-	-
Reimbursement of Expenses and Statutory Dues	0.61	7.13	-	-
Trusteeship Fees	-	-	28.34	-
Balance in current account	16.00	-	-	-
Bank Charges	-	-	-	-
Sitting Fees	-	-	-	7.10

The Company has maintained bank account with State Bank of India (SBI), which is operated in the ordinary course of business. Inflows and outflows routed through such bank account are not considered as transactions with related party (SBI) and hence, have not been disclosed above.





**SBI CDMDF Trustee Private Limited**

**Notes to Financial Statements for the year ended 31st March 2024**

**7 Dues to Micro, Small and Medium Enterprises**

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

Particulars	31-Mar-2024
Principal amount remaining unpaid to any supplier as at the year end	Nil
Interest due thereon	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil

**8 Expenditure in Foreign Currency: Nil**

**9 Earnings in Foreign Currency: Nil**

**10 Additional Regulatory Information:**

- The Company does not have immovable property or any Property, Plant and Equipment during the year.
- The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person.
- The Company does not have any capital work in progress.
- The Company does not have any Intangible Assets under development.
- No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets.
- The Company has not been declared a Wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The Company has not entered into any transaction with companies struck off under section 248 of the Companies Act 2013.
- The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.
- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- The Company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act 2013.
- The Company has neither advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) nor received any funds to/ from any other person(s) or entity(ies), including foreign entities (Intermediaries) for lending or investing or providing guarantees to/ on behalf of the ultimate beneficiary during the financial year.
- The Company does not have transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during financial year in the tax assessments under the Income Tax Act, 1961.
- The Company is not covered under the provisions of Section 135 of Companies Act 2013 relating to Corporate Social Responsibility (CSR).
- The Company has not traded or invested in Crypto currency or Virtual Currency during any financial year.



**SBI CDMD F Trustee Private Limited**

**Notes to Financial Statements for the year ended 31st March 2024**

**11 Ratios:**

Ratios	Formula	FY 2023-24	
		Basis (₹ in lakhs)	Ratio
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{22.41}{1.44}$	15.56
Return on Equity Ratio / Return on Capital Employed / Return on Investment	$\frac{\text{Net Profit After Tax} \times 100}{\text{Networth}}$	$\frac{11.64}{21.64}$	53.79%
Trade Receivables Turnover Ratio	$\frac{\text{Credit Sales}}{\text{Average Trade Receivables}}$	$\frac{28.34}{3.205}$	8.84
Trade Payables Turnover Ratio	$\frac{\text{Net Credit Purchases}}{\text{Average Trade Payables}}$	$\frac{12.79}{0.23}$	56.84
Net Capital Turnover Ratio	$\frac{\text{Sales}}{\text{Net Assets}}$	$\frac{28.34}{21.64}$	1.31
Net Profit Ratio	$\frac{\text{Net Profit After Tax} \times 100}{\text{Total Income}}$	$\frac{11.64}{28.34}$	41.07%
Debt-Equity Ratio / Debt Service Coverage Ratio	Not Applicable as the Company does not have any Debt		
Inventory Turnover Ratio	Not Applicable since the Company is a service provider and does not have any Inventory		

12 The financial statements were approved by the Board of Directors on \_\_\_\_ April 2024.

As per our report attached of even date

For M/s Dileep & Prithvi  
Chartered Accountants  
Firm Regn. No. 122290W

Himmat Mal Mali  
Partner  
M. No. 183378



For and on behalf of the Board of Directors of  
SBI CDMD F Trustee Private Limited

Santosh Kumar Mohanty  
Director  
DIN: 06690879

Ravindranath Gandrakota  
Director  
DIN: 08099949

Inderjeet Ghumani  
Chief Financial Officer  
(SBI Funds Management Limited)

Place: Mumbai  
Date: 19th April 2024

Date: 19th April 2024