



SBI Global Factors Ltd.

Annual Report 2010-2011

Enabling Global Trade



Member



Factors Chain International

Our Vision

Be the market and industry leader and benchmark for factoring Companies in the Country

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List of Directors

Name	Designation
Shri. O. P. Bhatt	Chairman (upto 31st March 2011)
Shri Pratip Chaudhuri	Chairman (w.e.f. 7th April 2011)
Shri. R. Sridharan	Director (upto 30th June, 2011)
Shri Shyamal Acharya	Director (w.e.f. 7th July, 2011)
Smt. Bharati Rao	Director
Shri S.D. Arya	Director
Shri. B.K.Vatsaraj	Independent Director
Shri. Y. Vijayanand	Independent Director
Smt. Bhama Krishnamurthy	Director
Shri. S. Rajendran	Director
Shri. Ashwin Ankhad	Independent Director
Shri K. Venkataraman	Managing Director & CEO (upto 31st May 2011)
Shri Sudhir Dubey	Managing Director & CEO (w.e.f. from 1st June 2011)

Board of Directors



Shri O.P. Bhatt
Chairman
(upto 31st March, 2011)



Pratip Chaudhuri
Chairman
(w.e.f. 7th April, 2011)



Shri R. Sridharan
Director
(Upto 30th June, 2011)



Shri Shyamal Acharya
Director
(w.e.f. 7th July, 2011)



Smt. Bharati Rao
Director



Shri S.D. Arya
Director



Shri B.K. Vatsaraj
Director



Shri Y. Vijayanand
Director



**Smt. Bhama
Krishnamurthy**
Director



Shri S. Rajendran
Director



Shri Ashwin Ankhad
Director



Shri K Venkataraman
(Managing Director
& C.E.O.)
(upto 31st May,2011)



Shri Sudhir Dubey
(Managing Director
& C.E.O.)
(w.e.f 1st June,2011)

Bankers

State Bank of India
Axis Bank
HDFC Bank
Standard Chartered Bank

Auditors

Contractor Nayak & Kisnadwala
Chartered Accountants
Jash Chambers, 3rd Floor,
7A, Sir P.M.Road, Fort,
Mumbai – 400001

Solicitors

K Ashar & Company
Meadows House, 4th & 5th Floor,
39, Nagindas Master Road,
Fort, Mumbai – 400023

Paras Kuhad & Associates
903, Peninsula Towers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400013

Registered Office

6th Floor, The Metropolitan,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400051

Directors' Report

For the Financial Year Ended March 31, 2011

Your Directors have pleasure in presenting the tenth Annual Report of SBI Global Factors Limited along with the audited Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended on that date.

FINANCIAL PERFORMANCE

- (i) During the year, the Company recorded a total turnover of Rs 7,605.12 Crores, export turnover of Rs 886.56 Crores, import turnover of Rs 15.76 Crores and domestic turnover of Rs 6702.80 Crores. As at March 31, 2011, the Company had advances outstanding of Rs 2,376.83 Crores, of which the export outstandings stood at Rs. 232.60 Crores, import outstandings at Rs. 8.94 Crores and domestic outstandings at Rs. 2,135.29 Crores. Gross NPAs stood at Rs. 571.72 Crores and Net NPAs stood at Rs. 361.94 Crores. The amount to be transferred to Reserve Fund is NIL.

Summary of Financial Results			
	2010-11 (in Rs. Crores)	2009-10 (in Rs. Crores)	Year-over-Year Growth (%)
Total Turnover	7,605	12,978	[41.40]
Domestic Turnover	6,719	11,798	[43.04]
International Turnover	886	1,180	[24.86]
Advances Outstanding	2,377	3,029	[32.75]
Total Income	251	493	[49.07]
Profit Before Tax	[152]	11	-ve
Profit After Tax	[126]	7	-ve

- (ii) The Company recorded a total income of Rs. 251.13 Crores, and posted a loss of Rs. 152.34 Crores during the current year against a total income of Rs. 493.08 Crores and a profit before tax of Rs. 10.79 Crores reported in the previous year.

SHARE CAPITAL

The present Authorised Share Capital of the Company is Rs. 300,00,00,000/- divided into 18,00,00,000 Equity Shares of Rs. 10/- each and 12,00,00,000 Preference Shares of Rs. 10/- each.

In September, 2010, the Preference Share Capital of Rs. 10 Crore held by Axis Bank Limited had been redeemed.

The present Issued, Subscribed and paid-up Share Capital of the Company is Rs. 159,88,53,650/- divided into 15,98,85,365 Equity Shares of Rs. 10/- each.

During the Financial Year ended on March 31, 2011,

- i. The Company raised Tier II Capital of Rs. 50 Crores by way of subordinated debt. (The total subordinated debt of the Company as on 31st March, 2011 is Rs. 180 Crores). The Capital Adequacy Ratio as on March 31, 2011 is 25.60%.

- ii. The Company further issued Equity Capital consisting of 1,56,25,000 Equity Shares of Rs. 10/- each at a premium of Rs. 22/- per Equity Share (aggregating to Rs. 50 Crores) to State Bank of India, on Rights basis.

The Equity Shareholding Pattern of the Company as on March 31, 2011 was as follows :

Sr.No.	Name of the Equity Shareholder	Percentage of Issued, Subscribed, and Paid up Equity Share Capital
1.	State Bank of India	86.82
2.	Small Industries Development Bank of India (SIDBI)	5.89
3.	Union Bank of India	2.95
4.	Bank of Maharashtra	4.34
	TOTAL	100.00

INTERNATIONAL ASSOCIATIONS

SBI Global Factors Limited is a member of Factors Chain International (FCI), an umbrella Organisation of worldwide factoring companies. FCI is a global network of leading factoring companies, with a common aim to facilitate international trade through factoring and related financial services. Currently, the FCI network has 250 Factors in 67 Countries, actively engaged in more than half of the world's cross-border factoring volume.

HUMAN RESOURCES

Post Merger of erstwhile SBI Factors and Commercial Services Private Limited, a new HR Policy of the merged entity was approved by the Board of Directors of the Company at its meeting held on October 21, 2010.

SBI Global Factors Limited ("SBIGFL") is a professionally managed Company that constantly innovates and tries to adopt global best practices in this field. Alignment with the long-term business direction and co-creation of shared values help each individual meet the Company's objectives. The Company believes in investing in people to develop and expand their skill-sets.

During the year,

- (i) In September, 2010, Shri K.S. Subramanian was re-designated as the Executive Vice President & C.O.O. as against his earlier designation as the Executive Vice President of the Company, consequent upon Shri K.A. Menon's separation/ retirement as the Chief Operating Officer of the Company, in November, 2010
- (ii) In February, 2011, Shri K. Venkataraman joined as the Managing Director & C.E.O., in place of Shri Sangeet Shukla, consequent upon Shri Shukla's repatriation as the Deputy Managing Director of State Bank of India

Post merger, the staff strength of SBIGFL is 140, including 26 employees on deputation from SBI.

INFORMATION TECHNOLOGY

Post Merger (of erstwhile SBI Factors and Commercial Services Private Limited with the Company), the domain Name, Factoring Software ("TradeFree") and network were in transition mode. The same is now stabilized and IT Policy of the Company is in place.

The Board of Directors of the Company, at its meeting held on July 22, 2010, considered and approved revised IT Policy.

SBIGFL is in the process of implementing Business Continuity Disaster Recovery & Management Plan to ensure disruption free functioning. Information Technology will continue to drive SBIGFL's business value by improving Employee productivity.

CREDIT RATING

During the year, various Rating Agencies have assigned the following ratings to GTF and SBIGFL (post merger) for its funding requirements as given below :

Rating Agency	Rating	Amount in Rs. Crore	Particulars
ICRA	A1+	3550	Short Term Debt Program
ICRA	A1+	3276	Short Term Bank Facilities
ICRA	LAAA with a stable outlook	100	Non-Convertible Debenture Program
ICRA	LAAA with a stable outlook	30	Non-Convertible Debenture Program
ICRA	LAA+	50	Redeemable Preference Shares
CRISIL	P1+	2000	Short Term Debt Program
CRISIL	AAA/Stable	100	Long Term Non-Convertible Debentures
CRISIL	AAA/Stable	50	Redeemable Long Term Preference Shares
CRISIL	P1+	50	Redeemable Short Term Preference Shares
CARE	CARE AAA	30	Subordinated Bonds

The ratings indicate the highest degree of safety with regard to timely payment of interest and principal on the rated instruments.

SBIGFL continues to augment resources from competitive sources and during the year under review, it has raised Rupee resources by borrowing through debt instruments like Commercial Papers, NCDs, short-term credit facilities from leading commercial banks and money market instruments. It has tapped Foreign Currency lines from domestic and international banks at competitive interest rates.

NPA MANAGEMENT

Due to economic downturn, accounts of a number of Clients of the Company have become Non Performing. In some cases where irregularities such as fake Invoices etc. were noticed, the Accounts have been classified as fraud and reported for criminal investigations. The Company has adequately provided for these NPAs in its books out of the Current Year's profits. The Company has NPAs aggregating Rs. 571.72 Crore in 78 accounts with provision of Rs. 209.78 Crore as on March 31, 2011. Further, 26 accounts with outstanding of Rs. 177.91 Crore have been technically written off with legal and recovery action being continued. In addition to carry forward provision of Rs. 128.38 Crore from the previous year, provision for NPAs made out of current year's profits comes to Rs. 259.31 Crore including write-off of Rs. 177.91 Crores. The Company has put a focus on the recovery of NPAs.

DIVIDEND

In view of substantial provisions of NPAs made during the year as explained above, the Company has incurred a loss of Rs. 125.62 Crore for the year ended March 31, 2011 against a Profit After Tax of Rs. 6.58 Crore during the previous Financial Year. In view of the above, the Directors do not propose payment of Dividend to the Equity Shareholders for the Financial Year ended March 31, 2011.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGOINGS

Information required to be provided under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 in relation to the Conservation of Energy and Technological Absorption is not applicable to the Company.

Particulars of foreign currency earnings and outgo during the year are given in Schedule 19 to the Notes to the Accounts forming part of the Annual Accounts.

INTERNAL AUDIT AND LIMITED REVIEW OF QUARTERLY ACCOUNTS

SBIGFL has appointed an independent firm of Chartered Accountants, M/s., Shah Gupta & Co., as Internal and Concurrent Auditors. Internal Audit & Compliance is focused on independently evaluating the adequacy of internal controls, ensuring adherence to operating guidelines and regulatory and legal requirements and pro-actively recommending improvements in operational processes and service quality. The quarterly results are also subjected to a limited review by the Statutory Auditors.

PARTICULARS OF EMPLOYEES

Any Shareholder interested in obtaining a copy of the Statement of Particulars of Employees may write to the Company Secretary of the Company to obtain the same.

CORPORATE GOVERNANCE REPORT

The report on Corporate Governance is appended herewith.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Annual Report has a separate Chapter on Management Discussion and Analysis.

DIRECTORS

The Board of Directors of the Company at present consists of ten Directors. During the Financial Year ended on 31st March, 2011,

- (i) Shri Arvind Sonmale was re-designated as a Director as against his earlier designation as the Managing Director of the Company with effect from April 28, 2010. He ceased to be a Director w.e.f. May 18, 2010.
- (ii) Shri M.G. Bhide resigned as an Independent Director with effect from June 07, 2010
- (iii) Consequent to the change in Equity Shareholding pursuant to Amalgamation of erstwhile SBI Factors and Commercial Services Private Limited with Global Trade Finance Limited (Name changed to 'SBI Global Factors Limited'), on June 10, 2010,
 - (a) Shri S. Rajendran, General Manager, Risk Management Department, Union Bank of India, was appointed as a Nominee Director of Union Bank of India,
 - (b) Smt. Bhama Krishnamurthy, CGM, MHO, Small Industries Development Bank of India (SIDBI), Mumbai, was appointed as a Nominee Director of SIDBI,
 - (c) Shri Ashwin Ankhad, and Shri Y. Vijayanand, (Independent Directors of erstwhile SBI Factors and Commercial Services Private Limited, since merged with the Company) were appointed as Additional (Independent) Directors.
- (iv) On January 18, 2011, Shri Sanjay Arya, General Manager, Bank of Maharashtra, was appointed as a Nominee Director of Bank of Maharashtra, in place of Shri V. Kannan, consequent upon Shri V. Kannan's appointment and assuming charge as the Executive Director of Oriental Bank of Commerce.
- (v) Consequent upon repatriation of Shri Sangeet Shukla as the Deputy Managing Director of State

Bank of India with effect from February 06, 2011, the Board of Directors of the Company, at its meeting held on February 26, 2011, considered and inducted Shri K. Venkataraman, Chief General Manager, State Bank of India, as the Managing Director & C.E.O. (i.e. a Nominee Director of State Bank of India), with effect from the date of his taking over charge as the Managing Director & Chief Executive Officer of the Company (viz., February 10, 2011), in place of Shri Sangeet Shukla.

The Board placed on record the appreciation of services rendered by Shri M.G. Bhide, Shri V. Kannan, and Shri Sangeet Shukla.

PUBLIC DEPOSITS

During the Financial Year ended March 31, 2011, the Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies (Reserve Bank) Directions, 1998. The Company also does not hold any Public Deposits as on March 31, 2011.

AUDITORS

M/s. Contractor, Nayak & Kishnadwala, Chartered Accountants, the present Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India ("C&AG of India"), will retire at the close of the 10th Annual General Meeting of the Company.

The Statutory Auditors of the Company for the Financial Year 2011-12 would be appointed as and when directed/ informed to the Company by the C&AG, pursuant to Section 619 and other applicable provisions of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been duly followed;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 of the profit or loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis.

ACKNOWLEDGEMENTS

The Directors thank the Reserve Bank of India, and the Shareholding Banks/Financial Institutions for their continued support. They are thankful to the Clients and Customers for their continued patronage. The Directors wish to acknowledge the support of SBI in lending the services of their experienced Executives/ Managers to the Company. The Directors also wish to convey their appreciation to employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 23/04/2011

Pratip Chaudhuri
Chairman

Corporate Governance Report

1. Board of Directors (Board)

At the core of our Corporate Governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the Stakeholders and the Shareholders of the Company. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The Board is independent of the Company's Management.

At the end of Financial Year 2010-11, the Board comprised of ten (10) members, which consisted of six (6) Non-Executive Directors, three (3) Independent Directors, and one(1) full-time Executive Director.

The Board of Directors meets, as often as necessary, in addition to meeting on a quarterly basis to review the performance and give future directions to the Senior Management Team of the Company.

The particulars of Directors, their attendance during the financial year 2010 – 2011 and also other Directorships are as under:

Name and Designation of Director	Category of Director	No. of Board Meetings Attended	No. of Director-ship in other companies (Excluding Foreign Company (ies))
Shri O. P. Bhatt Chairman	Non-Executive	3	11*
Shri R. Sridharan Director	Non-Executive	6	8**
Shri Sangeet Shukla (Executive Vice Chairman & C.E.O.)	Full-time Executive (Upto 05/02/2011)	5	NIL
Smt. Bharati Rao Director	Non-Executive	5	4
Shri M. G. Bhide Director	Independent Non –Executive (Upto 07/06/2011)	1	8
Shri Y. Vijayanand Director	Independent Non- Executive (since 10/06/2010)	3	4
Shri K. Venkataraman Managing Director & C.E.O.	Full-time Executive (since 10/02/2011)	1	Nil
Smt. Bhama Krishnamurthy Director	Non-Executive (since 10/06/2010)	2	1
Shri S. Rajendran Director	Non-Executive (since 10/06/2010)	3	Nil
Shri Ashwin Ankhad Director	Independent Non- Executive (since 10/06/2010)	3	Nil
Shri B.K. Vatsaraj Director	Independent Non- Executive	5	1
Shri V. Kannan Director	Non-Executive (upto 18/01/2011)	3	Nil
Shri Sanjay Arya Director	Non-Executive (since 18/01/2011)	2	Nil
Shri Arvind Sonmale Director	Full-time Executive (Upto 18/05/2010)	2	1

*Excluding Foreign Company(ies), Corporation(s), Institute(s), Association(s), Commission(s), Committee(s), Confederation etc.

**Excluding a Foreign Company and Bank(s)

Meetings of the Board

During the Financial Year ended on 31st March, 2011, 6 (six) Board Meetings were held on April 03, 2010, April 27, 2010, July 22, 2010, October 21, 2010, January 18, 2011, and February 26, 2011.

2. Audit Committee

Upon the resignation of Shri V. Kannan from the Audit Committee of the Board of Directors, and the re-constitution of the Audit Committee by induction of Shri Y. Vijayanand and Smt. Bhama Krishnamurthy as Members w.e.f. February 26, 2011, the Audit Committee, at present, comprises four Members, all of whom being Non – Executive Directors. Two Members of the Audit Committee are Independent Directors.

Members of the Audit Committee are as follows:

- | | |
|-----------------------------|----------|
| 1. Shri B.K. Vatsaraj | Chairman |
| 2. Shri R. Sridharan | Member |
| 3. Shri Y. Vijayanand | Member |
| 4. Smt. Bhama Krishnamurthy | Member |

During the Financial Year ended on March 31, 2011, the Audit Committee met 5 times viz: on 27/04/2010, 25/06/2010, 22/07/2010, 20/10/2010, and 18/01/2011.

The attendance of the Audit Committee Members at such meetings is as stated below:

Name of the Member	No. of Audit Committee Meetings attended
Shri M.G. Bhide (Director and Chairman of Audit Committee Member upto 07/06/2010)	1
Shri R. Sridharan	5
Shri B.K. Vatsaraj	4
Smt. Bharati Rao(Audit Committee Member upto 26/02/2011)	3
Shri Y. Vijayanand(Audit Committee Member since 26/02/2011)	Nil
Shri V. Kannan(Director and Audit Committee Member upto 18/01/2011)	4
Smt. Bhama Krishnamurthy (Audit Committee Member since 26/02/2011)	Nil

In addition, the Statutory Auditors and Internal Auditors attend and participate in the deliberations at the meetings of the Audit Committee.

3. Executive Committee of the Board:

The Company has an Executive Committee of the Board which, *inter – alia*, approves the Credit proposals beyond a certain limit, and also directs the Senior Management Team of the Company. It supplements the right insight and business perspective in order to aid the Company's Management in achieving its goals and mission.

During the Financial Year ended on March 31, 2011,

- a. Shri Arvind Sonmale ceased to be a Director of the Company with effect from May 18, 2010. Accordingly, he ceased to be a Member of the Executive Committee of the Board.
- b. Shri V. Kannan ceased to be a Member of the Executive Committee of the Board With effect from January 18, 2011.
- c. Shri Sangeet Shukla relinquished the Office of the Executive Vice Chairman & C.E.O. of the Company from February 06, 2011. Accordingly, he ceased to be a Member of the Executive Committee of the Board.
- d. Shri K. Venkataraman was appointed as the Managing Director & C.E.O. and a Member of the Executive Committee of the Board of Directors, with effect from February 26, 2011, in place of Shri Sangeet Shukla.
- e. With effect from March 09, 2011, Shri S. Rajendran (Nominee Director of Union Bank of India), and Smt. Bhama Krishnamurthy (Nominee Director of Small Industries Development Bank of India) were appointed as Members of the Executive Committee of the Board.

The Executive Committee of the Board at present consists of the following Members :

1. Smt. Bharati Rao (Member),
2. Shri K. Venkataraman (Managing Director & C.E.O.) (Member),
3. Shri B.K. Vatsaraj (Member).
4. Smt. Bhama Krishnamurthy (Member)
(Nominee Director of Small Industries Development Bank of India)
5. Shri S. Rajendran (Member)
(Nominee Director of Union Bank of India)

4. General Body Meetings:

Particulars of the last three Annual General Meetings (AGMs) of the Company:

AGM	Financial Year	Date of the AGM	Time	Venue
Seventh	2007-2008	21/04/08	12.30 p.m.	State Bank Bhavan, Corporate Centre, 18 th Floor, Madame Cama Road, Nariman Point, Mumbai – 400 021
Eighth	2008-09	18/07/09	04.30 p.m.	State Bank Bhavan, Corporate Centre, 18 th Floor, Madame Cama Road, Nariman Point, Mumbai – 400 021
Ninth	2009-10	22/07/10	11.30 A.M.	State Bank Bhavan, Corporate Centre, 19 th Floor, Madame Cama Road, Nariman Point, Mumbai – 400 021

The following Special Resolutions were passed at the above AGMs :

AGM	DETAILS OF THE SPECIAL RESOLUTION(S)
Seventh	(1) Further issue of 66,66,666 Equity Shares of Rs. 10/- each at a premium of Rs. 65/- per Share, (2) Extension of term of appointment of Managing Director & C.E.O. previously approved by the Board of Directors.
Eighth	(1) Appointment of Statutory Auditors for the Financial Year 2009-10, as directed by the Comptroller & Auditor General of India, (2) Extension of term of appointment of Managing Director & C.E.O., previously approved by the Board of Directors
Ninth	Appointment of Statutory Auditors for the Financial Year 2010-11, as directed by the Comptroller & Auditor General of India (C&AG)

5. General Shareholder Information:

Financial Year	April 01, 2010 to March 31, 2011
Registrar and Transfer Agents	Datamatics Financial Services Limited
Address for correspondence	6 th Floor, The Metropolitan, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

Management Discussion and Analysis

Economic scenario

Indian economy

Indian economy remained largely unaffected from the global slowdown and subsequent European crisis due to strong domestic demand. Though a temporary lag was witnessed in commodity and auto sectors, various fiscal measures acted as stimulus packages and saw the Indian economy bounce back to the high growth rate of the years preceding the recession. During the year, services sector picked up from the second quarter due to increased government spending and pick-up in trade, hotels, transport, communication and related sub-sectors. Industrial growth, however, turned volatile and slowed down. With a bountiful and evenly spread monsoon, agriculture was the driver of the economic growth during the year. The food grain harvest has scaled a new record level of 235.8 MT during the year. However, mining, power sectors etc. remained lower compared to the previous year.

As per the advance estimates released recently by the Central Statistics Office (CSO) of the country, the economy is expected to grow by 8.6% which is on the expected lines. However, concerns persist with regard to high inflation rate and double digit food inflation, which remained high despite a good summer monsoon, record farm output and export curb on several commodities imposed by the Govt. The RBI has expressed concerns that the continued high inflation may be a growth dampener in the current Year.

The apex bank increased both its short-term borrowing and lending rates, tweaking its policy rates eight times since January 2010 to check inflationary pressure. It had cascading effect as the Banks had to raise their interest rates making bank credit more expensive. High interest rates and increasing input costs appears to have adversely impacted the industrial growth.

Widening current account deficit is expected to exceed 3% of GDP, driven primarily by larger trade deficit and subdued FII inflows. The buoyancy in Capital flows driven by large portfolio inflows but reduced FDI inflows, is expected to absorb largely the current account deficit. However, over dependence on short-term flows can pose major liquidity and stability risks.

International Trade

Despite slow international recovery and problems persisting in many European countries the export performance of India has been good. The total exports in 2010-11 are set to cross USD 210 Bn. against a target of USD 200 Bn. In February 2011 alone the exports increased by 49.8% compared to same period last year, highest in 33 months riding on market diversification, better demand in traditional destinations such as US and Europe, competitive pricing of items and better marketing. Sectors such as gems and jewellery, engineering and chemicals have fared well and contributed to the export growth. The export of agricultural commodities remained subdued despite a good crop because of export curbs on rice, cotton bale and cotton yarn to tackle the rising domestic demand and commodity inflation.

Imports are expected to be around USD 325 Bn. The trade deficit of the country during the fiscal is likely to remain between USD115-USD125 Bn. However, rising global prices with booming demand for oil may push the current account deficit to 3.5% of the GDP. The political crisis in North African/ Middle East countries such as Libya, Bahrain, Syria etc., are threatening to spin out of hand and may add to the uncertainties of future oil prices which may put pressure on Current account deficit. Recently oil prices have already crossed US\$ 100.

The future outlook

India

For years, India has been the second-fastest growing major economy in the world. That could soon change, with the Indian economy set to expand at a faster pace than the Chinese Economy in 2012, according to World Bank data. This is expected to result from continued high demand in India even as measures to combat overheating kick in for the Chinese economy.

The GDP growth rate for India for the current year is estimated at 8.7%. However, spiralling oil and commodity prices coupled with surging inflation and high interest rate may adversely impact growth which is likely to be lower. The investment cycle is likely to be further impacted if the apex bank raises interest rates in coming months. This in turn would impact the credit growth and any further rate rises may impact the asset quality of banks.

Despite dampeners, India is likely to continue its growth. Average household incomes are likely to increase three times and the increased disposable income in the next two decades will make India the world's 5th-largest consumer economy by 2025. Post reform process, the private consumption is playing a much larger role in India's growth. In this respect the country is closer to developed economies than most fast-growing emerging economies. The aggregate consumer spending may go up by more than four times in coming years.

Global outlook

Despite a stellar show on the export front, the international economic scenario is a dampener. European countries like Greece, Spain, and Portugal are still not fully out of problems, though the worst seems to be over and investor confidence appears to have returned with sovereign risk premiums trailing off. The severe belt tightening measures of the heavily indebted countries and high unemployment rates will have adverse consequences on global consumer demand and impact international trade. Though India is sufficiently insulated and its exports form only a small part of the GDP, a prolonged slowdown and crisis in the advanced countries may impact the manufacturing and services sectors like IT etc. The world economy was relatively stable in 2010, but in 2011 things have again deteriorated. Right now there is major civil unrest in many nations in Africa and the Middle East. The civil war going on in Libya has sent the price of oil skyrocketing and the protests that are taking place in other countries could send oil prices even higher.

Factoring business in the given economic environment

SBI Global Factors Ltd. (SBIGFL) commands more than 80% share of total market & more than 70% in the total export factoring generated in India by standalone companies. Lineage of SBIGFL gives several advantages to it to book new and quality business. SBI's backing gives enhanced credibility to ensure wider acceptance of factoring. The levels of Factoring business in India are much lower compared to other countries and the share of Indian Factoring is less than 1% of the total volumes generated in the world. The contribution of factoring products in meeting the total working capital requirement of the companies in India is less than 0.50%. As per FCI data, in the eight years ending on 31/03/2009 factoring turnover in China grew from EUR 2,640 Mio to EUR 67,300 Mio. In comparison in India the turnover increased from EUR 1615 Mio to 2650 Mio. The reasons for the slow growth are several, such as inadequacies in the legal framework, ad valorem stamp duty on assignment of debts etc. Factoring business which registered a good growth during 2004-2008, continued to be sluggish in 2010-11 except export factoring which revived due to growth in country's export. Domestic factoring suffered due to following factors:

- (i) The apex bank has tightened the liquidity during the year and increased the key rates due to inflationary pressures which in turn increased cost of funding. The average cost of funds for the factoring companies which mostly rely on the short term money market to meet their requirements, more than doubled during the year. The entire increase in cost of funds could

not be passed on to clients due to competition with banks who have access to cheaper funds and can offer working capital finance at finer rates. This impacted the profits of factoring companies.

- (ii) Factoring companies were raising a major chunk of their funding requirements through issue of Non-Convertible Debentures with daily call and put option, which offered considerable flexibility in funding at very low rates. The daily option on these NCDs was no longer allowed from August, 2010.
- (iii) Due to sluggish growth in Industrial Production during the year credit off take by industries has been much lower so far impacting the topline growth.

Notwithstanding these hurdles, factoring companies are able to attract new business due to flexible credit period on receivables vis a vis banks, collateral free access to credit to smaller clients and quality of collection services offered. The Factoring bill, which would remove stamp duties on assignments and give teeth to the factoring companies for recovery of assigned receivables, has been tabled in the budget session of the Parliament. Once approved, the legislation would facilitate faster growth of factoring business.

Factoring companies in India primarily targeted SME sector for their business as they form backbone of the nation's economy. SMEs constitute the bulk of the industrial base and also contribute significantly to the exports as well as to the Gross Domestic Product (GDP). India has nearly three million SMEs, which account for almost 45% of industrial output and 42% of India's total exports and 9% of the total GDP.

As a result of globalization and liberalization, coupled with WTO regime, SMEs have been passing through a trying time. Competition from cheap products from China and other low cost centres have eroded the viability of many such units. Hence, for healthy growth of factoring business, factoring industry needs to focus more on Supply Chain and Dealer Financing. Factoring products are ideally suited for component manufacturers for engineering and auto industries and for dealer financing of auto and other large corporates. It would be our endeavour to focus on large manufacturing industries for exponential growth, especially the auto and engineering sector by way of channel financing in coming years.

Auditors' Report

To,
The Board of Directors,
SBI GLOBAL FACTORS LIMITED
(Formerly Known as GLOBAL TRADE FINANCE LIMITED)
Mumbai.

We have audited the accounts of SBI GLOBAL FACTORS LIMITED (formerly known as GLOBAL TRADE FINANCE LIMITED) for the year ended 31st March, 2011.

As required by the Non Banking financial Companies Auditor's Report (Reserve Bank) Directions, 2008 dated 18th September 2008, we give below our report on the matters specified in the above mentioned directions and state that:

1. The Company is engaged in the business of non-banking financial institution and has obtained a Certificate of Registration (N-13.01518) on the 28th April, 2001 from Reserve Bank of India.
2. The Company is entitled to continue to hold such Certificate of Registration in terms of its asset/income pattern as on 31st March, 2011.
3. The Board of Directors had passed a resolution for non acceptance of any public deposit in their meeting held on 3rd April, 2010.
4. The Company has not accepted any public deposits during the relevant year 2010-11.
5. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for the bad and doubtful debts as specified to it in terms of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
6. The capital adequacy ratio as disclosed in the return submitted to the Bank on 29th June 2010 in Form NBS-7, has been correctly arrived at and such ratio is in compliance with the minimum CRAR prescribed by the Reserve Bank of India;
7. The Company has furnished to the Reserve Bank of India the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) on 29th June, 2010, within the stipulated period.

For Contractor, Nayak & Kishnadwala
Chartered Accountants

(G. S. Nayak)
Partner
M.No.38127
Firm Registration No.101961W

Place : Mumbai
Date : April 23, 2011

Auditors' Report

To

The Members,

SBI Global Factors Limited

(formerly known as Global Trade Finance Limited)

We have audited the attached Balance Sheet of SBI Global Factors Limited, as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account, as required by law, have been kept by the company in so far as appears from our examination of those books;
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
5. On the basis of written representations received from directors as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes forming part of it, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011, and
 - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
7. As required by the Companies' (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate, we report that:

The Company is engaged in the business of factoring of debts/receivables and the requirements of clauses (ii), (viii) and (xiii) of paragraph 4 of the order are not applicable to the company.

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets;
- (b) As per the information and explanations given to us, the management has carried out the physical verification of some of the fixed assets during the year, in accordance with a

- program of verification, which in our opinion provides physical verification of all assets at reasonable intervals. The discrepancies noticed on such verification, which were not material, have been appropriately dealt with in the accounts.
- (c) The Company has not disposed of significant part of fixed assets during the year and the question of effect on the going concern of the Company does not arise.
- (ii) As per the information and explanations given to us, the Company has not granted nor taken.
- (a) unsecured loans to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence sub clauses (b), (c), (d), (e), (f) & (g) are not applicable to the company.
- iii) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. There are no transactions of purchase of inventory and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system and there is no continuing failure for the same.
- iv) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956. Accordingly the provisions of the clause (v) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- v) The Company has not accepted deposits from the public and therefore the question of compliance with the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules made thereunder for the deposits accepted from the public does not arise.
- vi) In our opinion, the Company generally has an internal audit system commensurate with the size and nature of its business.
- vii) According to the information and explanations given to us and the records examined by us, the
- (a) Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, or employees' state insurance, income tax, sales tax, wealth tax, excise duty, custom duty, service tax, cess and other statutory dues applicable to it and there are no undisputed statutory dues outstanding as at 31st March 2011, for a period of more than six months from the date they became payable.
- According to the information and explanation given to us, there are no dues of sales tax,
- (b) customs duty, excise duty, wealth tax and cess which have not been deposited on account of any dispute. Based on the information and explanation given to us, the details of Income tax and service tax dues which have not been deposited on account of disputes are as follows:

Name of the Statute	Amount Rs.	Period for which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	10303636	Asst Year 2003-04	ITAT
Income Tax Act, 1961	350000	Asst Year 2006-07	CIT (Appeals)
Income Tax Act, 1961	3506250	Asst Year 2006-07	CIT (Appeals)
Income Tax Act, 1961	350000	Asst Year 2007-08	CIT (Appeals)
Income Tax Act, 1961	28515850	Asst Year 2008-09	Income Tax Officer
Income Tax Act, 1961	7217990	Asst Year 2008-09	CIT (Appeals)
Service Tax under Finance Act, 1994	10157247	2004-2009	Commissioner of Excise & Service Tax (Appeals)
	60400973		

- viii) The Company has no accumulated losses as on 31st March 2011 and no cash losses in the immediately preceding financial year. The Company has incurred cash loss during the financial year.
- ix) Based on the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions or banks or debenture holders.
- x) Based on our examination of the records and the information and explanations given to us, the Company has maintained adequate documents and records where the Company has granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xi) Based on the information and explanation provided to us, on our examination of the records and documents and our evaluation of the related internal controls, the Company has maintained proper records and timely entries are being made in respect of its dealing in units of mutual funds. All investments including units of mutual funds and bonds have been held by the Company in its own name. There are no transactions in shares or other investments.
- xii) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions other than credit protection in the case of import factoring and guarantee to banks for letters of credit issued by banks for the Company's clients, the terms and conditions of which are not prejudicial to the interest of the company.
- xiii) In our opinion and according to the information and explanations given to us, the funds raised through term loans have been applied for the purpose for which they were obtained.
- xiv) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised for short-term basis during the year have been prima facie not utilised for long term investment.
- xv) During the year, the Company has made preferential allotment of shares to holding company, as covered in the register maintained under section 301 of the Act. Based on the information and explanation given to us, the shares were not issued at a price prejudicial to the interest of the company.
- xvi) The Company has issued unsecured debentures, and therefore the question of creation of security does not arise.
- xvii) The Company has not raised any money by public issues during the year covered by our report and therefore the question of end use thereof does not arise.
- xviii) According to the information and explanation given to us, no fraud by the Company has been noticed or reported during the year. As regards frauds on the Company during the year, the company is investigating 1 case of fraud in respect of fake documents submitted by clients, involving principal of Rs. 24,750 thousand, which is written off in the books of the company.

For and on behalf of

**Contractor Nayak & Kishnadwala
Chartered Accountants
ICAI Firm Registration No.: 101961W**

**Place: Mumbai
Date: April 23, 2011**

**G. S. Nayak
Partner
Membership No.38127**

Comments of the Comptroller and Auditor General of India Under Section 619(4) of the Companies Act, 1956 on The Accounts Of SBI Global Factors Limited for the Year Ended 31 March 2011.

The preparation of financial statements of SBI Global Factors Limited for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 23 April 2011.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of SBI Global Factors Limited for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to the inquiries of the statutory auditor and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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



(Alka. R. Bhardwaj)

Principal Director of Commercial Audit and
Ex-Officio Member, Audit Board-I, Mumbai

Place: Mumbai

Date :10 June, 2011

Balance Sheet

As At March 31, 2011

	Schedule	(Rs. '000)	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
SOURCES OF FUNDS				
<i>Shareholders' Funds</i>				
Share Capital	1	15,98,854		15,42,604
Reserves and Surplus	2	32,73,700		42,09,107
			48,72,554	57,51,711
Unsecured Loans	3		1,64,75,366	2,56,66,098
Total			2,13,47,920	3,14,17,809
APPLICATION OF FUNDS				
<i>Fixed Assets</i>	4			
Gross Block			2,88,976	2,90,917
Less: Depreciation/Amortisation			1,76,233	1,61,070
Net Block			1,12,743	1,29,847
Capital Advances			479	510
			1,13,222	1,30,357
<i>Investments</i>	5		2,36,700	2,36,700
<i>Deferred Tax Asset (Net)</i>	6		7,01,808	4,34,533
<i>Current Assets, Loans and Advances</i>				
Sundry Debtors	7	2,22,33,411		3,15,34,723
Cash and Bank Balances	8	59,701		2,40,224
Other Current Assets	9	-		9,559
Loans and Advances	10	3,70,266		3,30,114
			2,26,63,378	3,21,14,620
<i>Less: Current Liabilities and Provisions</i>	11			
Current Liabilities		2,24,731		2,02,771
Provisions		21,42,457		12,95,630
			23,67,188	14,98,401
<i>Net Current Assets</i>			2,02,96,190	3,06,16,219
Total			2,13,47,920	3,14,17,809
Significant Accounting Policies and Notes to Accounts	19			
Schedules 1 to 19 referred to herein above form an integral part of the Balance Sheet.				

<p>As per our attached report of even date</p> <p>For Contractor, Nayak & Kishnadwala Chartered Accountants Firm Registration No.101961W</p> <p>G. S. Nayak Partner M. No. 38127</p> <p>Mumbai Dated : April 23, 2011</p>	<p>For and on behalf of the Board of Directors</p> <p>Pratip Chaudhuri Chairman</p> <p>K.Venkataraman Managing Director & CEO</p> <p>Amita Joshi Company Secretary</p> <p>Mumbai Dated : April 23, 2011</p>
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Profit And Loss Account

For The Year Ended March 31, 2011

	Schedule	Year Ended March 31, 2011 Rs. '000)	Year Ended March 31, 2010 (Rs. '000)
INCOME			
Income from Factoring	12	23,71,420	43,36,883
Interest Income	13	13	51,725
Profit on Sale of Current Investments (Net)		25,658	4,75,167
Other Income	14	1,14,202	67,015
Total		25,11,293	49,30,790
EXPENDITURE			
Employee Costs	15	83,890	1,14,473
Operating and Other Expenses	16	19,36,316	20,85,152
Interest and Financial Charges	17	11,35,564	19,80,324
Provision for Doubtful Debts / Investments	18	8,13,988	6,10,493
Provision on Standard Assets		41,883	-
Depreciation / Amortisation		23,051	32,475
Total		40,34,692	48,22,917
PROFIT BEFORE TAXATION		(15,23,399)	1,07,873
Provision for Taxation			
-Current Taxation		-	2,45,000
-Excess Provision for Taxation for Earlier Years Written Back		-	(12,660)
-Deferred Taxation		(2,67,275)	(1,90,342)
-Wealth Tax		60	63
		(2,67,215)	42,061
PROFIT AFTER TAXATION		(12,56,184)	65,812
Profit and Loss Account Balance Brought Forward from Previous Year		8,22,611	9,21,615
On Account of amalgamation of erstwhile SBI Factors & Commercial Services Pvt Ltd		-	10,000
BALANCE AVAILABLE FOR APPROPRIATION		(4,33,573)	9,97,427
APPROPRIATIONS:			
Dividend Paid			
- Equity			-
- Preference		22,198	9,500
Corporate Tax on Dividend		774	1,615
Transfer to Capital Redemption Reserve		1,00,000	-
Transfer to Reserve Fund		-	13,163
Transfer to Contingency Reserve		95,064	1,50,537
Profit and Loss Account Balance Carried to the Balance Sheet		(6,51,609)	8,22,612
Earnings per Share - Basic (Rs.)		(8.86)	0.38
Earnings per Share - Diluted (Rs.)		(8.86)	0.38
(Nominal Value of Share Rs. 10 each)			
(Refer Note 5 of Schedule 19)			
Significant Accounting Policies and Notes to Accounts	19		
Schedules 1 to 19 referred to herein above form an integral part of the Profit and Loss Account.			

As per our attached report of even date
For Contractor, Nayak & Kishnadwala
Chartered Accountants
Firm Registration No.101961W

G. S. Nayak
Partner
M. No. 38127

Mumbai
Dated : April 23, 2011

For and on behalf of the Board of Directors
Pratip Chaudhuri **K.Venkataraman**
Chairman Managing Director & CEO

Amita Joshi
Company Secretary

Mumbai
Dated : April 23, 2011

Cash Flow Statement

For The Year Ended March 31, 2011

	March 31, 2011		March 31, 2010	
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Cash flow from Operating Activities:				
Net profit before tax		(15,23,399)		1,07,873
Add: Interest Cost		11,17,013		19,54,780
Net profit before tax and Interest		(4,06,386)		20,62,653
Adjustments in:				
Depreciation / Amortisation	23,051		32,475	
(Profit) / Loss on sale of fixed assets	(519)		1,420	
Liabilities No Longer Required, Written Back	(641)		(30,656)	
Provision for doubtful debts & advances	8,13,988		7,86,783	
Provision on Standard Assets	41,883		-	
Bad Debts written off	17,79,087		16,81,728	
Interest income on Fixed Deposits	-		(51,707)	
Provision for Leave Encashment	2,906		(1,258)	
Interest income	(13)		(18)	
Profit on sale of current investments	(25,657)		(4,75,167)	
Interest cost	(11,17,013)		(19,54,780)	
		15,17,071		(11,180)
Operating profit before working capital changes		11,10,685		20,51,473
Increase / (Decrease) in unsecured loans	(91,90,732)		(1,64,95,345)	
(Increase) / Decrease in trade and other receivables	75,42,090		1,21,39,659	
Change in unexpired discount of Commercial Paper	2,270		(2,270)	
Increase / (Decrease) in trade and other payables	24,830		(3,67,931)	
		(16,21,542)		(47,25,887)
Cash (used)/generated in and from operations		(5,10,857)		(26,74,414)
Direct taxes paid (net)		(60,065)		(4,49,083)
Net cash (used)/generated in and from operating activities (A)		(5,70,922)		(31,23,497)
Cash flow from Investing Activities:				
Purchase of fixed assets		(6,756)		(19,656)
Sale of fixed assets		1,359		1,242
Interest Income Received		7,302		57,862
Purchase in current investments		(12,17,83,252)		
Sale of current investments		12,18,08,909		4,75,167
Net cash from investing activities (B)		27,563		5,14,615
Cash flow from financing activities:				
Redemption of Preference Share Capital		(1,00,000)		-
Fresh Issue of Equity Share Capital		1,56,250		-
Premium on fresh Share Issue		3,43,750		-
Dividend paid (Final)		(34,087)		(4,31,461)
Net cash generated from financing activities (C)		3,65,913		(4,31,461)
Net increase in cash and cash equivalents (A + B + C)		(1,77,447)		(30,40,343)
Cash and cash equivalents as at March 31, 2011/ 2010				
- Cash in Hand		1,856		2,596
- Cash & Bank Balances in current/FD account with banks (Net of balances overdrawn as per books Rs. Nil thousand; Previous Year 3,077 thousand.)		57,845		2,34,551
		59,700		2,37,147
Less: Cash and cash equivalents as at March 31, 2011 / 2010		2,37,147		32,77,490
		(1,77,447)		(30,40,343)

Note:

- Cash and cash equivalents includes Fixed Deposit of Rs. NIL (Previous year Rs. 1,000 thousand) kept with bank as margin money for opening of client LGs.
- Cash and cash equivalents includes unrealised gain (loss) of Rs. 1,614 thousand [Previous period Rs.(393) thousand] on account of translation of foreign currency bank balances.
- The cash flow statement is prepared by the indirect method set out in Accounting Standard 3 notified by National Advisory Committee on Accounting Standards on Cash Flow Statement.
- Previous Year figures have been regrouped / reclassified / rearranged wherever necessary.

As per our attached report of even date
For Contractor, Nayak & Kishnadwala
Chartered Accountants
Firm Registration No.101961W

G. S. Nayak
Partner
M. No. 38127

Mumbai
Dated : April 23, 2011

For and on behalf of the Board of Directors
Pratip Chaudhuri **K.Venkataraman**
Chairman Managing Director & CEO

Amita Joshi
Company Secretary

Mumbai
Dated : April 23, 2011

Schedules Annexed to and Forming Part of The Balance Sheet

As At March 31, 2011

	(Rs. '000)	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
SCHEDULE 1			
SHARE CAPITAL			
Authorised :			
180,000,000 (Previous Year 180,000,000) Equity Shares of Rs. 10 each		18,00,000	18,00,000
120,000,000 (Previous Year 120,000,000) Preference Shares of Rs. 10 each		12,00,000	12,00,000
		30,00,000	30,00,000
Issued, Subscribed and Paid-up :			
159,885,365 (Previous Year 144,260,365) Equity Shares of Rs. 10 each, fully paid-up (Note 1 and 2)		15,98,854	14,42,604
Nil (Previous year 10,000,000) 9.5% Non-convertible Redeemable Preference Shares of Rs. 10 each (Note 3)		0	100,000
		15,98,854	15,42,604
Note 1 : Includes 15,625,000 shares issued on Right issue of capital			
Note 2 : 13,88,07,255 (Previous Year 12,03,55,205) shares are held by the holding company, State Bank of India and its nominees.			
Note 3 : Redeemed at par on September 26, 2010.			
SCHEDULE 2			
RESERVES AND SURPLUS			
General Reserve			
As per last Balance Sheet	7,13,341		97,481
Add : Balance of erstwhile SBI Factors & Commercial Services P. Ltd	-		5,18,062
Add: Difference in the net assets of erstwhile SBI Factors & Commercial Services P. Ltd. and the face value of the new shares issued, pursuant to the scheme of Amalgamation	-		51,829
Add: Waiver of value of fractional shares issued to the shareholders of erstwhile SBI Factors & Commercial Services P. Ltd.	-		-
Add/(Less): Adjustments to opening balances of SBI Factors & Commercial Services P Ltd			
a) provisions on debts	-		50,237
b) depreciation on fixed assets	-		(4,268)
Add: Transfer from Profit and Loss Account	-		-
	7,13,341		7,13,341
Profit and Loss Account	(6,51,609)		8,22,612
		61,732	15,35,953
Reserve Fund (as required u/s 45 IC of RBI Act):			
As per last Balance Sheet	6,26,351		4,07,669
Add: Transfer from erstwhile SBI Factors & Commercial Services P Ltd on account of Amalgamation	-		2,05,519
Add: Transfer from Profit and Loss Account	-		13,163
		6,26,351	6,26,351
Contingency Reserve: (Refer Note below)			
As per last Balance Sheet	2,21,236		49,789
Add: Transfer from erstwhile SBI Factors & Commercial Services P Ltd on account of Amalgamation	-		20,910
Add: Transfer from Profit and Loss Account	95,064		1,50,537
		3,16,300	2,21,236
Capital Redemption Reserve:			
As per last Balance Sheet	-		
Add: Transfer from Profit and Loss Account	1,00,000	1,00,000	-

Schedules Annexed To And Forming Part of The Balance Sheet

As At March 31, 2011

	(Rs. '000)	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
Securities Premium Account			
As per last Balance Sheet	18,25,567		13,38,571
Add: On account of Amalgamation with erstwhile SBI Factors & Commercial Services P Ltd	-		1,60,000
Add: On account of conversion of Preference shares of erstwhile SBI Factors & Commercial Services Pvt Ltd. during the year	-		3,26,996
Add: Additions during the year on Rights Issue	3,43,750		-
		21,69,317	18,25,567
		32,73,700	42,09,107
Note: Contingency Reserve represents appropriation of profits as a prudent measure to meet any contingency arising out of non-realisation of debts factored. Transfer to Contingency Reserve is the aggregate of 0.125% of the total turnover and 0.5% of the uninsured portion of credit protection provided as an Import Factor, to the extent the same exceeds the amount transferred to Reserve Fund.			
SCHEDULE 3			
UNSECURED LOANS			
Commercial Paper		-	35,00,000
(Maximum outstanding balance Rs. 11,750,000 thousand)			
Short Term Rupee Loans from Banks (Repayable within one year Rs. 11,625,249 thousand; March 31, 2010 Rs. 14,645,199 thousand)		1,16,25,249	1,46,45,199
Short Term Rupee Loan from State Bank of India (Repayable within one year Rs. 1,579,231 March 31, 2010 3,932,559 thousand)		15,79,231	39,32,559
Short Term Foreign Currency Loans from Banks (USD 6,059 thousand ; March 31, 2010 USD 2,270 thousand) (Repayable within one year Rs. 270,220 thousand; March 31, 2010 Rs. 102,455 thousand)		2,70,220	1,02,455
Short Term Foreign Currency Loan from State Bank of India (USD 18043 thousand; EURO 5,325 thousand; GBP 814 thousand, March 31, 2010 USD 47,782 thousand; EURO 127 thousand; GBP 313 thousand) (Repayable within one year 1,200,666 thousand; March 31, 2010 2,185,885 thousand)		12,00,666	21,85,885
8.60 % 7 Years Non-Convertible Redeemable Debentures (Subordinated Debt) (Maturity date: May 17, 2013)			
- From Banks		20,000	20,000
- From Others		58,000	58,000
9.40 % 6 Years Non-Convertible Redeemable Debentures (Subordinated Debt) (Maturity date: July 02, 2012)			
- From Banks		2,20,000	2,20,000
- From Others		2,000	2,000

Schedules Annexed To And Forming Part of The Balance Sheet

As At March 31, 2011

	(Rs. '000)	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
9.50 % 6 Years Non-Convertible Redeemable Debentures (Subordinated Debt) (Maturity date: Aug 23, 2012)			
- From Banks		2,00,000	2,00,000
10.40 % 5 Years 7 Months Non-Convertible Redeemable Debentures (Subordinated Debt) (Maturity date: Apr 18, 2013)			
- From Banks		1,74,000	1,74,000
- From Others		78,000	78,000
10.30 % 5 Years 7 Months Non-Convertible Redeemable Debentures (Subordinated Debt) (Maturity date: Jul 18, 2013)			
- From Banks		1,00,000	1,00,000
- From Others		50,000	50,000
9.75 % 7 Years 1 Month Non-Convertible Redeemable Debentures (Subordinated Debt) (Maturity date: Apr 04, 2016)			
- From Others		98,000	98,000
7.35% Promissory Notes of Rs. 100 Lakhs each (Subordinated Debt) (Maturity date: Apr 30, 2014)			
- From Banks		50,000	50,000
- From Others		2,50,000	2,50,000
8.75% Promissory Notes of Rs. 100 Lakhs each (Subordinated Debt) (Maturity date: Aug 25, 2020)			
- From Others		5,00,000	-
		1,64,75,366	2,56,66,098

Schedules Annexed To And Forming Part of The Balance Sheet

As At March 31, 2011

SCHEDULE 4 FIXED ASSETS

(Rs. '000)

Particulars	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
	As at April 1, 2010	Additions during the Year	Additions on amalgamation in the year 2009-10	Deductions/ Adjustments during the Year	As at March 31, 2011	For the year	On Deductions during the Year	Additions on amalgamation in the year 2009-2010	As at March 31, 2011	As at March 31, 2010
<i>Tangible Assets</i>										
Building *	99,179	-	-	-	99,179	1,616	-	-	13,695	87,100
Office Equipment	20,888	630	-	1,392	20,125	3,100	1,140	-	15,404	7,444
Computers - Hardware	49,582	872	-	951	49,503	3,414	684	-	47,405	4,908
Furniture and Fixtures	35,722	138	-	2,768	33,092	3,480	2,535	-	29,956	6,711
Vehicles	12,660	9	-	3,616	9,053	1,848	3,529	-	7,763	3,215
Leasehold Improvements	42,742	-	-	-	42,742	5,303	-	-	32,238	15,807
<i>Intangible Assets</i>										
Computers - Software	30,144	5,138	-	-	35,282	4,289	-	-	29,771	4,662
Total	2,90,917	6,787	-	8,727	2,88,976	23,051	7,888	-	1,76,233	1,29,847
Previous Year	2,42,326	22,120	38,278	11,807	2,90,917	32,475	9,145	30,029	-	-
Capital Advances									479	510
										1,13,222
										1,30,357

* Includes Rs. 500 being the value of shares in Co-operative Housing Society

Schedules Annexed To And Forming Part of The Balance Sheet

As At March 31, 2011

	(Rs. '000)	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
SCHEDULE 5			
INVESTMENTS			
<i>Long Term Unquoted trade Investments</i>			
2,367 (Previous Year 2,367) Optionally Convertible Redeemable Bonds of M/s. K. Sera Sera Productions Ltd. of Rs.100,000 each		236,700	236,700
		236,700	236,700
SCHEDULE 6			
DEFERRED TAX ASSET (NET)			
Deferred Tax Liability arising on account of timing differences in:			
- Provision for Doubtful Debts	6,03,830		4,10,721
- Contingent Provisions against Standard Assets	13,589		-
- Provision for Doubtful Investments	76,797		15,725
- Disallowances U/s 43B	668		203
- Depreciation	2,087		1,238
- Allowability of Amalgamation expenses	4,837		6,646
		7,01,808	4,34,533
		7,01,808	4,34,533
SCHEDULE 7			
SUNDRY DEBTORS			
<i>(Secured)</i>			
<i>Debts Factored (Considered Good)</i>			
Debts outstanding for a Period Exceeding Six Months*			
- Considered Good *		14,75,058	1,818,157
- Considered Doubtful		1,34,298	-
Other Debts			
- Considered Good *		33,17,221	1,02,23,256
- Considered Doubtful		-	-
		49,26,577	1,20,41,413
<i>(Unsecured)</i>			
<i>Debts Factored</i>			
Debts outstanding for a Period Exceeding Six Months			
- Considered Good *		35,36,753	62,32,998
- Considered Doubtful		17,26,790	12,36,461
		52,63,543	74,69,459
Other Debts (Considered Good)			
- Considered Good		1,20,43,291	1,20,23,851
- Considered Doubtful		-	-
		1,73,06,834	1,94,93,310
		2,22,33,411	3,15,34,723
* These debts include debts which are either not due or not overdue for a period of more than six months and, hence, do not require a provision as at March 31, 2011 in accordance with the Company policy as stated in Note 2(vii) on Schedule 19.			

Schedules Annexed To And Forming Part of The Balance Sheet

As At March 31, 20011

	(Rs. '000)	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
SCHEDULE 8			
CASH AND BANK BALANCES			
Cash on Hand (Including Stamp Papers on hand Rs. 1,766 thousand [Previous Year Rs. 2,517 thousand])		1,856	2,596
Balances with Scheduled Banks in:			
- Current Accounts		57,845	236,628
- Fixed Deposit Accounts		0	1,000
		59,701	240,224
SCHEDULE 9			
OTHER CURRENT ASSETS			
Interest Receivable		-	7,289
Unexpired discount on issue of Commercial Papers (Refer Note 2[xiv] on Schedule 19)		-	2,270
		-	9,559
SCHEDULE 10			
LOANS AND ADVANCES			
<i>(Unsecured and Considered Good)</i>			
Advances Recoverable in Cash or in Kind or for Value to be Received		4,419	4,484
Prepaid Expenses		1,500	3,267
Deposits		27,887	45,921
Advance Tax and Tax Deducted at Source (Net of Provision for Tax Rs. 2,056,029 thousands [Previous Year Rs. 2,046,029 thousands])		3,35,953	2,75,935
Advance Fringe Benefit Tax (Net of Provision for Tax Rs. 7,093 thousands [Previous Year Rs. 7,093 thousands])		507	507
		3,70,266	3,30,114

Schedules Annexed To And Forming Part of The Balance Sheet

As At March 31, 2011

	(Rs. '000)	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
SCHEDULE 11			
CURRENT LIABILITIES AND PROVISIONS			
<i>Current Liabilities</i>			
Sundry Creditors			
- Dues to Micro and Medium Enterprises	-		-
- Dues to Others	21,771		11,914
		21,771	11,914
The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.			
Other Liabilities [Including Rs. Nil towards gratuity (previous year Rs.2,916 thousand)]		3,864	42,940
Discount Charges Received in Advance, not accrued		1,15,008	130,644
Balance with Scheduled Banks overdrawn as per books (Note : Arising on account of cheques issued against expected receipts)		-	3,077
Interest Accrued But Not Due		84,088	14,196
		2,24,731	2,02,771
<i>Provisions</i>			
Proposed Dividend			
- Equity		-	-
- Preference		-	9,500
Corporate Tax on Dividend		-	1,615
Provision for bad and doubtful debts		18,61,088	12,36,461
Provision for depreciation in investments		2,36,700	47,340
Contingent Provision against Standard Assets		41,883	-
Provision for Compensatory Absences		2,667	608
Wealth Tax (Net of Advance Tax Rs. 258 Thousand)		119	106
		21,42,457	12,95,630
		23,67,188	14,98,401

Schedules Annexed To And Forming Part of The Profit & Loss Account

For The Year Ended March 31, 2011

	March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
SCHEDULE 12		
INCOME FROM FACTORING		
Discount Charges	21,89,626	41,22,875
Factoring Charges (Tax Deducted at Source 18,229 Thousand; Previous Period Rs. 46,732 thousand)	1,26,793	1,65,889
Processing Charges - Gross (Tax Deducted at Source Rs. 3 thousand; Previous Period Rs.603 thousand)	55,001	48,119
	23,71,420	43,36,883
SCHEDULE 13		
INTEREST INCOME		
Interest on Balances with Banks	13	11
Interest on Deposits with Banks - Gross (Tax Deducted at Source NIL; Previous Period Rs. 13,820 thousand)	-	51,714
	13	51,725
SCHEDULE 14		
OTHER INCOME		
Income on Foreign Exchange Transactions	18,966	24,218
Exchange Gain (net)	1,603	2,467
Liabilities No Longer Required, Written Back	2,699	1,703
Provision No Longer Required, Written Back	-	28,953
Bad debts of earlier years recovered	87,845	-
Miscellaneous	3,089	9,674
	1,14,202	67,015
SCHEDULE 15		
EMPLOYEE COSTS		
Salaries	73,000	95,010
Contribution to Provident Fund	3,173	4,805
Staff Welfare	4,833	7,727
Gratuity	(22)	2,189
Compensatory Absenses	2,906	(1,258)
Bonus and Exgratia	-	6,000
	83,890	1,14,473

Schedules Annexed To And Forming Part of The Profit & Loss Account

For The Year Ended March 31, 2011

		March 31, 2011 (Rs. '000)	March 31, 2010 (Rs. '000)
SCHEDULE 16			
OPERATING AND OTHER EXPENSES			
Correspondent Fees		1,392	674
Credit Insurance Charges		4,065	6,954
Rent, Rates and Taxes		41,931	66,147
<i>Repairs and Maintenance</i>			
- Building		2,406	2,105
- Others		13,254	13,965
Communication		7,217	10,500
Travelling		8,366	11,447
Conveyance		687	763
Advertisement & Publicity		415	463
Auditors' Remuneration		1,110	1,550
Utilities		6,252	7,614
Insurance		1,767	1,921
Membership and Subscription		1,932	2,395
Motor Car Running Expenses		1,425	1,624
Printing and Stationery		2,947	3,105
Legal and Professional Fees		50,171	82,897
Outsourcing Costs		1,713	4,704
Director's Sitting Fees		538	958
Foreign Exchange Loss (net)			
(Profit)/Loss on Sale of Fixed Assets (net)		(519)	1,420
Bad Debts written off		17,79,087	18,58,018
Security Charges		2,029	1,851
Service Tax		1,080	886
Royalty to SBI		5,540	-
Miscellaneous		1,511	3,191
		19,36,316	20,85,152
SCHEDULE 17			
INTEREST & FINANCIAL CHARGES			
Interest on :			
- Non-Convertible Redeemable Debentures		58,225	6,99,806
- Short Term Loans (including Overdraft)		7,68,282	9,15,718
Bank Charges		9,010	10,234
Credit Rating Fees		3,475	8,684
Discount on Issue of Commercial Papers		2,90,506	3,39,256
Brokerage on Market Borrowing		-	2,780
Stamp Duty		6,066	3,846
		11,35,564	19,80,324
SCHEDULE 18			
PROVISION FOR DOUBTFUL DEBTS / INVESTMENTS			
Opening Balance		12,83,801	6,73,308
Provisions during the Period	11,63,495		7,86,783
Less :			
Write Back	3,49,507		1,76,290
Net Provisions during the Period from P & L		8,13,988	6,10,493
Closing Balance Carried to Balance Sheet		20,97,789	12,83,801

Schedule Annexed To And Forming Part of The Balance Sheet As At March 31, 2011 And Profit And Loss Account For The Year Ended March 31, 2011

SCHEDULE 19: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The Accounts are prepared under historical cost convention from the books of account maintained on accrual basis, and comply in all material respects with the accounting standards notified by the Companies Accounting Standard Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956, of India (the Act).

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

iii) Fixed Assets

a. Tangible Assets

Tangible assets are stated at cost of acquisition, less accumulated depreciation.

b. Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation.

iv) Depreciation / Amortisation

a. Tangible Assets

The Company provides depreciation on following assets on the straight-line method at the rates higher than those prescribed in Schedule XIV to the Companies Act, 1956.

Assest	Rate
Office equipments	20.00%
Computer Hardware	33.33%
Furniture & Fixtures	20.00%
Vehicles	25.00%

On other assets, the Company provides depreciation on the straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets individually costing Rs. 5,000 or less are depreciated at the rate of 100% in the year of purchase. Leasehold improvements are amortised over the period of lease.

b. Intangible Assets

Computer Software is amortised on straight-line method over a period of 3 years.

v) Impairment of Fixed Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

vi) Reserve Bank of India Prudential Norms

The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition and valuation of investments. In respect of asset classification, the company follows the guidelines issued by the Reserve Bank of India / stricter norms.

vii) Provisioning Norms

The provisioning norms followed by the Company are more stringent than those prescribed by Reserve Bank of India and are as follows:

I. Classification of Non-performing asset:

Category	Criteria
Sub-Standard Assets	Principal and/or Interest overdue for 6 months or more
Doubtful Assets	Principal and/or Interest overdue for 24 months or more
Loss Assets	1. An asset which has been identified as loss asset by the company or its internal or external auditor or by the Reserve Bank of India during the inspection of the company, to the extent it is not written off by the company; and 2. An asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower

II. Provisioning for Non-performing asset:

- (a) The portion of advance/ asset not covered by value of tangible security will be provided for cumulatively as under:

Category	Provision %
Sub-Standard Assets	20%
Doubtful Assets	100%
Loss Assets	100%

- (b) In addition to II (a) above, the portion of advance/ asset covered by value of tangible security will be provided for cumulatively as under:

Provision%	
Sub-Standard Asset	20%

Period for which the advance remains doubtful	Provision %
Upto 1 year	20%
More than 1 year and upto 3 years	50%
More than 3 years – full loan will migrate to Loss Asset	100%

III. Additional provisions is also made as and when considered necessary.

IV. As per RBI Guidelines, provision @ 0.25% is made on standard assets.

viii) Investments

Current Investments are valued at lower of cost and fair value.

Long term investments are valued at cost less permanent diminution in the value of investment.

ix) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date, are translated at the rates of exchange prevailing at the date of the Balance Sheet. In case of assets and liabilities covered by forward contracts, the forward premium is recognized over the life of the Contract and the difference between the year end rate and rate on date of contract is recognized as exchange difference. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognized in the Profit and Loss Account.

x) Revenue Recognition

- (i) Discount charges and interest on advances are accrued on time basis on the balances in the prepayment accounts at the applicable discount/ interest rates.
- (ii) Factoring charges are accrued on factoring of debts at the applicable rates.

- (iii) Processing charges are recognised as income only when there is reasonable certainty of its receipt after execution of documents.
- (iv) Revenue excludes Service Tax, wherever recovered.

xi) Debts Factored

Debts factored by the Company are included under Current Assets as Sundry Debtors (to the extent funds are paid to the clients).

xii) Taxes on Income

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the period.
- b) Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax asset and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Asset in respect of carry forward of losses and depreciation is recognised only to the extent that there is virtual certainty that sufficient taxable income will be available to realise this asset. All other deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

xiii) Employee Benefits

Defined Contribution Plan:

Contribution to the recognised Provident Fund, which is a defined contribution scheme, is charged to the Profit and Loss account during the period in which the employee renders the related service. The Company has no further obligation under the provident fund plan beyond its monthly contribution.

Defined Benefit Plan:

The Company's gratuity benefit is a defined benefit plan. For defined benefit plan in the form of gratuity, the cost of providing benefit is determined using the Projected Unit Cost Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains / losses are recognised in full in the profit and loss account for the period in which they occur. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets.

Compensatory Absences:

Long term compensated absences are provided for based on an actuarial valuation.

xiv) Discount on issue of Commercial Paper

Discount on issue of commercial papers is amortised over the period to maturity of the commercial paper. Unexpired discount as at the year end, if any, is included under Other Current Assets.

xv) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

xvi) Borrowing Costs

All borrowing costs are charged to revenue.

xvii) Leased Assets

Rentals in respect of assets taken on operating lease by the company are expensed as per the terms of the lease agreement.

2 Contingent Liabilities :

- a) No provision has been made in respect of certain disputed demands of Income Tax/Service Tax pending disposal of appeals/rectification filed by the company with the appellate authorities amounting to Rs. 60,401 Thousand (As at March 31, 2010 Rs. 71,839 Thousand).
- b) Contingent liability not provided for in respect of credit protection provided by the company as an Import Factor amounted to Nil (as at 31st March, 2010 Rs. 2,563 Thousand).
- c) Contingent liability not provided for in respect of credit protection provided by the company on Bank Letter of Credit (LCs) opened for the clients amounting to NIL (as at 31st March 2010 Rs. NIL).

3 Details of Operating Leases as lessee:

Particulars	Current Year Rs. '000	Previous Year Rs. '000
Lease payments debited to the Profit and Loss Account on account of cancelable lease agreements	41,926	65,584

- 4 The company has a defined benefit plan for gratuity which is funded with an insurance company in the form of a group gratuity policy.

Disclosure for Gratuity in case of employees of the company, as per revised Accounting Standard 15 on "Employee Benefits", (AS 15) is as follows:

Table 1 Amount to be Recognized in Balance Sheet		
	Year Ended 31/03/2011 (in Rs. '000)	Year Ended 31/03/2010 (in Rs. '000)
Present Value of Funded Obligations	4,773	2,373
Fair Value of Plan Assets	5,972	1,508
Present Value of Unfunded Obligations	-	-
Unrecognized Past Service Cost	-	-
Net Liability	1,199	(865)
Amounts in the Balance Sheet		
Liabilities	-	(865)
Assets	1,199	-
Net Liability	1,199	(865)

Table 2 Expense Recognized in Statement of Profit & Loss Account		
	Year Ended 31/03/2011 (in Rs. '000)	Year Ended 31/03/2010 (in Rs. '000)
Current Service Cost	707	301
Interest on Defined Benefit Obligation	163	175
Expected Return on Plan Assets	(192)	(89)
Net Actuarial Losses / (Gains) Recognized in Year	2,224	1
Past Service Cost	-	-
Losses / (Gains) on "Curtailments & Settlements"	-	-
Total, included in "Employee Benefit Expense"	2,902	387
Actual Return on Plan Assets	68	154

Table 3
Reconciliation of Benefit Obligations & Plan Assets for the Period

	Year Ended 31/03/2011 (in Rs. '000)	Year Ended 31/03/2010 (in Rs. '000)
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	2,373	1,942
Current Service Cost	707	301
Interest Cost	163	175
Actuarial Losses / (Gain)	2,208	65
Liabilities Extinguished on Curtailment	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed on Acquisition	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(678)	(109)
Closing Defined Benefit Obligation	4,773	2,373
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	1,508	898
Expected Return on Plan Assets	(192)	89
Actuarial Gains / (Losses)	(16)	64
Assets Distributed on Settlements	-	-
Contributions by Employer	4,966	273
Assets Acquired due to Acquisition	-	293
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(678)	(109)
Closing Fair Value of Plan Assets	5,972	1,508

Table 4
Asset Information

Category of Assets	Year Ended 31/03/2011 %	Year Ended 31/03/2010 %
Government of India Securities	0%	0%
Corporate Bonds	0%	0%
Special Deposit Scheme	0%	0%
Equity Shares of Listed Companies	0%	0%
Property	0%	0%
Insurer Managed Funds	95%	0%
Others; Bank Deposits	5%	100%
Total	100%	100%

The approximate market value of the assets as at 31 March 2011 was Rs. 5,972 thousand, a break up of the same is as follows:

Category of Assets	(Rs. '000)	(Rs. '000)
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Equity Shares of Listed Companies	-	-
Property	-	-
Insurer Managed Funds	5,679	-
Others; Bank Deposits	293	2,257
Total	5,972	2,257

Table 5
Summary of Actuarial Assumptions
Financial Assumptions at the Valuation Date:

	March 31, 2011	March 31, 2010
Discount Rate	8.00%	8.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Salary Escalation Rate	7%	5%
Attrition Rate	5%	2%

5 Earnings Per Share:

	Current Year Rs. '000	Previous Year Rs. '000
Net Profit after tax	(12,56,184)	65,812
Less: Dividend to Preference Shareholders (incl. tax thereon)	22,198	11,115
Profit available to Equity Shareholders (A)	(12,78,383)	54,697
Adjusted net profit for diluted Earnings per share	(12,78,383)	54,697
Weighted average number of Equity shares outstanding during the period (B)	14,43,88,790	14,42,60,365
Weighted average number of diluted Equity shares outstanding during the period	14,43,88,790	14,42,60,365
Nominal Value of Equity Shares (Rs.)	10	10
Basic Earnings Per Share (Rs.) (A) / (B)	(8.86)	0.38
Diluted per share (B) / (D)	(8.86)	0.38

6 Segment information for primary segment reporting (by business segments)

Based on guiding principles given in the Accounting Standard on 'Segment Reporting' (AS-17), the Primary segment of the Company is business segment, which comprises of factoring activity. As the company operates in a single primary business segment, no segment information thereof is given.

Segment information for secondary segment reporting (*by geographical segments*)

The Company has a customer base within and outside India.

(Rs. '000)

Particulars	Domestic	International	Total
Revenues from external customers (Previous Year)	22,44,819 (40,80,156)	1,26,601 (2,56,722)	23,71,420 (43,36,879)
Segment assets (Previous Year)	2,15,75,349 (2,47,90,806)	21,28,591 (68,89,696)	2,37,15,107 (3,16,80,503)
Segment liabilities (Previous Year)	1,73,82,834 (2,48,76,159)	14,59,720 (22,88,340)	1,88,42,553 (2,71,64,499)
Other Common liabilities (Previous Year)			48,72,554 (57,51,711)
Fixed Assets			
-Tangible (Previous Year)	1,07,712 (1,25,695)		1,07,712 (18,885)
-Intangible (Previous Year)	5,511 (4,662)	-	5,511 (3,235)

7 Disclosure on Derivatives

The Foreign Currency Exposures that have not been hedged by a derivatives instrument or otherwise as on 31st March, 2011 are as follows:

	Currency	Amount '000	Amount Rs. '000
(a) Assets (Receivables)			
	USD	24,864 (47,397)	11,08,927 (21,39,510)
	EUR	5,360 (138)	3,39,738 (8,333)
	GBP	869 (322)	62,399 (21,931)
(b) Liability (Payables)			
	USD	7 (16)	294 (733)
	EUR	3 (9)	165 (523)
	GBP	0 (3)	30 (172)
(c) Loans Payable			
	USD	24,102 (50,052)	10,74,962 (22,59,354)
	EUR	5,325 (137)	3,37,513 (8,302)
	GBP	814 (495)	58,411 (33,671)

As the Company has Foreign Currency outstanding Receivables & Payables which offset each other, the net foreign currency exposure is minimal.

The above disclosure have been made consequent to an announcement by the Institute of Chartered Accountant of India in December, 2005, which is applicable to the financial period ending on or after 31st March, 2006.

8 A Related Party Disclosures

	Name of Related Party	Relationship
1	Mr. Sangeet Shukla (upto 05.02. 2011)	Key Management Personnel (KMP)
2	Mr. Arvind Sonmale	Key Management Personnel (KMP)
3	Mr. V. K. Gupta	Key Management Personnel (KMP)
4	Mr K Venkataraman (from 10.02.2011)	Key Management Personnel (KMP)
5	State Bank of India (SBI)	Holding Company
6	SBI Mutual Fund	Fellow Subsidiary (Non-Banking)
7	SBI Capital Markets Limited	Fellow Subsidiary (Non-Banking)
8	SBI Funds Management Private Limited	Fellow Subsidiary (Non-Banking)
9	SBI DFHI Limited	Fellow Subsidiary (Non-Banking)
10	SBI Cards & Payments Services Pvt. Ltd. (SBICPSL)	Fellow Subsidiary (Non-Banking)
11	State Bank of Bikaner and Jaipur (SBBJ)	Fellow Subsidiary (Banking)
12	State Bank of Hyderabad (SBH)	Fellow Subsidiary (Banking)
13	State Bank of Indore (SBI) (up to 25.08.2010)	Fellow Subsidiary (Banking)
14	State Bank of Mysore (SBM)	Fellow Subsidiary (Banking)
15	State Bank of Patiala (SBP)	Fellow Subsidiary (Banking)
16	State Bank of Travancore (SBT)	Fellow Subsidiary (Banking)
17	SBICI Bank Ltd	Fellow Subsidiary (Banking)
18	State Bank of India International (Mauritius) Ltd	Fellow Subsidiary (Banking)
19	State Bank of India (California)	Fellow Subsidiary (Banking)
20	State Bank of India (Canada)	Fellow Subsidiary (Banking)
21	INMB Bank Ltd, Lagos	Fellow Subsidiary (Banking)
22	SBI Life Insurance Company Ltd (SBI LIFE)	Fellow Subsidiary (Non-Banking)
23	SBICAP Securities Ltd	Fellow Subsidiary (Non-Banking)

B	List of Related Party Transactions:	Current Year (Rs. '000)			
		(Previous years' figures are given in brackets)			
Sr. No.	Transactions	Holding Company	Fellow Subsidiaries	Associates	Key Mgt Personnel (KMP)
1.	A. EQUITY SHARE CAPITAL				
	State Bank of India				
	Opening balance	12,03,552			
		(9,02,000)			
	Acquired during the year	28,271			
		(-)			
	(on merger of SBI Indore)				
	Issued during the year *	1,56,250			
		(3,01,552)			
	Closing Balance	13,88,073			
		(12,03,552)			
	Allotted on Conversion of 7.5% Compulsorily Convertible Preference Shares	0			
		(46,723)			

B	List of Related Party Transactions:	Current Year (Rs. '000) (Previous years' figures are given in brackets)			
Sr. No.	Transactions	Holding Company	Fellow Subsidiaries	Associates	Key Mgt Personnel (KMP)
	B. SECURITES PREMIUM				
	State Bank of India				
	Opening balance	13,00,000 (13,00,000)			
	On account of shares issued during the year*	3,43,750 0			
	Closing Balance	16,43,750 (13,00,000)			
	* <i>Preferential allotment</i>				
2	UNSECURED LOAN				
	State Bank Of India International (Mauritius) Ltd				
	Opening Balance		1,02,455 (11,36,657)		
	Loans taken during the existence of relationship		4,98,861 (87,30,399)		
	Loans repaid during the existence of relationship		3,31,096 (97,64,601)		
	Closing Balance		2,70,220 (1,02,455)		
	State Bank Of India (London)				
	Opening Balance	21,89,792 (21,24,506)			
	Loans taken during the existence of relationship	66,42,988 (1,28,79,329)			
	Loans repaid during the existence of relationship	76,32,114 (1,28,14,043)			
	Closing Balance	12,00,666 (21,89,792)			
	State Bank Of India				
	Opening Balance	45,59,131 (31,08,161)			
	Loans taken during the existence of relationship	73,00,000 (94,80,000)			
	Loans repaid during the existence of relationship	1,02,80,000 (86,01,523)			
	Closing Balance	15,79,131 (39,80,000)			
	State Bank Of Mysore				
	Opening Balance		0 (-)		
	Loans taken during the existence of relationship		7,50,000 (-)		
	Loans repaid during the existence of relationship		0 (-)		
	Closing Balance		7,50,000 (-)		
	State Bank Of Hyderabad				
	Opening Balance		40,00,000 (40,00,000)		
	Loans taken during the existence of relationship		40,00,000 (70,00,000)		
	Loans repaid during the existence of relationship		40,00,000 (70,00,000)		
	Closing Balance		40,00,000 (40,00,000)		

B	List of Related Party Transactions:	Current Year (Rs. '000) (Previous years' figures are given in brackets)			
Sr. No.	Transactions	Holding Company	Fellow Subsidiaries	Associates	Key Mgt Personnel (KMP)
	State Bank of Patiala				
	Opening Balance		- (5,00,000)		
	Loans taken during the existence of relationship		- (-)		
	Loans repaid during the existence of relationship		- (5,00,000)		
	Closing Balance		- (-)		
	State Bank of Travancore				
	Opening Balance		30,00,000 (25,00,000)		
	Loans taken during the existence of relationship		20,50,000 (30,00,000)		
	Loans repaid during the existence of relationship		37,50,000 (25,00,000)		
	Closing Balance		13,00,000 (30,00,000)		
	State Bank of India CP				
	Opening Balance	- (-)			
	Loans taken during the existence of relationship	32,00,000 (20,00,000)			
	Loans repaid during the existence of relationship	32,00,000 (20,00,000)			
	Closing Balance	- (-)			
	State Bank of India -7.35% Subordinate Debt				
	Opening Balance	50,000 (50,000)			
	Loans taken during the existence of relationship	- (-)			
	Loans repaid during the existence of relationship	- (-)			
	Closing Balance	50,000 (50,000)			
3	BANK BALANCE				
	<u>State Bank of India Bank Account</u>				
	Closing Balance	268 (1,39,135)			
	<u>State Bank of Mysore</u>				
	Closing Balance		- (10)		
	<u>State Bank of Patiala</u>				
	Closing Balance		10 (300)		
4	INTEREST PAYABLE				
	<u>State Bank of India ODD A/c</u>	7,219 (732)			
	<u>SBI London - FC line of credits</u>	166 (1,180)			

B	List of Related Party Transactions:	Current Year (Rs. '000) (Previous years' figures are given in brackets)			
Sr. No.	Transactions	Holding Company	Fellow Subsidiaries	Associates	Key Mgt Personnel (KMP)
5	INTEREST EXPENSES				
	SBI International - Mauritius		4,326 (27,370)		
	State Bank of Hyderabad		73,772 (53,932)		
	State Bank of Mysore		1,797 (11,833)		
	State Bank of Patiala		0 (17,611)		
	State Bank of Travancore		6,582 (1,35,175)		
	State Bank of India	1,37,325 (1,83,691)			
	SBI international London	2,457 (21,935)			
	SBI Commercial Paper	38,514 (50,474)			
	SBI London - FC line of credits	19,627 (21,935)			
	State Bank of Mysore		1,797 (11,683)		
6	LEGAL AND PROFESSIONAL FEES				
	State Bank OF India		32 (-)		
	SBICAP Securities Ltd		1 (2)		
	SBI Capital Market Ltd		- (4,413)		
7	GIFT & PRESENTATION				
	State Bank Of India	765 (460)			
8	RENT PAID TO SBI				
	State Bank of India	1,523 (3,338)			
9	SALARY PAID TO DEPUTED STAFF				
	State Bank of India	15,462 (2,737)			
10	BANK CHARGES / PROCESSING FEES				
	State Bank Of India International		1,427 (2,497)		
	State Bank Of India INR	4,162 (2,658)			
	State Bank of Patiala		- (2,995)		
	State Bank of Mysore		- (1)		
11	MEETING FEES				
	State Bank Of India	108 (363)			
12	PURCHASE /(SALE) OF FIXED ASSETS				
	State Bank Of India	81 (-)			
13	INVESTMENT				
	SBI Mutual Fund Opening Balance			-	
				(-)	

B	List of Related Party Transactions:	Current Year (Rs. '000) (Previous years' figures are given in brackets)			
Sr. No.	Transactions	Holding Company	Fellow Subsidiaries	Associates	Key Mgt Personnel (KMP)
	Investment made during the year		10,85,600 (92,87,225)		
	Investment liquidated during the year		10,85,000 (92,92,624)		
	Closing Balance		(-)	-	
	Profit of Investments		600 (5,399)		
14	ROYALTY PAID TO SBI	5,540			
	REMUNERATION TO EVC & CEO (Reimbursed to SBI)				
	Mr. Sangeet Shukla				
	Opening Balance Payable				(-)
	Remuneration for the year				2,672 (995)
	Paid during the year				2,672 (995)
	Closing Balance Payable				-
15	REMUNERATION TO MANAGING DIRECTOR (Reimbursed to SBI)				
	Mr. K.Venkataraman				
	Opening Balance Payable				- (-)
	Remuneration for the year				173 (-)
	Paid during the year				- (-)
	Closing Balance Payable				173 (-)

9 Estimated amount of contracts to be executed on capital account for

- Tangible Assets Rs. Nil (Previous Year Rs. Nil)
- Intangible Assets Rs. 135 thousand (net of advance payments):
(Previous Year Rs. 5900 thousand)

10 Remuneration paid to Deputed Staff (EVC & CEO / MD & CEO)

	Current Year Rs. '000	Previous Year Rs. '000
Salaries and Bonus *	2,444	5,539
Contribution to PF & Other Fund	81	301
Monetary Value of Perquisites	320	4,024
Total Managerial Remuneration	2,845	9,864

11 Auditors' Remuneration:

	Current Year Rs. '000	Previous Year Rs. '000
As Auditors	810	900
In Other Capacity		
- As Tax Auditors	200	200
- In any other manner (Including certification)	100	25
Out of Pocket Expenses	-	123
	1,110	1,248

12 Expenditure in Foreign Currency (On Accrual basis)

	Current Year Rs. '000	Previous Year Rs. '000
Correspondent Fees	1,392	674
Travelling	-	693
Membership and Subscription	39	311
Interest on Short Term Loans	27,859	61,584
Advertising	-	-
Legal Fees & Expenses	-	389
Others	1,977	3,296

13 Earnings in Foreign Currency:

	Current Year Rs. '000	Previous Year Rs. '000
Income from Factoring		
- Discount Charges	98,509	1,64,353
- Factoring Charges	21,727	17,888
- Import Factoring Charges	-	-
- Processing Charges	9,765	3,504
Bank Interest	13	11
Miscellaneous Income	6	5

14 Details of Purchase and Sale of Investments during the year ended March 31, 2011

Mutual Funds

Name of Scheme	Amount of Purchase (Rs. '000)	Quantity Purchased/Sold
Canbank Liquid Super Inst Growth	1,59,48,000	1,41,02,54,308
Kotak Liquid Institutional Prem.Growth	90,50,000	48,27,74,117
Kotak Floater Short Term Grwth	1,50,000	93,93,376
Pru ICICI Liquid Inst. Plus SIP Growth	55,00,000	4,00,88,611
DWS Insta Cash Plus Fund-Super Inst.Plan Growth	60,50,000	50,35,98,266
Reliance Floating Rate Fund - Growth	1,22,72,000	84,36,62,898
Reliance Liquid Fund-Treas.Plan Inst.Option Growth	5,00,000	2,22,05,445
Religare Liquid Fund Inst.Grwth	1,77,69,500	133,69,27,277
Religare Ultra Short Term Fund Inst.Grwth	3,00,000	2,23,034
JM High Liquidity Fund Super Inst. Grwth	3,50,000	2,29,14,907
Reliance Liquidity Fund Grwth	3,00,000	2,04,30,780
Reliance Money Manager Fund Inst.Grwth	4,00,000	3,00,404
Birla Cash Plus Inst.Premium Growth	79,00,000	53,35,08,085
HDFC MF Liquid Fund Premium-Growth	60,00,000	32,36,96,278
IDFC Cash Fund Super Inst.Grwth	37,20,000	32,89,84,933
Principal Cash Mangt.Inst.Premium -Growth	19,20,000	13,31,16,276
UTI Liquid Cash Plan Inst.Grwth	46,00,000	30,25,371
UTI Money Market Fund Growth Plan	45,43,000	43,83,649
TATA MF Liquid Super High Invest.Plan Grwth	96,65,000	56,61,181
LIC MF Floating Rate -Short Term Growth Plan	12,00,149	7,89,05,829
LIC MF Liquid Inst. Fund-Growth	15,00,000	8,83,11,851
J.P.Morgan Liquid Super IP Growth	80,30,000	64,57,36,834
SBI Premier Liquid Fund-Ins.Growth	30,000	19,88,111
SBI Premier Liquid Fund-Super Ins.Growth	9,00,603	5,96,95,923
SBI Magna Insta Cash Fund- Cash Option	1,55,000	73,06,668
L&T Liquid Super Inst.Plan	17,30,000	12,98,14,427
Franklin Templeton TMA Super Ins Plan Grwth	8,50,000	5,87,342
Taurus Liquid Fund Super Inst.Grwth	3,00,000	2,85,414
IDBI Liquid Fund Grwth	1,50,000	1,43,322
Total	12,17,83,252	703,79,24,917

**15 Schedule in terms of Paragraph 13 of Prudential Norms as per Notification No.DNBS.
193 DG(VL)- 2007 dated February 22, 2007 issued by Reserve Bank of India.**

LIABILITIES SIDE :	Current Year		Previous Year	
	Amount Outstanding Rs. '000	Amount Overdue Rs. '000	Amount Outstanding Rs. '000	Amount Overdue Rs. '000
1 Loans and advances availed by the NBFCS inclusive of interest accrued thereon but not paid:				
(a) Debentures :				
- Secured	-	-	-	-
- Unsecured (other than falling within the meaning of public deposits*)	18,39,210	-	13,13,294	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	1,46,75,366	-	2,43,66,999	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans (specify nature)	-	-	-	-

ASSETS SIDE:	Amount Outstanding	
	Current Year Rs. '000	Previous Year Rs. '000
2 Break-up of Loans and Advances including bills receivables [other than those included in (3) below:] #		
(a) Secured	-	-
(b) Unsecured (Excludes Advance Payment of Tax)	33806	53,672
3 Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities (net of provision)		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
# Debts Shown under Sundry Debtors have not been Considered		
4 Break-up of Investments :		
Current Investments:		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-

6 Investor group-wise classification of all investments (current and long term) (both quoted and unquoted):

Category	Current Year		Previous Year	
	Market Value/ Break-up or fair value or NAV	Book Value (net of Provisions)	Market Value/ Break-up or fair value or NAV	Book Value (net of Provisions)
1. Related Parties				
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total	-	-	-	-

7 Other Information

Particulars	Current Year Rs. '000	Previous Year Rs. '000
(i) Gross Non Performing Assets		
(a) Related Party	-	-
(B) Other than Related Parties	57,17,234	65,88,620
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(B) Other than Related Parties	36,19,446	53,04,819
(iii) Assets acquired in satisfaction of debts	-	-

16 Disclosures as per circular No. DNBS (PD). CC. No. 125/03.05.002/2008-2009 dated August 1, 2008, relating to guidelines for NBFC-ND-SI as regards to Capital Adequacy, Liquidity and disclosure norms.

A) CRAR

Items	Current Year	Previous Year
i) CRAR (%)	25.60%	19.88%
ii) CRAR - Tier I Capital (%)	18.73%	16.25%
iii) CRAR - Tier II Capital (%)	6.87%	3.63%

B) Exposure to Real Estate Sector

		(Rs. '000)	
Category		Current Year	Previous Year
a	Direct Exposure*	-	116,250
(i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)	-	-
(ii)	Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

* Exposure is unsecured

C) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs. in crore)

	1 day to 30/31 days (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks	1,193	-	275	-	-	71	5	-	1,544
Market Borrowing	-	-	-	-	-	18	25	60	103
Assets									
Advances	1,238	408	409	168	-	-	-	-	2,223
Investments	-	-	-	-	-	-	-	-	-

17. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

Signatures to Schedules 1 to 19 forming part of the Accounts.

<p>For Contractor, Nayak & Kishnadwala Chartered Accountants</p> <p>G. S. Nayak Partner M. No. 38127 Firm Registration No.101961W</p> <p>Mumbai Dated : April 23, 2011</p>	<p>For and on behalf of the Board of Directors</p> <p>Pratip Chaudhuri Chairman</p> <p>K.Venkataraman Managing Director & CEO</p> <p>Amita Joshi Company Secretary</p> <p>Mumbai Dated : April 23, 2011</p>
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Balance Sheet In US \$

Balance Sheet As At March 31, 2011

		March 31, 2011	March 31, 2010
	US \$ *	US \$ *	US \$ **
SOURCES OF FUNDS			
<i>Shareholders' Funds</i>			
Share Capital	35,808,592		34,356,437
Reserves and Surplus	73,319,150		93,744,031
		109,127,742	128,100,468
<i>Loan Funds</i>			
Unsecured Loans		368,989,163	571,628,018
Total		478,116,905	699,728,486
APPLICATION OF FUNDS			
<i>Fixed Assets</i>			
Gross Block	6,472,029		6,479,220
Less: Depreciation	3,946,987		3,587,305
Net Block	2,525,042		2,891,915
Capital Advances	10,731		11,359
		2,535,773	2,903,274
<i>Investments</i>		5,301,232	4,217,372
<i>Deferred Tax Asset</i>		15,717,982	9,677,795
<i>Current Assets, Loans and Advances</i>			
Sundry Debtors	497,948,740		674,794,254
Cash and Bank Balances	1,337,070		5,350,200
Other Current Assets	-		212,895
Loans and Advances	8,292,615		7,444,509
	507,578,425		687,801,859
<i>Less: Current Liabilities and Provisions</i>			
Liabilities	5,033,159		4,516,058
Provisions	47,983,348		355,756
	53,016,507		4,871,814
<i>Net Current Assets</i>		454,561,918	682,930,045
Total		478,116,905	699,728,486

* 1 US \$ = Rs. 44.65

** 1 US \$ = Rs. 44.90

Note: Previous year's figures have been regrouped / recast / reworked / rearranged / reclassified wherever necessary

Profit And Loss Account In US \$

Profit And Loss Account For The Year Ended March 31, 2011

	Year Ended March 31, 2011 US \$*	Year Ended March 31, 2010 US \$**
INCOME		
Income from Factoring	53,176,820	96,589,822
Interest Income	300	1,152,004
Profit on Sale of Current Investments (Net)	575,329	10,582,784
Other Income	2,560,879	1,492,539
Total	56,313,328	109,817,149
EXPENDITURE		
Employee Costs	1,881,139	2,549,510
Operating and Other Expenses	43,420,076	60,036,637
Interest and Financial Charges	25,463,907	44,105,212
Provision for Doubtful Debts / Investments	18,252,889	-
Provision on Standard Assets	939,187	-
Depreciation / Amortisation	516,895	723,274
Total	90,474,093	107,414,633
PROFIT BEFORE TAXATION	(34,160,765)	2,402,516
Provision for Taxation		
- Current Taxation	-	5,456,570
- Excess Provision for Taxation for Earlier		
Years Written Back	-	(281,960)
- Deferred Taxation	(5,993,382)	(4,239,243)
- Wealth Tax	1,345	1,403
	(5,992,037)	936,770
PROFIT AFTER TAXATION	(28,168,728)	1,465,746
Profit and Loss Account Balance Brought Forward		
from Previous Year	18,446,264	20,525,947
Add : On account of amalgamation of erstwhile		
SBI Factors and Commercial and Services Pvt. Ltd.	-	222,717
	18,446,264	20,748,664
PROFIT AVAILABLE FOR APPROPRIATION	(9,722,464)	22,214,410
APPROPRIATIONS:		
Dividend Paid		
- Equity	-	-
- Preference	497,772	211,581
Corporate Tax on Dividend	17,351	35,969
Transfer to Capital Redemption Reserve	2,242,404	-
Transfer to Reserve Fund	-	293,163
Transfer to Contingency Reserve	2,131,718	3,352,717
Profit and Loss Account Balance Carried		
to the Balance Sheet	(14,611,709)	18,320,980
	(9,722,464)	22,214,410

* 1 US \$ = Rs. 44.65 ** 1 US \$ = Rs. 44.90

Note: Previous year's figures have been regrouped / recast / reworked
rearranged / reclassified wherever necessary

SBI GLOBAL FACTORS LIMITED

Formerly Known as GLOBAL TRADE FINANCE LIMITED

Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956, of India
Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.

U	6	5	9	2	9	M	H	2	0	0	1
P	T	C	1	3	1	2	0	3			

State Code

1	1
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Balance Sheet Date

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II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue

N	I	L
---	---	---

Rights Issue

1	5	6	2	5	0
---	---	---	---	---	---

Bonus Issue

N	I	L
---	---	---

Private Placement

N	I	L
---	---	---

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

2	3	7	1	5	1	0	7
---	---	---	---	---	---	---	---

Total Assets

2	3	7	1	5	1	0	7
---	---	---	---	---	---	---	---

Sources of Funds

Paid-Up Capital

1	5	9	8	8	5	4
---	---	---	---	---	---	---

Reserves and Surplus

3	2	7	3	7	0	0
---	---	---	---	---	---	---

Secured Loans

N	I	L
---	---	---

Unsecured Loans

1	6	4	7	5	3	6	6
---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

1	1	3	2	2	2
---	---	---	---	---	---

Investments

2	3	6	7	0	0
---	---	---	---	---	---

Net Current Assets

2	0	2	9	6	1	8	9
---	---	---	---	---	---	---	---

Deferred Tax Asset

7	0	1	8	0	8
---	---	---	---	---	---

Miscellaneous Expenditure

N	I	L
---	---	---

Accumulated Losses

N	I	L
---	---	---

IV Performance of Company (Amount in Rs. Thousands)

Turnover and Other Income

2	5	1	1	2	9	3
---	---	---	---	---	---	---

Total Expenditure

4	0	3	4	6	9	2
---	---	---	---	---	---	---

+ - Profit/Loss Before Tax

1	5	2	3	3	9	9
---	---	---	---	---	---	---

+ - Profit / Loss After Tax

1	2	5	6	1	8	4
---	---	---	---	---	---	---

(Please tick appropriate box + for Profit, - for Loss)

+ - Earnings per Share in Rs.

8	.	8	5
---	---	---	---

Dividend Rate %

0	0	.	0	0
---	---	---	---	---

(Please tick appropriate box + for Earnings, - for Loss)

V Generic Names of three Principal Products/Services of the Company (as per monetary terms)

Item Code No.(ITC Code)

N	A
---	---

Product Description

F	A	C	T	O	R	I	N	G
---	---	---	---	---	---	---	---	---

O	F
---	---

D	E	B	T	S
---	---	---	---	---

For and on behalf of the Board of Directors

Pratip Chaudhuri

Chairman

Mumbai

Dated: April 27, 2011

K Venkatraman

Executive Vice Chairman & CEO

Amita Joshi

Company Secretary

Registered Office

Mumbai

6th Floor, The Metropolitan, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
Tel: +91-22- 30440300/30440400
Fax: +91-22-6694 6098/99

Branches:

Ahmedabad

401, Sakar II, Ellis bridge, Ahmedabad - 380 006
Tel: + 91-79-4006 8501/ 02/03
Fax: +91-79-4006 8504

Bangalore

S 821/822, 8th Floor Manipal Centre, 47 Dickenson Road, Bangalore - 560 042
Tel: +91-80-30569749
Fax: +91-80-40923761

Chennai

2nd Floor, Karumuthu Centre,634-Anna Salai, Nandanam, Chennai - 600 035
Tel: +91-44-24341201/02/03
Fax: +91-44-24312190

Hyderabad

S-2, ANR Centre, Road # 1, Banjara Hills, Hyderabad - 500 034
Tel: +91-40-3064 8460/61
Fax: +91-40-3064 8466

Kolkata

Surabhi Merlin, 8/1/2 Loudon Street, Kolkata - 700 017
Tel: +91-33-2289 6366 / 67 / 68
Fax: +91-33-2289 6383

New Delhi

906-907 Narain Manzil, Barakhamba Road, Connaught Place, New Delhi - 110 001
Tel: +91-11-4160 8581/82/83
Fax: +91-11-4160 8580

Chandigarh

SCO 51-52, Sector 8C, Madhya Marg, Chandigarh - 160 018
Tel: +91-172-4668751/52

Coimbatore

4th Floor, Jaya Enclave, No. 1057, Avanashi Road, Coimbatore - 641 018
Tel: +91-422 - 2240772
Fax: +91-422 - 2240676

Hubli

Ground Floor, T B Revenkar Comforts, Travelers Bungalow Road, Near Court Circle, Hubli - 580 029
Tel: +91-836 - 2353423/25
Fax: +91-836 - 2353424

Jaipur

1st Floor, Silver Square, C-18, Bhagwan Das Road, C-Scheme, Jaipur - 302 001
Tel: +91-141-4002178 / 79 / 80
Fax: +91-141-2374186

Kochi

41/418 E, 4th Floor, Chicago Plaza, Rajaji Road, Ernakulam - 682 035
Tel: +91-484-2378431/32
Fax: +91-484-2378430

Visakhapatnam

Ground Floor, Narayana Towers, 43-9-16/13, Diamond Park Extension, Beside Trinetra Supermarket, Railway New Colony, Main Road, Visakhapatnam - 530 016
Tel: +91-891 - 2716179/80
Fax: +91-891 - 2716178

Pune

Office No.103, 1st Floor, "Renaissance" 1277, Jangli Maharaj Rd., Pune - 411 004.
Tel: 020 25536700/701
Fax: 020 25536700/701

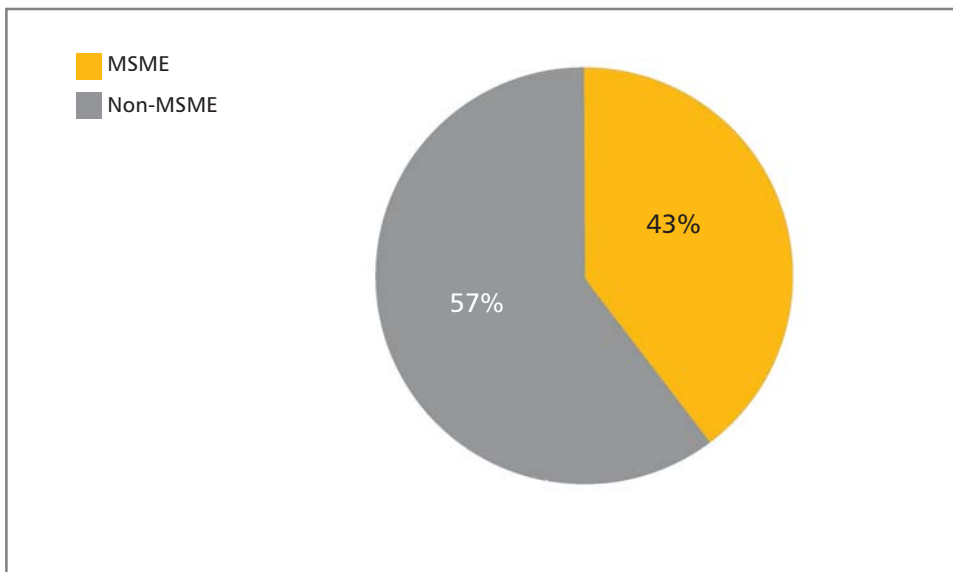
Ludhiana

BXXXI-14627, Gandhi Nagar, G.T. Road, Near Dholewal Bridge, Ludhiana-141 003
Tel: 0161-2545626
Fax: 0161-2544426

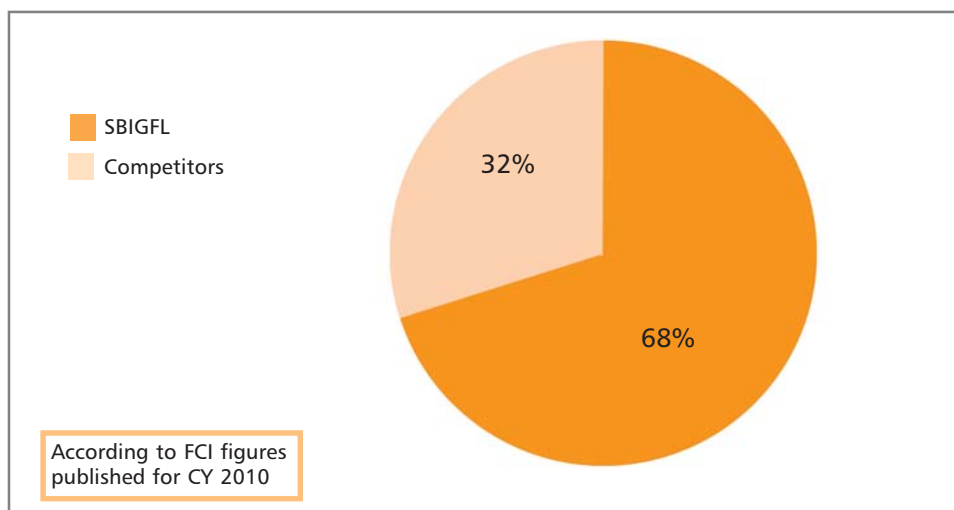
Indore

LG-1&2, Starlit Towers, YN Road, Indore 452 003
Tel: 0731 4280025
Fax: 0731 4280023

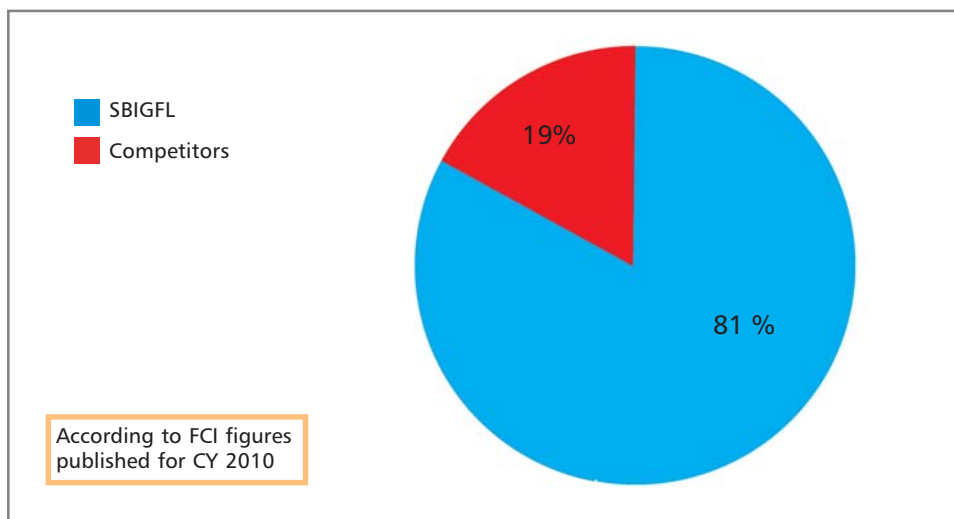
Share of MSMEs in number of SBIGFL's Client Accounts as on March 31, 2011



SBIGFL's International Factoring Market Share



SBIGFL's Domestic Factoring Market Share



Events

Annual Day Function-2011



Seen on the dias from right Mr. Dinesh Khara, General Manager(Subsidiaries) SBI, Mr. R. Sridharan, Managing Director & GE (A&S) SBI, Mr. K.Venkataraman, Managing Director & CEO, SBI Global Factors Ltd, Mr. K.S.Subramanian, Executive Vice President & COO, SBI Global Factors Ltd.



SBI Global Factors Ltd.

The Metropolitan, 6th Floor, Bandra-Kurla-Complex, Bandra (East), Mumbai 400 051