



SBI Global Factors Ltd.
(A Subsidiary of State Bank of India)

Annual Report 2020 - 2021



(Formerly Factors Chain International)

Contents

List of Directors	2
Board of Directors	3
Directors' Report	4
Corporate Governance Report	32
Management Discussion and Analysis	42
Independent Auditors' Report	45
Report of Comptroller & Auditor General of India	60
Balance Sheet	62
Statement of Profit and Loss	63
Cash Flow Statement	65
Notes to Balance Sheet and Statement of Profit and Loss	66
Balance Sheet in US \$	134
Statement of Profit and Loss in US \$	135

List of Directors

Name	Designation
Shri Dinesh Kumar Khara	Chairman (upto 09.04.2021)
Shri Ashwini Kumar Tewari	Chairman (w.e.f. 19.04.2021)
Smt. Bharati Rao	Independent Director (upto 29.03.2021)
Smt. Sudha Malhotra	Independent Director (w.e.f. 29.04.2021)
Shri Vijay Kumar Gupta	Independent Director
Shri Narayanan Raja	Independent Director
Shri Vinay S Hedao	Director
Shri Nitesh Ranjan	Director (upto 10.03.2021)
Shri Vijay Prakash Srivastava	Director (upto 29.09.2020)
Shri Prashant Ramakant Khatavkar	Director (w.e.f. 23.10.2020) (upto 25.05.2021)
Shri Dinkar Baburao Sankpal	Director (w.e.f. 30.06.2021)
Shri Chander Mohan Minocha	Director (w.e.f. 30.06.2021)
Shri P Hemant Kumar Pammi	Managing Director & CEO (upto 30.06.2021)
Shri Joydeb Mukherjee	Managing Director & CEO (w.e.f. 01.07.2021)

Our Vision

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

Board of Directors



Shri Dinesh Kumar Khara
Chairman
(upto 09.04.2021)



Shri Ashwini Kumar Tewari
Chairman
(w.e.f. 19.04.2021)



Shri P. Hemant Kumar Pammi
Managing Director & CEO
(upto 30.06.2021)



Shri Joydeb Mukherjee
Managing Director & CEO
(w.e.f. 01.07.2021)



Smt. Bharati Rao
Independent Director
(upto 29.03.2021)



Smt. Sudha Malhotra
Independent Director
(w.e.f. 29.04.2021)



Shri Vijay Kumar Gupta
Independent Director



Shri Narayanan Raja
Independent Director



Shri Vinay S. Hedaoo
Director



Shri Nitesh Ranjan
Director
(upto 10.03.2021)



Shri Vijay Prakash Srivastava
Director
(upto 29.09.2020)



Shri Prashant R Khatavkar
Director (w.e.f. 23.10.2020)
(upto 25.05.2021)



Shri Dinkar Baburao Sankpal
Director
(w.e.f. 30.06.2021)



Shri Chander Mohan Minocha
Director
(w.e.f. 30.06.2021)

Directors' Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

Your Directors have pleasure in presenting the 20th Annual Report of SBI Global Factors Limited ('SBIGFL') along with the audited Balance Sheet as at March 31, 2021 and Profit & Loss Account for the year 2020-21.

FINANCIAL PERFORMANCE

- (i) During the year, the Company continued to manage its operations on profitable lines despite the prevailing economic downturn and achieved an Operating Profit of Rs. 41.06 Crores, by a conscious strategy to:
- grow the portfolio selectively, especially by tapping opportunities in Services Sector (logistic, fleet transport, ITeS etc.)
 - de-risk Balance Sheet by exiting from riskier assets,
 - minimise slippages in Asset Quality, and
 - improve profitability by concentrating on recovery / upgradation of AUCA / NPA Accounts
 - Exploring new opportunities of without recourse Factoring on TReDs (Trade Receivables Discounting System), Asset Backed Securitisation Assignment of Portfolio (Gold Loan)

(Rs. in cr.)

Key Parameters	2019-2020	2020-2021	YOY % Growth***
- Turnover (Revenue from Operations) *	117	108	-7.90%
FIU**	1321	1379	4.40%
Gross NPAs	206	171	-17.33%
Net NPAs	34	37	8.87%
Operating Profit	34	41	19.29%
PBT	40	27	-33.66%
PAT	17	18	10.12%
Recovery from Written-off A/cs	5	1	-82.18%
*as per Companies Act, 2013, Revenue from Operations alone constitute turnover. However, as per Factoring Industry practice, turnover refers to turnover of all invoices lodged by clients. As per this definition turnover is as follows :			
Turnover (Invoices Booked/ Business Turnover) of the Company	4,394	4,352	-0.96%

** Post sale of part of TReDs portfolio of Rs. NIL (Previous Year Rs. 125.35 Crores) to SBI.

***Based on actual figures without rounding off to nearest Crore

SHARE CAPITAL

Pursuant to the provisions of Sections 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to Article 56 of the Articles of Association of the Company, Equity Shareholders/ Members of the Company, at their Extraordinary General Meeting held on July 27, 2020, considered and increased the Authorised Share Capital of the Company from Rs. 300,00,00,000/- (Rupees Three Hundred Crores Only) divided into 18,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each and 12,00,00,000 Preference Shares of Rs. 10/- (Rupees Ten Only) each - to - Rs 1000,00,00,000/- (Rupees One Thousand Crores Only) divided into 88,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each and 12,00,00,000 Preference Shares of Rs. 10/- (Rupees Ten Only) each.

The present Authorised Share Capital of the Company is Rs. 1000,00,00,000/- divided into 88,00,00,000 Equity Shares of Rs. 10/- each and 12,00,00,000 Preference Shares of Rs. 10/- each.

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, 2021, there was no change in the Equity Shareholding Pattern of the Company which remained as follows :

Sr. No.	Name of the Equity Shareholder	Percentage of Issued, Subscribed, and Paid up Equity Share Capital
1.	State Bank of India	86.18
2.	Small Industries Development Bank of India (SIDBI)	6.53
3.	Union Bank of India	2.95
4.	Bank of Maharashtra	4.34
	TOTAL	100.00

The Company's Capital Adequacy Ratio as on March 31, 2021 is as high as 21.07 % (As per Basel II norms) against 15% stipulated by the RBI.

THE COMPANIES ACT, 2013

As on March 31, 2021, the Company was compliant with all applicable provisions of the Companies Act, 2013 and the respective Rules and Secretarial Standards framed thereunder.

INTERNATIONAL ASSOCIATIONS

SBI Global Factors Limited is a Member of Factors Chain International (FCI), an umbrella Organization of worldwide factoring companies. FCI aims to facilitate international trade on open account terms through factoring and related financial services. Currently, the FCI network and association comprises of more than 400 Factors in 90 Countries, actively handling approximately 90% of the world's International factoring volumes.

HUMAN RESOURCES

SBI Global Factors Ltd. (“SBIGFL”) is a professionally managed Company that constantly innovates and tries to adopt global best practices in its field. Alignment with the long-term business direction and co-creation of shared values by each individual employee help the Company meet its objectives. The Company believes in investing in people to develop and expand their skill-sets, to achieve its goals.

There are no cases filed in the Financial Year 2020 - 21, under the Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) for the Company.

As on 31st March, 2021, the staff strength of SBIGFL is 93, including 15 executives/employees on deputation from SBI.

INFORMATION TECHNOLOGY

Company has decided to automate the lending processes by acquiring Loan Origination System (LOS), which will cover the entire loan life cycle -from loan origination through loan application process, risk assessment, decision-making, monitoring, and management control of approved loans. With a robust technical platform for loan delivery, Company will be able to

- Reduce TAT
- Standardize the formats
- Achieve clarity in credit appraisal/assessment methodologies
- Improve efficiency in credit decision making based on authentic and timely availability of information about the financials
- Credit history and KYC of the clients/debtors

LOS will help Company to achieve its short term and long term objectives of increasing the business and market presence and at the same time penetration into newer products and segments.

CREDIT RATING

During the year, various Rating Agencies have assigned the following Ratings to SBIGFL for its funding requirements :

RATING AGENCY	RATING	AMOUNT	INSTRUMENT/FACILITY
ICRA	[ICRA]AAA (stable)	Rs. 159.80 Crs.	Subordinated Debt Programme (Long Term)
ICRA	[ICRA]AAA (stable)	Rs. 1000 Crs.	Long Term Bank Lines
ICRA	[ICRA]A1+	Rs. 1000 Crs.	Short Term Bank Lines
ICRA	[ICRA]A1+	Rs. 2000 Crs.	Short Term Debt Programme (Commercial Paper)
CRISIL	CRISIL AAA/ (stable)	Rs. 200 Crs.	Non-Convertible Debentures Programme (Long Term)
CRISIL	CRISIL AAA/ (stable)	Rs. 100 Crs.	Non-Convertible Debentures Programme (Long Term)
CRISIL	CRISIL A1+	Rs. 1500 Crs.	Commercial Paper Programme

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

The Company continues to augment resources from competitive sources and during the year under review, it raised Rupee resources by borrowing through Debt Instruments like Commercial Papers, and Short Term Credit facilities from leading Commercial Banks viz State Bank of India and HDFC Bank. It enjoys Foreign Currency Lines of Credit in USD, EURO, and Pound Sterling from SBI London at competitive Rates to fund its Export factoring business.

NPA MANAGEMENT

The Financial Year 2020-21 began with the uncertainties arising out due to outbreak of Covid -19 pandemic and its impact that led to an unprecedented economic crisis globally. The disruptions in cash flow due to closures of businesses as a result of lockdown imposed by GOI during first quarter of FY2020-21 led to delay and nonpayment of invoices after due dates by debtors. Legal matters also came to a standstill as Courts were nonfunctional during major part of the year. Further, filing of new matters was stopped and hearings in NCLT matters were also prolonged. With these hurdles, the Company faced huge challenges to retain the Asset quality, restricting fresh slippages, and sustain profitability.

In accordance with the RBI's notification dated 27.3.2020 titled 'Covid-19- Regulatory Package' there were several requests from Clients / Debtors seeking extension of due date of payment of invoices/ bills for a period ranging from 60 days to 90 days.

To align with the revised norms, your Company obtained Board approval and revised the 'Prudential norms (from 90 days to 180 days) on income recognition and Asset Classification and Provisioning' in terms of the RBI's Master Direction and considered relief by granting extension of due date of invoices on case to case basis within the NPA classification norms.

The Company's initiative not only helped the borrowers to tackle their financial challenges during lockdown period but also helped in timely recovery of the Company dues in a phased manner and to restrict NPA till Q3 of FY20-21. However, after the directions from RBI during the Audit conducted in Q3, the Company had to revise the Asset classification norms from 180 days to 90 days as at March 2021.

28 accounts amounting to Rs.93 Cr were under SMA2 category during the previous year, however, with the Company's proactive measures viz. daily monitoring of overdues, follow up with client and debtors and weekly review by top management for taking prompt corrective actions in the accounts helped in recovering 21 SMAs amounting upto Rs. 64 Cr. The remaining 7 SMAs of Rs.28.42 Cr were timely resolved/ regularized and were prevented from slippages during FY 20-21.

The Company under the RBIs 'Resolution Framework for COVID-19-related Stress', entered into One Time Restructuring package along with other lender in one of TReDS defaulted account M/s Future Enterprise Limited having outstanding of Rs.3.54 Cr. However, the implementation of Resolution plan did not take place till March 2021 and hence the account was classified as NPA during Q4 of FY 2020-21.

Another account with outstanding of Rs.8.80 Cr slipped into NPA during Q4 of FY 2020-21 due to impact of Covid situation and change in Asset classification norms from 180 days to 90 days. However, the Company expects recovery of the entire dues in the account in FY2021-22.

The Company have offered Compromise Settlement to the existing NPA accounts, out of 3 such settlement negotiated, one account has been liquidated during the year and the remaining 2 NPA accounts are expected to be closed by Q2 of FY 2021-22. The NPA recovery during the year stood at Rs.5.84 Cr. Further an amount of Rs.42.33Cr (including claim relinquished) was transferred to AUCA during FY 2020-21.

Recovery from AUCA remained at Rs.91.55 Lakhs as compared to previous year Rs.5.07Cr. The Company could negotiate and close one old AUC account under settlement during the year. Two more AUCA accounts were settled under compromise during Q4 and the payment is expected in FY 2021-22.

The Company also focused to bring down the Gross NPA level by more than 3% during the year by restricting fresh NPA slippages and recovery through compromise settlement. Gross NPA level at the end of March 2021 has reduced to Rs.170.62 Cr as against Rs. 206.38 Cr in FY 20-21. Gross NPA percentage has also come down to 12.37% from 15.63% in the previous year. Net NPA at the end of FY 2021 stood at Rs.37 Cr which was at Rs 34 Cr as at the end of previous year. Net NPA to Net Advances is at 2.99% by the end of March 2021.

TRANSFER TO RESERVE

The Company has transferred Rs. 3.70 Crores (viz., 20% of Rs. 18.47 Crores) to Reserve Fund (created in accordance with provisions of Section 45IC of the Reserve Bank of India Act, 1934) in the Financial Year 2020-21, as the Company has made a profit of Rs. 18.47 Crores.

The Company had created an Impairment Reserve in accordance with circular no. 109/22.10.106/2019-20 of The Reserve Bank of India dated 13th March 2020 of Rs. 21.96 Crores in FY 2019-20. There is no further additional requirement to be transferred to Impairment Reserve in this Financial Year.

DIVIDEND

As a conservative measure, your Company do not propose payment of any Dividend to the Equity Shareholders for the Financial Year ended March 31, 2021.

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

Particulars of Foreign Currency earnings and outgo during the year are given in the Notes to the Accounts forming part of the Annual Accounts.

Since the Company does not own any manufacturing facility, the other particulars relating to conservation of Energy and Technology Absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company, which occurred between the end of the financial year of the Company and the date of this Report.

INTERNAL AUDIT AND LIMITED REVIEW OF QUARTERLY ACCOUNTS

SBIGFL has appointed an independent firm of Chartered Accountants, M/s. S. Panse & Co. LLP (formerly S. Panse & 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, by way of improvements in operational processes and service quality of various individual departments. The quarterly results are also subjected to a limited review by the Statutory Auditors.

DETAILS OF EMPLOYEES DRAWING SALARY ABOVE PRESCRIBED LIMITS

Since no employee of the Company is drawing a Salary exceeding limit as prescribed under Section 197(12) of the Companies Act, 2013, a Statement of such Employees is not required.

As on March 31, 2021, there are 93 employees in company (78 Direct Staff and 15 SBI deputees). The increment given to the direct staff including the Company Secretary (KMP) ranged from 5% to 10%. The percentage increase in the median remuneration of the employees in Financial Year 2020-21 is 8.57 %. The remuneration paid to employee is as per the Remuneration policy of the Company. For SBI deputees, including Managing Director & CEO and Chief Financial Officer (KMPs), the Remuneration increased as applicable to their pay scales in SBI.

Non-Executive Directors are not getting any Remuneration except sitting fees. In case of Nominee Directors from other Shareholding Banks (excluding SBI), sitting fees are paid to concerned shareholding Banks.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure A". The copy of the same being placed on the website of the Company (web-link – www.sbiglobal.in)

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals and the intervening gap between the Meetings during the year 2020-21 was within the period prescribed under the Companies Act, 2013. The notice of the Board Meeting was given well in advance to all Directors.

Six Board Meetings and five Audit Committee Meetings were held during the Financial Year. The Board met on May 02, 2020, June 29, 2020, July 21, 2020, September 03, 2020, October 23, 2020, and January 23, 2021. The Audit Committee met on May 02, 2020, July 21, 2020, September 03, 2020, October 23, 2020, and January 20, 2021.

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 six Directors including three Nominee Directors and three Independent Directors.

During the Financial Year ended on 31st March, 2021 :

- (i) The Board of Directors of the Company, at its Meeting held on May 02, 2020, considered and appointed Shri Vijay Prakash Srivastava (formerly the General Manager & Chief Financial Officer, Bank of Maharashtra) (Director Identification Number (DIN) 08239852) as the Nominee Director of Bank of Maharashtra, on the Board of the Company.
- (ii) Shri M N Aravind Kumar (the General Manager, State Bank of India) (Director Identification Number (DIN) 08165688) (as nominated by State Bank of India) ceased as the Managing Director & C.E.O. (i.e. the Nominee Director of State Bank of India) and the Key Managerial Personnel (KMP) of the Company with effect from the closure of the business on June 30, 2020 (i.e. effective July 01, 2020),
- (iii) As nominated by State Bank of India, Shri Prabhakar Hemant Kumar Pammi (the General Manager, State Bank of India) (Director Identification Number (DIN) 07969705) was appointed as the Managing Director & C.E.O. (i.e. the Nominee Director of State Bank of India) and the Key Managerial Personnel (KMP) of the Company with effect from July 01, 2020 (in place of Shri M N Aravind Kumar, the General Manager, State Bank of India, and formerly the Managing Director & C.E.O. (i.e. the Nominee Director of State Bank of India) and the Key Managerial Personnel (KMP) of the Company).
- (iv) Shri Vijay Prakash Srivastava (formerly the General Manager & Chief Financial Officer, Bank of Maharashtra) (Director Identification Number (DIN) 08239852) ceased as the Nominee Director of Bank of Maharashtra with effect from the close of the business on September 28, 2020 (i.e. w.e.f. September 29, 2020),
- (v) The Board of Directors of the Company, at its Meeting held on October 23, 2020, considered and appointed Shri Prashant Ramakant Khataavkar (formerly the General Manager, FM&A, Treasury & International Banking, Bank of Maharashtra) (Director Identification Number (DIN) 08857199) as the Nominee Director of Bank of Maharashtra, on the Board of the Company.
- (vi) Consequent upon his appointment as an Executive Director of Union Bank of India, Shri Nitesh Ranjan (Director Identification Number (DIN) 08101030) ceased as the Nominee Director of Union Bank of India with effect from March 10, 2021,
- (vii) Consequent upon the completion of (maximum permissible) two consecutive terms as stipulated under Section 149 of the Companies Act, 2013, Smt. Bharati Rao (Director Identification Number (DIN) 01892516) relinquished her Office as an Independent Director of the Company with effect from the close of the business of March 29, 2021 (i.e. with effect from March 30, 2021).

The Board places on record, its deep appreciation for contributions made by Shri M N Aravind Kumar, Shri Vijay Prakash Srivastava, Shri Nitesh Ranjan and Smt. Bharati Rao to the deliberations of the Board of Directors.

Further, after the end of the Financial Year 2020-21:

- (i) The Board of Directors of the Company, vide a Circular Resolution dated April 19, 2021, noted and accepted the cessation of Shri Dinesh Kumar Khara (Chairman, State Bank of India) (Director Identification Number (DIN) 06737041) as the Nominee Director of State Bank of India and the Chairman on the Board of Directors of the Company with effect from the close of the business on April 09, 2021,
- (ii) as nominated by State Bank of India and duly considered and recommended by the Nomination and Remuneration Committee of the Board (after determining 'fit and proper' status/ suitability of the appointment in this regard), the Board of Directors of the Company inducted Shri Ashwini Kumar Tewari (Managing Director (International Banking, Technology & Subsidiaries), State Bank of India) (Director Identification Number (DIN) 08797991), as the Nominee Director of State Bank of India and the Chairman of the Board of the Company with effect from April 19, 2021,
- (iii) As duly considered and recommended by the Nomination and Remuneration Committee of the Board at its Meeting held on April 29, 2021 (prior to the Board Meeting) (after determining 'fit and proper' status / suitability of the appointment in this regard), the Board, at its Meeting held on April 29, 2021, considered and appointed Smt. Sudha Malhotra (Director Identification Number (DIN) : 09147726) as an Additional Director of the Company in the capacity of Independent Director (not liable to retire by rotation) for a period of five years with effect from April 29, 2021, pursuant to Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the respective provisions of the Articles of Association of the Company, and recommended the same to Equity Shareholders/ Members of the Company,
- (iv) Consequent upon his transfer as the General Manager, Recovery, SAMV & Legal Services of Bank of Maharashtra, Shri Prasahant Ramakant Khatavkar (formerly the General Manager, FM&A, Treasury & International Banking, Bank of Maharashtra) (Director Identification Number (DIN) 08857199) ceased as the Nominee Director of Bank of Maharashtra with effect from May 25, 2021,
- (v) as nominated by Bank of Maharashtra and duly considered and recommended by the Nomination and Remuneration Committee of the Board at its Meeting held on June 30, 2021 (after determining 'fit and proper' status/ suitability of the appointment in this regard), the Board of Directors of the Company, at its Meeting held on June 30, 2021, considered and appointed
 - (a) Shri Dinkar Baburao Sankpal (General Manager, Treasury & International Banking Division, Bank of Maharashtra) (Director Identification Number (DIN) : 09190356) as a Nominee Director of Bank of Maharashtra on the Board of Directors of the Company with effect from June 30, 2021,
 - (b) Shri Chander Mohan Minocha (Chief General Manager, Treasury & International Banking, Union Bank of India) (Director Identification Number (DIN) : 09200658) as a Nominee Director of Union Bank of India on the Board of Directors of the Company with effect from June 30, 2021

CHANGE IN THE KEY MANAGERIAL PERSONNEL (KMP)

- (i) Consequent upon the retirement from the services as the Dy. General Manager of State Bank of India on reaching superannuation, Shri Pankaj Gupta tendered his resignation as the Sr. Vice President and Chief Financial & Risk Officer of the Company with effect from the close of the business on April 30, 2021,
- (ii) After the end of the Financial Year 2020-21,
 - (a) as nominated by State Bank of India, the Nomination and Remuneration Committee of the Board of Directors at its Meeting held on June 30, 2021 (prior to the Meeting of the Board of Directors) (after determining 'fit and proper' status/suitability of the appointment in this regard), *inter alia* considered and appointed Shri Joydeb Mukherjee (the General Manager, State Bank of India) (Director Identification Number (DIN) 09197677) as the Managing Director & CEO (i.e. the Nominee Director of State Bank of India) and the Key Managerial Personnel (KMP) of the Company with effect from July 01, 2021 (in place of Shri Prabhakar Hemant Kumar Pammi, the General Manager, State Bank of India (Director Identification Number (DIN) 07969705), and formerly the Managing Director & CEO (i.e. the Nominee Director of State Bank of India) and the Key Managerial Personnel (KMP) of the Company,
 - (b) As duly considered and recommended by the Nomination and Remuneration Committee of the Board of Directors at its Meeting held on June 30, 2021 (prior to the Meeting of the Board of Directors), the Board, at its Meeting held on June 30, 2021, *inter alia* considered and appointed Shri Akash S. Damniwala, Dy. General Manager (TEGS-VI), State Bank of India, as the SVP and Chief Financial Officer (CFO) (Key Managerial Personnel (KMP)) of the Company,
 - (c) The Nomination and Remuneration Committee of the Board and the Board of Directors of the Company, at their Meetings held on June 30, 2021, noted the resignation of Shri Nandan Nimbkar (possessing the Membership Number ACS20170 of the Institute of Company Secretaries of India) as the Company Secretary & Compliance Officer (Key Managerial Personnel (KMP) of the Company with effect from the close of the business on September 08, 2021 (i.e. with effect from September 09, 2021).

DECLARATION BY INDEPENDENT DIRECTORS

Statements of declaration in terms of Section 149(6) of the Companies Act, 2013 were received from the Independent Directors that they have met the criteria of Independence as provided in section 149(6) and 149(7) of the 2013 Act.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KMPs AND SENIOR MANAGEMENT PERSONNEL

The Nomination and Remuneration Policy of the Company on Appointment, Remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters of Directors, KMPs and Senior Management Personnel. The Nomination & Remuneration Policy is available on the Website of the Company at (www.sbiglobal.in)

COMMENTS ON AUDITORS REPORT & SECRETARIAL AUDIT REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Vyas & Vyas, Chartered Accountants, the Statutory Auditors, M/s. S. Panse & Co. LLP (formerly S. Panse & Co.), Chartered Accountants, Internal Auditors and CS Shri Rajkumar R. Tiwari, Practising Company Secretary, in their Reports.

The comments of the Comptroller & Auditor General of India under Section 143 (6) (b) of the Companies Act will be attached to the Directors Report after receipt of the same.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS UNDER SECTION 186 OF THE ACT

The Company issues Tier II Bonds in the form of Unsecured Non Convertible Debentures (NCDs), also known as Debenture Bonds for strengthening its Capital Adequacy Ratio (CAR) and enhancing the long term Rupee resources.

As on March 31, 2021, the total outstanding of the Company's Tier II Bonds is at Rs. 100 Crores. The details of which are given in the below table:

Sr. No.	Particulars	Issue Date	Maturity Date	Rate	Amount (Rs. Cr)
1	Tier II Bond (NCD - Issue 9)	29-07-2011	29-07-2021	9.22%	100
				TOTAL	100

The Company is in the process of raising fresh Unsecured Non Convertible Debentures in the form of Tier II bonds upto the tune of Rs. 200 crores in the current financial year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

During the Financial Year ended March 31, 2021, there are no material transactions with Related Parties. The particulars of contracts or arrangements with Related Parties referred to in Section 188(1), as prescribed in Form AOC-2 of the Rule 8 of the Companies (Accounts) Rules, 2014 is appended as “**Annexure B**”. The Board has approved the Policy on the Related Party Transactions which has been uploaded on the Company's Website (www.sbiglobal.in).

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy duly approved by the Board. Accordingly, the Company manages the key risks critical to the Company's operations such as Credit Risk (Including Concentration and Country Risk), Operations Risk, Liquidity Risk, Market Risk (Interest Risk) and Compliance Risk (Including Legal Risk). Major Risks identified are systematically addressed through mitigating actions on a continuing basis. These are also discussed at the Meetings of the Risk Management Committee of the Board at regular intervals.

AUDIT COMMITTEE

The present Audit Committee of the Board (duly constituted pursuant to Section 177 of the Companies Act, 2013) consists of four Members, of which three are Independent Directors and one is the Nominee Director of State Bank of India.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Board, at present, consists of 4 members, of which two are Independent Directors and two are the Nominee Director. The CSR Policy of the Company was approved by the Board in its meeting held on October 20, 2014. The details of CSR activities during the year as per Corporate Social Responsibility Policy Rules, 2014

have been appended herewith as “**Annexure C**”. The Policy is also uploaded on the Website of the Company (www.sbiglobal.in).

RISK MANAGEMENT COMMITTEE

The present Risk Management Committee of the Board consists of three Members, all of which are Independent Directors.

NOMINATION AND REMUNERATION COMMITTEE

The present Nomination and Remuneration Committee of the Board consists of four Members, of which three are Independent Directors and one is the Nominee Director of State Bank of India.

VIGIL MECHANISM

The Company has established a Vigil Mechanism for Directors and Employees to report genuine concerns. The Policy on the Vigil Mechanism of the Company is displayed on the Website of the Company (www.sbiglobal.in)

ANNUAL EVALUATION BY THE BOARD

The evaluation framework as per Section 178(2) of the Companies Act, 2013 and as per Rule 8(4) of the Companies (Accounts) Rules, 2014 was approved by the Nomination and Remuneration Committee of the Board and by the Board of Directors of the Company. The Evaluation involves Board Evaluation, Evaluation of Board Level Committees, Self – Evaluation, Chairman’s Evaluation and Evaluation of Independent Directors of the Board. A member of the Board shall not participate in the discussion of his/her evaluation.

PUBLIC DEPOSITS

During the Financial Year ended March 31, 2021, 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, 2021.

AUDITORS

Vyas & Vyas, 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 20th Annual General Meeting of the Company.

The Statutory Auditors of the Company for the Financial Year 2021-22 would be appointed as and when directed/ informed to the Company by the C&AG, pursuant to Section 139 and other applicable provisions of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT

The Board of Directors of the Company had appointed Shri Rajkumar R. Tiwari, Practising Company Secretary, to conduct the Secretarial Audit for the Financial Year 2020-21 and his Report on Company’s Secretarial Audit is appended to this Report as “**Annexure D**”.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that :

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (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 and Loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the Annual Accounts on a going concern basis;
- (e) the Directors have laid down internal financial Controls to be followed by the Company and that such internal financial Controls are adequate and operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable Laws and such systems are adequate and operating effectively.

CEO & CFO CERTIFICATE

A Certificate from Managing Director & CEO and Chief Financial & Risk Officer of the Company, pursuant to the Listing Agreement of privately placed Debentures, for the Financial Year 2020-21 on Financial Statements and Compliances is **annexed to the Report on Corporate Governance. (Annexure I)**

CODE OF CONDUCT OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL

Managing Director & C.E.O. affirms the compliance with the Company's Code of Conduct as approved by the Board.

COMPLIANCE CERTIFICATE REGARDING CORPORATE GOVERNANCE

A Compliance Certificate regarding compliance of conditions of Corporate Governance from Shri Rajkumar R. Tiwari, Practising Company secretary is enclosed to the Report of Corporate Governance **(Annexure II)**

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 especially 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 : June 30, 2021

Ashwini Kumar Tewari
Chairman

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U65929MH2001PLC131203
Registration Date	13/03/2001
Name of the Company	SBI Global Factors Ltd
Category / Sub-Category of the Company	Public Company
Address of the Registered office and contact details	The Metropolitan, 6th Floor, Bandra Kurla Complex, Bandra(E), Mumbai-400051 T.No. (022) 48890300
Whether listed company	Yes (Equity is not listed but our Debentures are listed with NSE)
Name, Address and Contact details of Registrar and Transfer Agent	Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited). Address: Plot No. 85, Part B Cross Lane, MIDC, Andheri (East), Mumbai 400 093. Contact No.: +91 2266712011.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company (100%)
1	Core Factoring		65.82 % (Rs. 90,51,02,109)
2	Non-Core Discounting		34.18% (Rs. 47,00,41,976)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	State Bank of India	N.A	Holding Company	86.18%	-

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	15,98,85,365	-	15,98,85,365	100%	15,98,85,365	-	15,98,85,365	100%	
f) Any Other....									
Sub-total (A) (1)	15,98,85,365	-	15,98,85,365	100%	15,98,85,365	-	15,98,85,365	100%	
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	
b) Other Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any other...									
Sub-total (A) (2)									
Total Shareholding of Promoter (A) = (A)(1)+(A) (2)	15,98,85,365	-	15,98,85,365	100%	15,98,85,365	-	15,98,85,365	100%	
B. Public Shareholding	-	-	-	-	-	-	-	-	
1. Institutions	-	-	-	-	-	-	-	-	
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks /FI	-	-	-	-	-	-	-	-	
c) Central Govt.	-	-	-	-	-	-	-	-	
d) Venture Capital funds	-	-	-	-	-	-	-	-	
e) Insurance Companies	-	-	-	-	-	-	-	-	
f) FIIs	-	-	-	-	-	-	-	-	
g) Foreign Venture Capital	-	-	-	-	-	-	-	-	
h) Funds Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B) (1):-									

2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grant Total (A+B+C)	15,98,85,365	-	15,98,85,365	100%	15,98,85,365	-	15,98,85,365	100%	

(ii) Shareholding of Promoters								
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	% Change in shareholding during the year
1	STATE BANK OF INDIA	13,77,86,585	86.18%	--	13,77,86,585	86.18%		
2	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)	1,04,44,172	6.53%	--	1,04,44,172	6.53%		
3	UNION BANK OF INDIA	47,11,751	2.95%	--	47,11,751	2.95%		
4	BANK OF MAHARASHTRA	69,42,857	4.34%	--	69,42,857	4.34%		
	Total	15,98,85,365	100%		15,98,85,365	100%		

(iii) Change in Promoters Shareholding (Please specify, if there is no change)					
Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	15,98,85,365	100%	15,98,85,365	100%
2	Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase (e.g. allotment/transfer/bonus/sweat equity etc)	N.A.	N.A.	N.A.	N.A.
3	At the end of the year	15,98,85,365	100%	15,98,85,365	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs & ADRs):					
Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	For Each of the Top 10 Shareholders				
2	At the beginning of the year	15,98,85,365	100%	15,98,85,365	100%
3	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase (e.g. allotment/transfer/bonus/sweat equity etc)	N.A.	N.A.	N.A.	N.A.
4	At the end of the year (or on the date of separation, if separated during the year)	15,98,85,365	100%	15,98,85,365	100%

(v) Shareholding of Directors and key Managerial Personnel:					
Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	For Each of the Directors and KMP				
2	At the beginning of the year (i) Shri M.N. Arvind Kumar* (ii) Shri Dinesh Kumar Khara* (iii) Shri Pankaj Gupta*	(i) 01* (ii) 01* (iii) 01*	(i) Nil (ii) Nil (iii) Nil	(i) 01* (ii) 01* (iii) 01*	(i) Nil (ii) Nil (iii) Nil
3	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase (e.g. allotment/transfer/bonus/sweat equity etc) :	(i) 0** (ii) 0 (iii) 0	(i) Nil (ii) Nil (iii) Nil	(i) Nil (ii) Nil (iii) Nil	(i) 0** (ii) 0 (iii) 0
4	At the end of the year (i) Shri Prabhakar Hemant Kumar Pammi* (ii) Shri Dinesh Kumar Khara* (iii) Shri Pankaj Gupta*	(i) 01* (ii) 01* (iii) 01*	(i) Nil (ii) Nil (iii) Nil	(i) 01* (ii) 01* (iii) 01*	(i) Nil (ii) Nil (iii) Nil

* A Nominee Shareholder of State Bank of India

** Transfer of one Equity Share from Shri M N Arvind Kumar to Shri Prabhakar Hemant Kumar Pammi

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	8,89,47,74,575	-	8,89,47,74,575
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	4,28,57,628	-	4,28,57,628
Total (i + ii + iii)	-	8,93,76,32,203	-	8,93,76,32,203
Change in Indebtedness during the financial year				
Net Change	-	52,24,42,666	-	52,24,42,666
Indebtedness at the end of the financial year				
i) Principal Amount	-	9,43,48,67,550	-	9,43,48,67,550
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,52,07,319	-	2,52,07,319
Total (i + ii + iii)	-	9,46,00,74,869	-	9,46,00,74,869

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Managing Director & CEO - (Shri M N Aravind Kumar till 30.06.20 & Shri P Hemant Kumar Pammi w.e.f. 01.07.2020)	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	35,87,781.00	35,87,781.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,03,458.00	5,03,458.00
	(c) Profits in lieu of Salary under section 17(3) Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of Profit		
	- Others, Specify..		
5	Others, (Ex-gratia paid in F.Y. 2020-21)	1,85,000.00	1,85,000.00
	Total (A)	42,76,239.00	42,76,239.00
	Ceiling as per the Act#		#Refer Note

In terms of the provisions of the Companies Act, 2013, the remuneration payable to MD & CEO shall not exceed 5% of the Company's net profit. The remuneration paid to MD & CEO is well within the limit.

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri V.K. Gupta	Smt. Bharati Rao	Shri Narayanan Raja	
1	Independent Directors				
	Fees for attending Board & Committee Meetings	7,60,000	7,80,000	6,40,000	21,80,000
	Commission				
	Others, please specify				
	Total (1)	7,60,000	7,80,000	6,40,000	21,80,000

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		SIDBI (Nominee Director Shri Vinay Hedaoo)	Bank of Maharashtra (Nominee Director Shri Vijay Prakash Srivastava)	Bank of Maharashtra (Nominee Director Shri Prashant R Khatavkar)	Union Bank of India (Nominee Director – Shri Nitesh Ranjan)	
2	Other Non-Executive Directors					
	Fees for attending Board & Committee Meetings	3,50,000	1,20,000	90,000	3,60,000	9,20,000
	Commission					
	Others, please specify					
	Total (2)	3,50,000	1,20,000	90,000	3,60,000	9,20,000
	Total (B) = (1 + 2) Total Managerial Remuneration Overall ceiling as per the Act##					31,00,000 ##Refer Note

In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than the Executive Director shall not exceed 1% of the Company's Net Profit. The remuneration payable to Directors is well within the limit.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary	-			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	13,60,622.00	32,74,739.99	46,35,361.99
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	6,47,221.00	6,47,221.00
	(c) Profits in lieu of Salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of Profit	-	-	-	-
	- Others, Specify..	-	-	-	-
5	Others, (Ex-gratia paid in FY. 2020-21)	-	-	1,20,000.00	1,20,000.00

VII. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

ANNEXURE TO THE DIRECTOR'S REPORT

FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

ANNEXURE - B

1. Details of contracts or arrangements or transactions not at arm's length basis :

Sl.no.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value if any	Justification for entering into such contracts / arrangements / transactions	Date (s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)(h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Not Applicable								

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

Sl.no.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value if any	Justification for entering into such contracts / arrangements / transactions	Date (s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)(h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Mr. Hemant Pammi - MD & CEO - Key Managerial Personnel (w.e.f. 1st July 2020 till date)	Key Managerial Personnel	Appointment by SBI for 1 Year	Acting as MD & CEO of the company	On Deputation from SBI	W.E.F. 01/07/2020	Nil	
2	Mr. M. N. Arvind Kumar - MD & CEO - Key Managerial Personnel	Key Managerial Personnel	Appointment by SBI for 2 Years	Acting as MD & CEO of the company	On Deputation from SBI	W.E.F. 01/07/2018 to 30/06/2020	Nil	
3	Mr. Pankaj Gupta - SVP & CF&RO - Key Managerial Personnel (From 24th August, 2015)	Key Managerial Personnel	Appointment by SBI	Acting as SVP & CF&RO of the company	On Deputation from SBI	W.E.F. 26/08/2015	Nil	
4	Mr. Nandan Nimbkar - Company Secretary - Key Managerial Personnel (From 01st December, 2019)	Key Managerial Personnel	Appointment by Board of Directors of SBIGFL	Acting as Company Secretary	Appointed as Company Secretary by the Board of Directors.	W.E.F. 01/12/2019	Nil	
5	State Bank of India (SBI) - Holding Company	Banking Facility	Yearly & Renewed every year	Act as Principal banker of the company	Normal business purpose transactions		Nil	
6	State Bank of India (SBI) - Holding Company	Manpower Support (officer on Deputation)	Appointment by SBI	Group Company	On Deputation from SBI		Nil	
7	SBI Funds Management Pvt. Ltd. - Fellow Subsidiary (Non Banking)	Investment	Based on Investment duration (over night)	Surplus funds invested on overnight basis with SBI Mutual Funds	Normal business purpose transactions		Nil	
8	SBI Life Insurance Company Ltd. (SBI LIFE) - Fellow Subsidiary (Non Banking)	Group Insurance for Directly recruited staff	Yearly & Renewed every year	Insurance policy for direct staff (Swarna Ganga Policy	Insurance policy designed for employees of SBI Group of companies		Nil	
9	SBI General Life Insurance Ltd. - Fellow Subsidiary (Non Banking)	Car Insurance	Yearly & Renewed every year	Insurance taken for company's car	Normal General insurance transaction		Nil	
10	SBI Foundation	Investment	Long Term	Purchase of Equity	Investment for CSR Purpose		Nil	
11	Factors Association of India	Subscription /Membership	Yearly & Renewed every year	Subscription /Membership	Subscription /Membership		Nil	
12	SBI Global Factors Ltd. Staff gratuity fund	Income Tax paid of staff gratuity fund	Short Term	Income Tax paid of staff gratuity fund	Income Tax paid of staff gratuity fund		Nil	
13	SBICAP Securities Limited	AMC charges	Yearly	AMC charges for Demat account	AMC charges for Demat account		Nil	

The Annual Report on CSR Activities (Financial Year ended on March 31, 2021)

1. Brief outline on CSR Policy of the Company. CSR Policy is duly uploaded on the Website of the Company (www.sbiglobal.in).
2. Composition of CSR Committee :

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Vijay Kumar Gupta	Independent Director	02	02
2.	Shri M N Aravind Kumar	Managing Director & CEO (i.e. Nominee Director, State Bank of India) (Upto June 30, 2020)	02	01
3.	Shri P Hemant Kumar Pammi	Managing Director & CEO (i.e. Nominee Director, State Bank of India) (w.e.f. July 01, 2020)	02	01
3.	Shri Nitesh Ranjan	Nominee Director – Union Bank of India (Upto March 10, 2021)	02	0
4.	Shri Vijay Prakash Srivastava	Nominee Director – Bank of Maharashtra (from May 02, 2020 to September 28, 2020)	02	0
5.	Shri Prashant Ramakant Khatavkar	Nominee Director – Bank of Maharashtra (from October 23, 2020)	02	01

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company :
 - (i) Web-link of CSR Committee : <https://www.sbiglobal.in/board-level-committees.html>
 - (ii) Web-link of CSR Policy : https://www.sbiglobal.in/csr_policy.html
 - (iii) Web-link of CSR projects approved by the Board : https://www.sbiglobal.in/csr_policy.html
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
NOT APPLICABLE			

- 6 Average net profit of the company as per Section 135(5) : The Company had incurred an Average Loss of (Rs. 12,26,83,696.21) during three immediately preceding Financial Years in accordance with provisions of Section 198 of the Companies Act, 2013 (Note : Pursuant to an Explanation to Section 135(5) of the Companies Act, 2013, 'Net Profit' shall be calculated in accordance with provisions of Section 198 of the Companies Act, 2013)
7. (a) Two percent of average net profit of the company as per section 135(5) : Average Net Loss of (Rs. 2453673.92)
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable
 (c) Amount required to be set off for the financial year, if any: Not Applicable
 (d) Total CSR obligation for the financial year (7a+7b-7c): Not Applicable
8. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Rs. 2,00,000/-*	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	Not Applicable		Not Applicable		

* Voluntary Contribution for the purpose of CSR as a good Corporate Governance practice

- (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District					Name	CSR Registration Number
Not Applicable											

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation – Direct (Yes/No).	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number.
1.	Cleft reconstructive Surgeries of under-privileged beneficiary receivers	Health care	No	Utter Pradesh, Madhya Pradesh, West Bengal and Jammu and Kashmir (UT)	N.A.	Rs. 2,00,000/-	NO	SBI Foundation	CSR 00001456

(d) Amount spent in Administrative Overheads: **Not Applicable**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **Rs 2,00,000/-**

(g) Excess amount for set off, if any : **Not Applicable**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years :

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of the reporting Financial Year. (in Rs.)	Status of the project – completed/ Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s).
 - (b) Amount of CSR spent for creation or acquisition of capital asset.
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Corporate Social Responsibility Committee

Managing Director & CEO (Member)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2021
(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
Appointment and Remuneration of Managerial Personnel Rules, 2014)

To
The Members,
SBI Global Factors Limited,
6th Floor, The Metropolitan Bldg,
Bandra-Kurla Complex,
Bandra (East),
Mumbai- 400051

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SBI Global Factors Limited (CIN: U65929MH2001PLC131203)** (hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the **SBI Global Factors Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **SBI Global Factors Limited** (“the Company”) for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) including amendments thereof and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not Applicable during the Audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(**Not Applicable during the Audit period**);
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Not Applicable during the Audit period**);
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable during the Audit period**);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not Applicable during the Audit period**);

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not Applicable during the Audit period)**;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the Audit period)**;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable during the Audit period)**; and
 - i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws applicable specifically to the company namely:
- a) The Factoring Regulation Act, 2011 (No. 12 of 2012);
 - b) NBFC Directives of RBI (including directions issued by RBI for NBFC Factors);
 - c) Indian Stamp Act, 1899 and the States Stamp Acts;
 - d) Fair Practices Code for NBFC's, as per RBI Guidelines;
 - e) The company's Policy & Procedures on Know Your Customer (KYC) Guidelines, Anti Money Laundering (AML) Standards and Obligations under the Prevention of Money Laundering Act, 2002 guidelines issued by the Reserve Bank of India;
 - f) Master Direction – Information Technology Framework for the NBFC Sector issued by Reserve Bank of India vide Circular No. Master Direction DNBS.PPD.No. 04/66.15.001/2016-17 dt. June 08, 2017.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Debt Listing Agreements entered into by the Company with National Stock Exchange of India Limited;

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including the Appointment of Women Director u/s. 149(1) of the Act. The Appointment of Mr. Prabhakar Hemant Kumar Pammi (DIN: 07969705) as Managing Director & CEO in place of Mr. M N Aravind Kumar (DIN: 08165688) was approved by the Members in the Extra Ordinary General Meeting held on 27th July, 2020 for a period of one year w.e.f. 01.07.2020 to 30.06.2021. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period under review the following activities took place:

- 1) The Company by passing ordinary resolution in the Extra-Ordinary General Meeting held on 27th July, 2020 has Increased the Authorised Share Capital from Rs. 300,00,00,000/- (Rupees Three Hundred Crores Only) divided into 18,00,00,000 Equity Shares of Rs.10/- (Rupees Ten Only) each and 12,00,00,000 Preference Shares of Rs.10/- (Rupees Ten Only) each to Rs. 1000,00,00,000/- (Rupees One Thousand Crores Only) divided into 88,00,00,000 Equity Shares of Rs.10/- (Rupees Ten Only) each and 12,00,00,000 Preference Shares of Rs.10/- (Rupees Ten Only) each.

Subsequently the Company has amended/alterd/replaced/ substituted Clause V of the Memorandum of Association by passing special resolution in the Extra-Ordinary General Meeting held on 27th July, 2020.

- 2) The Company has redeemed Non- Convertible Debentures Tier II Bond of Rs. 50 crore @8.75 % by paying Principal amount of Rs. 50 Crore and Interest amount of Rs. 4.38 crore on 25th August, 2020.
- 3) The Company by passing special resolution in the 19th Annual General Meeting held on 29th September, 2020 appointed M/s. Vyas & Vyas, Chartered Accountants, Mumbai (Firm Registration No.FRN No 000590C) as Statutory Auditors for the financial year 2020-21 as advised by the Comptroller & Auditors General of India ("C&AG of India") pursuant to section 139 and other applicable provisions of the Companies Act, 2013.

I further report that during the audit period there were no instances of:

- (i) Public/ Rights/ Preferential issue of Shares / Debentures / Sweat Equity.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013
- (iv) Merger / Amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place: Mumbai

Date: 14th June, 2021

CS Rajkumar R. Tiwari
Practising Company Secretary
FCS No. 4227 CP No. 2400
UDIN: F004227C000460936

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE - A

To
The Members,
SBI Global Factors Limited,
6th Floor, The Metropolitan Bldg,
Bandra-Kurla Complex,
Bandra (East),
Mumbai- 400 051

My report of even date for the financial year ended **31.03.2021** is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the Provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai
Date: 14th June, 2021

CS Rajkumar R. Tiwari
Practising Company Secretary
FCS No. 4227 CP No. 2400

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 2020-21, the Board comprised of six (6) members, which consisted of three (3) Non-Executive Directors, two (2) Independent Directors and one (1) full-time Executive Director.

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

The particulars of Directors, their attendance during the financial year 2020 – 2021 and also other Directorships are as detailed in Table –I below :

Table I : Attendance Record of Directors at Board Meetings during 2020-21

Name and Designation of Director	Category of Director	No. of Board Meetings Attended	No. of Directorships in other companies (Excluding Foreign Company(ies))
Shri Dinesh Kumar Khara (Chairman)	(Nominee-SBI) Non-Executive	6	11*
Smt. Bharati Rao (Director) (Up to March 29, 2021)	(Independent) Non-Executive	6	06
Shri Vijay Kumar Gupta (Director)	(Independent) Non-Executive	6	01
Shri M N Aravind Kumar (Managing Director & C.E.O.) (Up to June 30, 2020)	(Nominee –SBI) Full time Executive	2	01
Shri P Hemant Kumar Pammi (Managing Director & CEO) (w.e.f. July 01, 2020)	(Nominee –SBI) Full time Executive	4	01
Shri Vinay S Hedaoo (Director)	(Nominee – SIDBI) Non-Executive	5	01
Shri Narayanan Raja (Director)	(Independent) Non- Executive	6	01
Shri Vijay Prakash Srivastava (Director) (w.e.f. 02.05.2020) (Up to 23.10.2020)	(Nominee – Bank of Maharashtra) Non-Executive	2	0
Shri Prashant Ramakant Khatavkar (w.e.f. 23.10.2020)	(Nominee – Bank of Maharashtra) Non-Executive	1	01
Shri Nitesh Ranjan (Director) (Up to March 10, 2021)	(Nominee – Union Bank of India) Non-Executive	6	02

*Excluding SBI and Foreign Companies

Meetings of the Board

During the Financial Year ended on 31st March, 2021, 6 (Six) Board Meetings were held on May 02, 2020, June 29, 2020, July 21, 2020, September 03, 2020, October 23, 2020, and January 20, 2021.

2. Audit Committee

During the Financial Year ended on March 31, 2021, Smt. Bharati Rao (Director Identification Number (DIN) 01892516) ceased to be a Member of the Audit Committee of the Board of Directors consequent upon her cessation as an Independent Director on the Board of Directors of the Company with effect from the close of the business on March 29, 2021 (i.e. effective March 30, 2021).

Pursuant to the provisions of Section 177 of the Companies Act, 2013, Members of the Audit Committee as on March 31, 2021 are as follows:

- | | |
|----------------------------|----------|
| 1. Shri Narayanan Raja | Chairman |
| 2. Shri Dinesh Kumar Khara | Member |
| 3. Shri Vijay Kumar Gupta | Member |

During the Financial Year ended on March 31, 2021, the Audit Committee met 5 (five) times Viz., on 02/05/2020, 21/07/2020, 03/09/2020, 23/10/2020, and 20/01/2021.

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 Narayanan Raja (Chairman)	5
Shri Dinesh Kumar Khara	2
Smt. Bharati Rao	5
Shri Vijay Kumar Gupta	5

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 threshold limit (currently Rs.15 Crores). 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, 2021,

- (i) Shri P Hemant Kumar Pammi, the Managing Director & CEO of the Company (Director Identification Number (DIN) 07969705) was appointed as a Member of the Executive Committee of the Board, in place of Shri M N Aravind Kumar, formerly the Managing Director & CEO of the Company (Director Identification Number (DIN) 08165688) who relinquished the office of the Managing Director & CEO on completion of his term with effect from the close of the business on June 30, 2020 (i.e. effective July 01, 2020),

- (ii) Smt. Bharati Rao (Director Identification Number (DIN) 01892516) ceased to be a Member of the Executive Committee of the Board of Directors consequent upon her cessation as an Independent Director on the Board of Directors of the Company with effect from the close of the business on March 29, 2021 (i.e. effective March 30, 2021).
- (iii) Shri Nitesh Ranjan (Director Identification Number (DIN) 08101030) ceased to be a Member of the Executive Committee of the Board of Directors consequent upon his cessation as Nominee Director of Union Bank of India on the Board of Directors of the Company with effect from March 10, 2021.

The Executive Committee of the Board as on March 31, 2021 consists of following Members:

1. Shri Vijay Kumar Gupta (Independent Director),
2. Shri P Hemant Kumar Pammi
(Managing Director & C.E.O.) (i.e. Nominee Director, SBI), and
3. Shri Vinay S Hedao (Nominee Director of Small Industries Development Bank of India (SIDBI)).

4. Risk Management Committee of the Board :

As prescribed by the Reserve Bank of India vide its Guidelines on Corporate Governance (dated May 08, 2007) applicable to all Non Deposit taking NBFCs with asset size of Rs. 100 Crores and above, the Risk Management Committee of the Board was constituted on July 30, 2007 to monitor the Asset Liability gap and strategize action to mitigate the risk associated.

During the Financial Year ended on March 31, 2021,

- (i) Shri Vijay Prakash Srivastava (formerly General Manager & Chief Financial Officer, Bank of Maharashtra and then Nominee Director of Bank of Maharashtra on the Board of Directors) (Director Identification Number (DIN) 08239852) was appointed as a Member of the Risk Management Committee of the Board of Directors with effect from May 02, 2020,
- (ii) Shri Vijay Prakash Srivastava (formerly General Manager & Chief Financial Officer, Bank of Maharashtra and then Nominee Director of Bank of Maharashtra on the Board of Directors) (Director Identification Number (DIN) 08239852) ceased to be a Member of the Risk Management Committee of the Board of Directors consequent upon his cessation as Nominee Director of Bank of Maharashtra on the Board of Directors of the Company with effect from the close of the business on September 28, 2020 (i.e. w.e.f. September 29, 2020),
- (iii) Shri Prashant Ramakant Khatavkar, (formerly General Manager, FM&A, Treasury & International Banking, Bank of Maharashtra and Nominee Director of Bank of Maharashtra on the Board of Directors) (Director Identification Number (DIN) 08857199) was appointed as a Member of the Risk Management Committee of the Board with effect from October 23, 2020,

(iv) Smt. Bharati Rao (Director Identification Number (DIN) 01892516) ceased to be a Member of the Risk Management Committee of the Board of Directors consequent upon her cessation as an Independent Director on the Board of Directors of the Company with effect from the close of the business on March 29, 2021 (i.e. effective March 30, 2021).

As on March 31, 2021, the composition of the Risk Management Committee of the Board consisted of following Members :

1. Shri Vijay Kumar Gupta (Independent Director),
2. Shri Narayanan Raja (Independent Director), and
3. Shri Prashant Ramakant Khatavkar (Nominee Director, Bank of Maharashtra)

During the Financial Year ended on March 31, 2021, the Risk Management Committee of the Board met 4 times Viz., on 02/05/2020, 21/07/2020, 23/10/2020 and 20/01/2021.

The attendance of the Members of the Risk Management Committee of the Board at above meetings is as stated below:

Name of the Member	No. of Risk Management Committee Meetings attended
Smt. Bharati Rao (Up to 29/03/2021)	4
Shri Vijay Kumar Gupta	4
Shri Narayanan Raja	4
Shri Vijay Prakash Srivastava (from 02/05/2020 to 28/09/2020)	1
Shri Prashant Ramakant Khatavkar (w.e.f. 23.10.2020)	1

5. Nomination and Remuneration Committee of the Board :

During the Financial Year ended on March 31, 2021, Smt. Bharati Rao (Director Identification Number (DIN) 01892516) ceased to be a Member of the Nomination and Remuneration Committee of the Board of Directors consequent upon her cessation as an Independent Director on the Board of Directors of the Company with effect from the close of the business on March 29, 2021 (i.e. effective March 30, 2021).

The composition of the Nomination and Remuneration Committee of the Board as on March 31, 2021 consists of the following Members :

- (i) Shri Dinesh Kumar Khara, (Nominee Director, SBI),
- (ii) Shri Vijay Kumar Gupta, (Independent Director), and
- (iii) Shri Narayanan Raja (Independent Director).

During the Financial Year ended on March 31, 2021, the Nomination and Remuneration Committee of the Board met 4 times Viz., on 02/05/2020, 29/06/2020, 21/07/2020 and 23/10/2020.

The attendance of the Members of the Nomination and Remuneration Committee of the Board at above meetings is as stated below :

Name of the Member	No. of Nomination and Remuneration Committee Meetings attended
Shri Dinesh Kumar Khara	2
Smt. Bharati Rao (Up to 29/03/2021)	4
Shri Vijay Kumar Gupta	4
Shri Narayanan Raja	4

6. Corporate Social Responsibility ('CSR') Committee of the Board :

During the Financial Year ended on March 31, 2021,

- (i) Shri Vijay Prakash Srivastava (formerly General Manager & Chief Financial Officer, Bank of Maharashtra and then Nominee Director of Bank of Maharashtra on the Board of Directors) (Director Identification Number (DIN) 08239852) was appointed as a Member of the Corporate Social Responsibility (CSR) Committee of the Board of Directors with effect from May 02, 2020,
- (ii) Shri P Hemant Kumar Pammi, the Managing Director & CEO of the Company (Director Identification Number (DIN) 07969705) was appointed as a Member of the Nomination and Remuneration Committee of the Board, in place of Shri MN Aravind Kumar, formerly the Managing Director & CEO of the Company (Director Identification Number (DIN) 08165688) who relinquished the office of the Managing Director & CEO on completion of his term with effect from the close of the business on June 30, 2021 (i.e. effective July 01, 2020),
- (iii) Shri Vijay Prakash Srivastava (formerly General Manager & Chief Financial Officer, Bank of Maharashtra and then Nominee Director of Bank of Maharashtra on the Board of Directors) (Director Identification Number (DIN) 08239852) ceased to be a Member of the Corporate Social Responsibility (CSR) Committee of the Board of Directors consequent upon his cessation as Nominee Director of Bank of Maharashtra on the Board of Directors of the Company with effect from the close of the business on September 28, 2020 (i.e. w.e.f. September 29, 2020),
- (iv) Shri Prashant Ramakant Khatavkar, (formerly General Manager, FM&A, Treasury & International Banking, Bank of Maharashtra and Nominee Director of Bank of Maharashtra on the Board of Directors) (Director Identification Number (DIN) 08857199) was appointed as a Member of the Corporate Social Responsibility (CSR) Committee of the Board with effect from October 23, 2020,
- (v) Shri Nitesh Ranjan (Director Identification Number (DIN) 08101030) ceased to be a Member of the Corporate Social Responsibility (CSR) Committee of the Board of Directors consequent upon his cessation as Nominee Director of Union Bank of India on the Board of Directors of the Company with effect from March 10, 2021.

The composition of the CSR Committee of the Board of Directors as on March 31, 2021 consists of the following Members :

- (i) Shri Vijay Kumar Gupta (Independent Director),
- (ii) Shri Prashant Ramakant Khatavkar (Nominee Director, Bank of Maharashtra), and
- (iii) Shri P Hemant Kumar Pammi (Managing Director & C.E.O.)
(i.e. a Nominee of State Bank of India)

During the Financial Year ended on March 31, 2021, the CSR Committee of the Board met 2 times Viz., on 02/05/2020 and 26/02/2021.

The attendance of the Members of the CSR Committee of the Board at above Meetings was as stated below :

Name of the Member	No. of Corporate Social Responsibility (CSR) Committee Meetings attended
Shri Vijay Kumar Gupta	2
Shri M N Aravind Kumar (Up to 30/06/2020)	1
Shri P Hemant Kumar Pammi (w.e.f. 01/07/2020)	1
Shri Vijay Prakash Srivastava (from 02/05/2020 to 28/09/2020)	0
Shri Prashant Ramakant Khatavkar (w.e.f. 23/10/2020)	1
Shri Nitesh Ranjan (Up to 10/03/2021)	0

7. IT Strategy Committee

During the Financial Year ended on March 31, 2021, Shri P Hemant Kumar Pammi, General Manager, TEGS VII, State Bank of India and the Managing Director & CEO of the Company, was appointed as a Member of the IT Strategy Committee (in place of Shri M N Aravind Kumar, General Manager, State Bank of India and the former Managing Director & CEO of the Company) with effect from July 01, 2020.

The IT Strategy Committee as on March 31, 2021 comprises of following Members :

- a. Shri Narayanan Raja, Independent Director
- b. Shri P Hemant Kumar Pammi, Managing Director & CEO
- c. Shri Sushil Kumar Bhandari, General Manager (IT – Core Operations), SBI, GITC, Belapur
- d. Smt. Rajashree Vasudeo Deshpande, Sr. Vice President – Business Development, Client Services and IT Functions
- e. Shri Pankaj Gupta, SVP and Chief Financial & Risk Officer (also designated as the Chief Information Officer), and
- f. Shri Kunal Rumade, Assistant Vice President (IT) (also designated as the Chief Technology Officer).

8. General Body Meetings:

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

AGM	Financial Year	Date of the AGM	Time	Venue
Seventeenth	2017-18	18/09/2018	04.30 p.m.	State Bank Bhavan, Corporate Centre, 10th Floor, 'Kalinga' Meeting Room, Madame Cama Road, Nariman Point, Mumbai – 400 021
Eighteenth	2018-19	26/09/2019	04.30 p.m.	State Bank Bhavan, Corporate Centre, 10th Floor, 'Hoysala' Meeting Room, Madame Cama Road, Nariman Point, Mumbai – 400 021
Nineteenth	2019-20	29/09/2020	04.00 p.m.	The Board Room, SBI Global Factors Limited, 06th Floor, The Metropolitan Building, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 (Meeting through Video Conferencing)

The following Special Resolution(s) were passed at the above AGMs :

AGM	DETAILS OF THE SPECIAL RESOLUTION(S)
Seventeenth	Appointment of Statutory Auditors for the Financial Year 2018-19, as directed by the Comptroller & Auditor General of India (C&AG) and payment of Fees/ Remuneration to them
Eighteenth	(i) Appointment of Statutory Auditors for the Financial Year 2019-20, as directed by the Comptroller & Auditor General of India (C&AG) and payment of Fees/ Remuneration to them (ii) To consider and approve Borrowings by the Company in excess of the aggregate of the paid-up Share Capital and free Reserves of the Company, pursuant to Section 179(3)(d) read with Section 180(1)(c), Section 180(2) and any other applicable provisions of the Companies Act, 2013
Nineteenth	Appointment of Statutory Auditors for the Financial Year 2020-21, as directed by the Comptroller & Auditor General of India (C&AG) and payment of Fees/ Remuneration to them

Extraordinary General Meeting held during the Financial Year 2020-21 :

During the Financial Year 2020-21, one Extraordinary General Meeting of Equity Shareholders/ Members of the Company was held on July 27, 2020 to consider and approve the :

- (i) induction of Shri Prabhakar Hemant Kumar Pammi (General Manager, Top Executive Grade Scale VII ('TEGS VII'), State Bank of India) (Director Identification Number (DIN) 07969705) as (i) the Managing Director & CEO (i.e. a Nominee Director of State Bank of India) on the Board of Directors of the Company and (ii) Key Managerial Personnel (KMP) of the Company pursuant to Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – from July 01, 2020

- to June 30, 2021 (both days inclusive) or till further instructions of State Bank of India in this regard, whichever is earlier, by passing an Ordinary Resolution in this regard, and
- (ii) increase in the Authorised Share Capital of the Company from Rs. 300,00,00,000/- (Rupees Three Hundred Crores Only) divided into 18,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each and 12,00,00,000 Preference Shares of Rs. 10/- (Rupees Ten Only) each – to – Rs. 1,000,00,00,000/- (Rupees One Thousand Crores Only) divided into 88,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each and 12,00,00,000 Preference Shares of Rs. 10/- (Rupees Ten Only) each, by passing an Ordinary Resolution in this regard.

9. General Shareholder Information:

Financial Year	April 01, 2020 to March 31, 2021
Registrar and Transfer Agents	Datamatics Business Solutions Limited [Formerly known as Datamatics Financial Services Limited]
Address for correspondence	6th Floor, “The Metropolitan” Bandra-Kurla Complex Bandra (East) Mumbai – 400 051

The Board of Directors
SBI Global Factors Limited
Mumbai

As required under the Listing Agreement we certify that:

- (a) We have reviewed financial statements and the Cash Flow Statement for the year 2020-21 and that to the best of our knowledge and belief-
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee -
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For SBI Global Factors Limited

Pankaj Gupta
SVP and Chief Financial & Risk Officer

P Hemant Kumar Pammi
Managing Director & C.E.O.

Date: April 20, 2021

ANNEXURE - II

A REPORT ON CORPORATE GOVERNANCE BY COMPANY SECRETARY IN PRACTICE

To
The Members,
SBI GLOBAL FACTORS LIMITED,
6th Floor, The Metropolitan Bldg.,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

I have reviewed the implementation of Corporate Governance produced by the company during the year ended 31st March, 2021 with the relevant records and documents maintained by the company, furnished to me for my review and the report on Corporate Governance as approved by the Board of Directors.

The Compliances of the conditions of the Corporate Governance is the responsibility of the Management. My examination is neither an audit nor an expression of opinion of the financial statements of the company.

On the basis of the above and according to the information and explanations given to me, in my opinion, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

I further state that my examination of such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 21st June, 2021

CS Rajkumar R. Tiwari
Practising Company Secretary
FCS No. 4227 C P No. 2400
UDIN: F004227C000494541

Management Discussion and Analysis

Global Economic Scenario

The global economy is pulling out of the loss of momentum in Q4:2020, driven by multiple vaccine approvals, the launch of inoculation drives in many countries and the extension of monetary and fiscal stimuli. On the other hand, new mutants of the COVID-19 virus, second/third waves of infections, renewed lockdowns in many countries and uneven access to vaccines across countries continue to weigh on the outlook. The resurgence of commodity price inflation, supported by abundant global liquidity, has fuelled reflation trade in global financial markets. Crude oil prices jumped sharply on production cuts by the Organization of the Petroleum Exporting Countries (OPEC) plus and on anticipation of stronger demand. Non-oil commodity prices have risen substantially across the board, putting upward pressures on inflation in commodity importing countries. Gold prices eased from the highs reached in August 2020 on a stronger US dollar and expectations of economic recovery.

Prolonged monetary accommodation, easy financial conditions and rounds of fiscal stimulus buoyed stock markets around the world, with strong rallies pushing equity valuations to record levels in February 2021 to a point of disconnect with the real economy.

Macroeconomic Perspective

Macroeconomic indicators point to the growth momentum gaining strength in Q4 FY 2020-21 although the surge in COVID-19 infections in a few states in March 2021 imparts uncertainty to the assessment. The outlook for the agriculture sector remains bright, with higher rabi sowing, above normal north-east monsoon and adequate reservoir levels. Inflation receded into the tolerance band beginning December 2020 after breaching the upper threshold of 6 per cent for six consecutive months (June-November 2020).

The INR remained under depreciating pressure till mid-November 2020 due to COVID-related uncertainty, risk aversion and capital outflows. Subsequently, the INR appreciated, riding on the domestic recovery gaining traction, decline in the number of new infections, vaccine rollout, and the measures announced in the Union Budget 2021-22 to revive the economy. The INR depreciated sharply in late February on elevated global financial market volatility following the spike in sovereign bond yields in the US and other major Advance Economies (AEs).

The fiscal stimulus under AtmaNirbhar 2.0 and 3.0 schemes and increased capital outlays and the investment-enhancing proposals in the Union Budget 2021-22 will likely accelerate public investment and crowd-in private investment. While the domestic financial conditions are expected to remain supportive in view of the guidance from RBI that systemic liquidity would continue to remain comfortable over the ensuing year, the risks of spillovers from volatility in global financial markets remain elevated.

Rapid vaccination drive, large pent-up demand, investment enhancing measures by the government and better external demand provide an upside to the baseline growth path while surge in infections, new mutants, deviation of the south-west monsoon from the baseline assumption of a normal monsoon, higher crude oil and non-oil commodity prices and global

financial market volatility impart downside risks to the baseline growth path. Lingering supply chain disruptions, rising global crude oil prices and stronger pass-through of input costs could push headline inflation above the baseline. There is also the probability of softer international crude oil prices on the back of a weaker than anticipated global demand, bountiful food grains production and effective supply management coming together to ease inflation more than anticipated. The evolving COVID-19 trajectory and progress on vaccination remain the key drivers of economic activity and inflation, globally and in India.

The Financial Markets and Liquidity Conditions

During H2:2020-21, domestic financial markets continued to post recovery in market activity amidst easy liquidity conditions. Nevertheless, concerns about a surge in infections in a few states, global bond sell-off, the large government borrowing and uncertainty about the pace and scale of economic recovery kept market sentiments subdued.

Yields on treasury bills across maturities traded below the policy repo rate as systemic liquidity continued to remain in large surplus.

Domestic equities scaled all-time highs in H2:2020-21 on positive global cues, record FPI inflows, revival in economic activity, robust corporate earnings, roll-out of COVID-19 vaccine and announcement of a growth-oriented Union Budget 2021-22. Overall, the BSE Sensex increased by 25.4 per cent during Q3:2020-21.

Credit offtake improved in H2, with the momentum picking up beginning October and registering a positive growth (financial year basis) since November. Credit growth accelerated across all bank groups, especially public sector banks (PSBs).

Among major sectors, credit to agriculture grew by 10.2 per cent (y-o-y) in February 2021 – the highest since April 2017. Credit growth to the services sector also remained strong. Credit to the industrial sector, however, contracted marginally by 0.2 per cent, mainly due to a decline in credit to large industries (which account for more than 80 per cent of credit to the industrial sector). On the positive side, credit to medium industries registered a robust growth of 21.0 per cent, reflecting the measures taken by the Government of India and the RBI for enhancing credit flows to the MSME sector.

In consonance with the accommodative stance of monetary policy, liquidity measures during H2:2020-21 aimed at reinforcing easy financial conditions to support the nascent economic recovery.

Policy Measures taken by RBI

To nurture the revival of activity in sectors that have multiplier effects on growth, the Reserve Bank announced “On-tap targeted long-term repo operations (TLTRO)” with tenors of up to three years for a total amount of up to Rs. 1 lakh crore at a floating rate linked to the policy repo rate in October 2020. The liquidity availed by banks under the scheme is to be deployed in corporate bonds, commercial paper and non-convertible debentures issued by the entities in five sectors 16 over and above their investments in these instruments as on September 30, 2020. Moreover, to enable banks to exploit the synergies between central bank liquidity under on-tap TLTRO scheme and the Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) of the

Central Government, the Reserve Bank expanded the scope of the on-tap TLTRO in December to all stressed sectors identified by the Kamath Committee in addition to the five sectors announced earlier in October 2020.

In February 2021, the RBI (i) allowed lending by banks to NBFCs under the TLTRO on-tap scheme for incremental lending to specified stressed sectors; (ii) announced a gradual restoration of the cash reserve ratio (CRR) in two phases in a non-disruptive manner to 3.5 per cent of NDTL effective March 27, 2021 and 4.0 per cent effective May 22, 2021; (iii) extended the facility for availing funds under the marginal standing facility (MSF) by dipping into the SLR up to 3.0 per cent of NDTL until September 30, 2021; and (iv) provided CRR exemption for credit flows to new MSME borrowers on exposures up to Rs. 25 lakh per borrower for credit extended up to October 1, 2021.

Factoring-Future prospects and enablers required

The Company has a very important role in spurring inclusive growth by catering to the needs of MSME sector, going forward. Having said that, Company is also keenly aware that it is currently in a very niche segment within the universe of financial sector-and therefore remains vulnerable to various risks despite having a very robust risk management culture in a Board driven policy framework.

The Company, therefore, uses various fora to articulate the needs of various enablers to improve prospects of growth of factoring from time to time.

At the Industry level, some of the urgent issues which need attention are:

1. Non-availability of Trade Credit Insurance;
2. Recognition of factoring as a necessary and complimentary financial service to Banking.
3. Reluctance on the part of debtors to acknowledge Notice of Assignment (NAR)
4. Non-acceptance of Wilful Defaulter data by CIBIL.
5. Non-availability of viewing rights for CRILC data
6. Non-availability of recourse to DRT for recovery.

Independent Auditors' Report

To the Members of SBI GLOBAL FACTORS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **SBI Global Factors Limited** (“the Company”), which comprise the Balance Sheet as at 31st March 2021, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Standalone Financial Statements”)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS Financial Statements for the financial year ended 31st March 2021. These matters were addressed in the context of our audit of the standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

	Key Audit Matters	How our audit addressed the key audit matter
1.	Impairment of financial assets (expected credit losses)	
	<p>Recognition and measurement of impairment of loans and advances involve significant management judgement.</p> <p>In accordance with Ind AS 109 credit loss assessment is based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors.</p> <p>There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.</p>	<p>Our audit procedure included:</p> <ul style="list-style-type: none"> • Evaluation of the appropriateness of the impairment principles based on the requirements of Ind AS 109. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charges. • Testing of management review controls over measurement of impairment allowances and disclosures in financial statements. • We focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • Test of calculation of impairment allowance on sample basis for assessing the completeness, accuracy and relevance of data.
2.	Impact of Covid- 19	
	<p>Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected Credit Loss (ECL) and impairment loss allowances on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default. The outbreak of the COVID – 19 pandemic in the year 2020 necessitates that the Company shall specifically consider the possible impact of uncertainties associated with the same in applying such judgement and estimates</p> <p>We have identified the impact of and uncertainty related to the COVID-19 pandemic as a key element and consideration for recognition and measurement of impairment on loans and advances on account of:</p> <ul style="list-style-type: none"> - Short and long term macroeconomic effect on businesses in the country and its consequential first order and cascading negative impact on revenue and employment generation opportunities; - impact of the pandemic on the Company's customers and their ability to repay dues; and - application of regulatory package announced by the Reserve Bank of India (RBI) on asset classification and provisioning. 	<p>We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to:</p> <ul style="list-style-type: none"> • The identification of events leading to a significant increase in risk and credit impairment events; and • The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward-looking basis having regard to historical experiences. <p>We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level, including with reference to the possible impact of the uncertainties associated with the COVID-19 pandemic. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard.</p> <p>We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls and management's assessment of financial impact associated with COVID - 19 pandemic for the purposes of our audit of ECL and impairment loss allowances.</p>

3.	Information Technology	
	<p>IT systems and controls</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated hence we identified IT systems and controls over financial reporting as a key audit matter for the Company.</p> <p>Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting</p>	<p>Our audit procedures to assess the IT system access management included the following:</p> <ul style="list-style-type: none"> • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Evaluating the design, implementation and operating effectiveness of the significant accounts related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditors' report thereon. The Company's management and Board of Directors are responsible for the other information.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards

(Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in

the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure - A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - A. As required by Section 143(3) of the Act, we report that:
 - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - iii. The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - iv. In our opinion, the aforesaid standalone financial statements comply with the Ind As specified under Section 133 of the Act.
 - v. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure - B**".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as on 31st March, 2021 on its financial position in its standalone financial statements to the extent determinable/ascertainable – Refer Note 27 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion, the managerial remuneration for the year ended 31 March 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

Directions of C&AG

As per the directions of The Comptroller & Auditor General of India in accordance with Section 143(5) of the Companies Act, 2013 and on the basis of such verification of the books and records as considered appropriate and available and according to the information and explanations given to us and as per the declarations given by the Company, we enclose in “Annexure – C” a statement on the matters specified in directions issued by The Comptroller & Auditor General of India.

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 29th April 2021

Place: Mumbai

(SACHIN VYAS)
Partner
M. No. 419656
UDIN: 21419656AAAAFE7171

ANNEXURE – A to the Independent Auditor’s Report of even date on the Standalone Financial Statements of SBI GLOBAL FACTORS LTD for the period ended 31st March 2021

Statement on the matters specified in paragraphs 3 and 4 of Companies (Auditor’s Report) Order, 2016

(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirement” section of our report of even date)

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a regular program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the last physical verification of fixed assets was conducted on 31-Mar-2019. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the title deeds of immovable properties are still held in the erstwhile name of the Company.

Particulars	Gross Value (Amt in lakhs)	Net Value (Amt in lakhs)	Remarks
Office Premises in Mumbai	797.25	546.59	In the erstwhile name of Global Trade Finance Limited
Office Premises in Delhi	146.72	108.82	In the erstwhile name of Global Trade Finance Limited
Flat in Mumbai	47.83	34.59	In the erstwhile name of SBI Factors and Commercial Services Private Limited.

- ii. The company is involved in factoring business and thus it does not hold any physical inventory. Accordingly, provisions of clause (ii) of the Order are not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

In view of the above, clause (iii) (a), (b) and (c) of the order are not applicable.

- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, provided any guarantees and security covered under the provisions of section 185 and 186 of the Companies Act, 2013 and accordingly provisions of Section 185 and 186 relating to loans are not applicable. The company has invested amounts in one of the fellow subsidiary company and provisions of section 186 have been complied with.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, hence the directives issued by The Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable on the Company.
- vi. According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 to the Company.
- vii.
- a. According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other material statutory dues applicable to it have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of outstanding statutory dues as aforesaid at 31st march 2021 for a period of more than six months from the date they become payable.

- b. The disputed statutory due, as detailed below, have not been deposited on account of matters pending before appellate authorities:

Name of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax, Interest and Penalty	Rs 47.52	For the Assessment Year 2013-14 (Rs 47.49 lacs) For AY 2009-10 (Rs 0.03 lacs)	CIT(Appeals)
Service Tax	Service Tax and Penalty	Rs 57.07	For the Financial Year 2009-10	Commissioner of Service Tax

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, banks and Debenture holders.
- ix. According to the information and explanations given to us, the Company has not raised any money by way of Initial Public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. During the course of our examination and as far as records/details made available and verified by us and according to the information and explanations given to us, the managerial remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

- xii. The Company is not a Nidhi Company and accordingly this clause is not applicable to the Company. Accordingly, provision of clause 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board and Audit Committee, related party transactions during the financial year under review are in compliance with section 177 and 188 of the Companies Act, 2013 and details have been duly disclosed in the financial statements as required by the applicable Ind AS.
- xiv. According to the information and explanations given to us and based on our verification of the records of the Company, there was no preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review, therefore reporting under clause 3(xiv) is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the financial year under review; accordingly paragraph 3 (xv) of the order is not applicable.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has received registration certificate dated 23rd March, 2015 from Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934 and is permitted to carry on the business as NBFC- Factors in accordance with the Factoring Regulation Act, 2011.

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 29th April, 2021

Place: Mumbai

(SACHIN VYAS)
Partner
M. No. 419656

Annexure – B to the Independent Auditor’s Report of even date on the Standalone Financial Statements of SBI GLOBAL FACTORS LTD for the period ended 31st March 2021

Report on the Internal Financial Controls with reference to aforesaid standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

(Referred to in paragraph 1 (A) (vi) under “Report on Other Legal and Regulatory Requirement” section of our report of even date)

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 29th April, 2021

Place: Mumbai

(SACHIN VYAS)
Partner
M. No. 419656

Annexure “C” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of SBI GLOBAL FACTORS LTD for the period ended 31st March 2021

Statement on the matters specified in directions issued by the Comptroller and Auditor General of India in accordance with Section 143(5) of the Companies Act, 2013

(Referred to in paragraph under “Directions of C &AG” section of our report of even date)

- A. As per Directions stated in letter GA/CA-1/Direction and Sub- Direction/2020-21/576 dated 26th March, 2021-

S. No.	Direction	Reply
I.	<p>As per circular dated 6th August, 2020, RBI provided a window under the prudential framework to implement a resolution plan to borrowers having a stress on account of Covid- 19, as per which the existing loans can be restructured without downgrading the asset classification.</p> <p>Are there any cases of restructuring involving the new provision and if so, are they in compliance with the RBI Circular?</p>	<p>According to the information and explanations given to us and based on information available, the company has invoked Resolution Plan as per RBI circular dated 06-Aug-20 in One account during the Financial Year 2020-21.</p> <p>In our opinion, the company is in compliance with the said RBI circular for this account.</p> <p>The detail of the account wherein RP has been invoked is as under</p> <p>Name of Borrower- Future Enterprises Limited</p> <p>Account Status as on 31.03.2021 - Sub Standard</p> <p>Amt O/s as 31.03.2021- Rs. 3.54 Crores</p> <p>Date of RP Invocation- 27th October, 2020</p> <p>Date of RP Implementation-23rd April, 2021</p>

B. As per Directions stated in letter GA/CA-1/Direction and Sub- Direction/2020-21/581 dated 26th March, 2021-

S. No.	Direction	Reply
I.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanations given to us and based on information available, the company has a system in place to process all the accounting transactions through IT system. All accounting transactions are being processed & accounted through IT system only.
II.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case lender is a Government Company then its direction is also applicable for statutory auditor of lender company)	According to the information and explanations given to us and based on information available, there are NIL cases of restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company. Not Applicable
III.	Whether funds (grant/ subsidy etc) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us and based on information available, no funds have been received / receivable for specific schemes from central/ state agencies.

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 29th April, 2021

Place: Mumbai

(SACHIN VYAS)
Partner
M. No. 419656

Report on the matters required to be reported in terms of the Non-Banking Financial Companies Auditor's Report (Reserve bank) Directions, 2016

To,
The Board of Directors,
SBI GLOBAL FACTORS LIMITED
Mumbai

Report on the Financial Statements

In addition to the report made under section 143 of the Companies Act, 2013 ('the Act') on the financial statements of SBI Global Factors Limited ('the Company') for the year ended 31st March, 2021 and as required by the Master Circular on Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 (the 'Directions'), we report as follows on the matters specified in paragraph 3 and 4 of the said Directions to the extent applicable.

Management's responsibility for the financial statements

The Company's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities ; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Company's management is responsible for compliance with the Reserve Bank of India (herein after RBI or Bank) Act, 1934 and other relevant RBI circulars and guidelines applicable to Non-Banking Financial Companies, as amended from time to time and for providing all the required information to RBI.

Auditor's Responsibility

Pursuant to the requirement of the Directions, it is our responsibility to examine the audited books and records of the Company for the year ended 31st March, 2021 and report on the matters specified in the Directions to the extent applicable to the Company.

We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

Opinion

Based on our examination of the audited financial statements for the year ended 31 March 2021, books of accounts and records of the Company as produced for our examination and according to the information and explanations given to us, we report that:

- The Company is engaged in the business of non-banking financial institution and it has obtained a certificate of registration (CoR) dated 23rd March 2015 from the bank's department of Non- Banking Supervision – Mumbai, Regional office;
- The Company is entitled to continue to hold such certificate of registration in terms of its principal business criteria as on 31st March, 2021;
- In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the criteria of net owned funds requirement as laid down in the Directions.
- The Board of Directors of the Company has passed a resolution in its meeting held on 02nd May 2020 for non-acceptance of any public deposits;
- The Company has not accepted any public deposits during the year ended 31st March 2021;
- In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Directions in the preparation of financial statements for the year ended 31 March 2021;
- The Statement of capital funds, risk assets/ exposures and risk asset ratio (DNBS-03) has been provisionally submitted to the Bank on 12-Apr-2021 till the date of this report. The Company has correctly arrived at Capital Adequacy Ratio (CRAR) which has been duly disclosed in the audited financial statements and such ratio is in compliance with the minimum CRAR ratio prescribed by the Bank.
- The Company is not a NBFC-MFI as defined in the Master Circular- Non-Banking Financial Company -- Micro Finance Institution ('NBFC-MFI') -- Directions, with reference to the business carried on by it during the year ended 31st March 2021.

Restriction on Use

This Report is addressed to and provided to the Board of Directors solely to comply with the aforesaid Directions and for submission to RBI, if required, and may not be suitable for any other purpose. Accordingly, our Report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, Vyas & Vyas neither accept nor assume any duty or liability for any other purpose or to any other party to whom our Report is shown or into whose hands it may come without our prior consent in writing.

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 29th April, 2021

Place: Mumbai

(SACHIN VYAS)
Partner
M. No.
419656
UDIN: 21419656AAAAFF6315

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI GLOBAL FACTORS LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of SBI Global Factors Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 April 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SBI Global Factors Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6)(b) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comment on Profitability

Balance Sheet as at March 31, 2021

Liabilities and Equity

Liabilities

(1) Financial Liabilities

(c) Other financial liabilities Note 12 1231 (₹ in Lakhs)

Outstanding Expenses 289 (₹ in Lakhs)

The above does not include pay revision arrears amounting to ₹ 40.50 lakh payable as per Wage Settlement' to ten deputed employees (belonging to Mumbai and Ludhiana branches)

from November 2017 to November 2020, for the actual deputation period in the organization. Similarly, the Company did not ascertain the proportionate arrears amount payable for sixteen employees on deputation from SBI, which worked out to ` 50.42 lakh. Thus, the company has not made provision 'for arrears payable from November 2017 to November 2020 for twenty-six employees on deputation from SBI, amounting to ` 90.92 lakh.

This has resulted in understatement of provision for outstanding expenses and overstatement of profit by ` 90.92 lakh.

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



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

Place: Mumbai
Date: 03.09.2021

REPLY TO COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

A. Comment on Profitability

The Company was required to make provision for arrears of salary payable to SBI for officers on deputation for the period November 2017 to November 2020. Provision of Rs. 1.13 lakhs was confirmed and provided for before finalizing the books of accounts for FY 2020-21. As the provision for other branches was under deliberation with SBI, the provision for these branches was not made in books to avoid inaccurate estimates.

The liability for arrears was finalized in second quarter of FY 2021-22 after deliberation with SBI and hence the provision of Rs. 91 lakhs has been made in the books of accounts of FY 2021-22. It may be noted that the pending provision of Rs. 91 lakhs does not exceed 1 % of the Total Revenue of the Company and hence does not breach materiality limits as specified in clause 7 Schedule III of Companies Act, 2013 (General Instructions for Preparation of Financial Statements of a Company).

Balance Sheet

As at March 31, 2021

(₹ in Lakhs)				
	Particulars	Note No.	March 31, 2021	March 31, 2020
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	2	972	187
(b)	Loans	3	122,572	113,956
(c)	Investments	4	0	0
(d)	Other Financial assets	5	1,717	3,001
			125,261	117,144
(2)	Non-financial Assets			
(a)	Current tax assets (Net)	6	504	843
(b)	Deferred tax Assets (Net)	7	4,616	5,431
(c)	Property, Plant and Equipment	8	1,099	1,231
(d)	Other Intangible assets	8	5	11
(e)	Other non-financial assets	9	283	346
			6,508	7,863
	Total Assets		131,769	125,007
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Debt Securities	10	57,675	57,222
(b)	Borrowings (Other than Debt Securities)	11	36,674	31,726
(c)	Other financial liabilities	12	1,231	1,757
			95,580	90,705
(2)	Non-Financial Liabilities			
(a)	Provisions	13	254	201
(b)	Other non-financial liabilities	14	852	855
			1,106	1,057
(3)	EQUITY			
(a)	Equity Share capital	15	15,989	15,989
(b)	Other Equity	16	19,094	17,256
			35,083	33,245
	Total Liabilities and Equity		131,769	125,007
	Significant accounting policies forming part of the financial statements	1		
	See accompanying notes forming part of the financial statements	2-54		

<p>As per our report of even date</p> <p>For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C DIN :- 08797991 Sachin Vyas Partner M.No. 419656 Place : Mumbai Date : 29 April 2021</p>	<p>For and on behalf of the Board of Directors</p> <table style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Ashwini Kumar Tiwari Chairman DIN :- 07969705</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 29 April 2021</p> </td> <td style="width: 50%; vertical-align: top;"> <p>P. Hemant Kumar Pammi Managing Director & CEO</p> <p>Nandan Nimbkar Company Secretary</p> </td> </tr> </table>	<p>Ashwini Kumar Tiwari Chairman DIN :- 07969705</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 29 April 2021</p>	<p>P. Hemant Kumar Pammi Managing Director & CEO</p> <p>Nandan Nimbkar Company Secretary</p>
<p>Ashwini Kumar Tiwari Chairman DIN :- 07969705</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 29 April 2021</p>	<p>P. Hemant Kumar Pammi Managing Director & CEO</p> <p>Nandan Nimbkar Company Secretary</p>		

Statement of Profit and Loss

For the Year Ended March 31, 2021

(₹ in Lakhs)				
	Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
	Revenue from operations :			
(i)	Interest income	17	9,827	10,316
(ii)	Fees and commission income	18	362	344
(iii)	Sale of services	19	476	505
(iv)	Others	20	92	514
(v)	Reversal of provision	21	2,799	7,257
(1)	Total revenue from operations		13,556	18,936
(2)	Other income		195	188
(3)	Total income		13,751	19,124
	Expenses :			
(i)	Finance costs	22	4,543	6,184
(ii)	Fees and commission expense	23	109	140
(iii)	Net loss on derecognition of financial instruments under amortised cost category	24	4,234	6,672
(iv)	Employee benefits expenses	25	1,089	963
(v)	Depreciation, amortization and impairment	8	232	259
(vi)	Others expenses	26	872	879
(4)	Total expenses		11,079	15,096
(5)	Profit / (loss) before exceptional items and tax		2,672	4,028
(6)	Exceptional items		-	-
(7)	Profit/(loss) before tax		2,672	4,028
(8)	Tax Expense:			
	Current Tax / Tax for previous year		7	234
	Deferred Tax		818	2,117
(9)	Profit/(loss) for the period from continuing operations		1,847	1,677
(10)	Profit/(loss) from discontinued operations		-	-
(11)	Tax Expense of discontinued operations		-	-
(12)	Profit/(loss) from discontinued operations(After tax)		-	-
(13)	Profit/(loss) for the year		1,847	1,677
(14)	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss		(13)	(35)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss		4	10
	Subtotal (A)		(9)	(24)
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		(9)	(24)
(15)	Total Comprehensive Income for the year		1,838	1,652
(16)	Earnings per equity share (for continuing operations)	31		
	Basic (In Rs.)		1.15	1.05
	Diluted (In Rs.)		1.15	1.05
	Significant accounting policies forming part of the financial statements	1		
	See accompanying notes forming part of the financial statements	2-54		

As per our report of even date

For Vyas & Vyas

Chartered Accountants
Firm Registration No. 000590C
DIN :- 08797991

Sachin Vyas

Partner
M.No. 419656
Place : Mumbai
Date : 29 April 2021

For and on behalf of the Board of Directors

Ashwini Kumar Tiwari
Chairman
DIN :- 07969705

P. Hemant Kumar Pammi
Managing Director & CEO

Pankaj Gupta
Chief Financial & Risk Officer
Place : Mumbai
Date : 29 April 2021

Nandan Nimbkar
Company Secretary

Statement of Changes in Equity for the Year Ended March 31, 2021
A. Equity Share Capital

		` in Lakhs	
As at 1st April, 2020	Movement during the Year	As at 31st March, 2021	
15,989	-	15,989	

B. Other Equity

Particulars	Reserves & Surplus						Transition reserve	Impairment Reserve #	Other items of Comprehensive Income (Employee Benefit)	Total
	Capital Redemption Reserve	Reserve Fund*	Securities Premium Reserve	General Reserve	Retained Earnings					
Balance as at 1st April, 2020	1,000	6,816	21,693	10,569	(24,360)	(633)	2,196	(25)	17,256	
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	370	-	-	(370)		-	-	-	
Dividend	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	-	1,847	-	-	(9)	1,837	
Balance as at 31st March, 2021	1,000	7,186	21,693	10,569	(22,883)	(633)	2,196	(34)	19,094	

* As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

Created in accordance with The Reserve Bank of India circular no. 109/22.10.106/2019-20 dated 13th March 2020.

See accompanying notes to the financial statements

As per our report of even date

For Vyas & Vyas
Chartered Accountants
Firm Registration No. 000590C
DIN :- 08797991

Sachin Vyas

Partner

M.No. 419656

Place : Mumbai

Date : 29 April 2021

For and on behalf of the Board of Directors

Ashwini Kumar Tiwari

Chairman

DIN :- 07969705

P. Hemant Kumar Pammi

Managing Director & CEO

Pankaj Gupta

Chief Financial & Risk Officer

Place : Mumbai

Date : 29 April 2021

Nandan Nimbkar

Company Secretary

Cash Flow Statement

For the Year Ended March 31, 2021		(in Lakhs)	
	March 31, 2021	March 31, 2020	
Cash Flow from Operating Activities:			
Net Profit before Tax	2,672		4,028
Adjustments for:			
Depreciation / Amortisation	232		259
Interest Cost	1,664		1,942
Discount on issue of Commercial Paper	2,640		4,092
Amortisation of Forward Premium	93		-
Sundry Balance Written Off	(0)		0
Foreign Exchange (Gain)/Loss (Net)	(2)		2
(Profit) / Loss on Sale of Fixed Assets	(0)		0
Liabilities no longer required Written Back	(8)		(5)
Impairment of assets	(2,800)		(7,257)
Bad Debts Written Off	4,234		6,672
Provision for Leave Encashment	41		5
Provision for Gratuity	27		46
Profit on Sale of Current Investments	(59)		(82)
OCI Impact	(13)		(35)
	6,049		5,639
Operating profit before Working Capital changes	8,721		9,666
Increase / (Decrease) in Debt Securities	(4,931)		266
Increase / (Decrease) in Borrowings (Other than Debt Securities)	(2,581)		3,401
(Increase) / Decrease in Other Financial Liabilities	(611)		(703)
Increase / (Decrease) in Provisions	(15)		51
Increase / (Decrease) in Other Non Financial Liabilities	6		(251)
(Increase)/Decrease in Other Non - Financial Assets	63		13
(Increase)/Decrease in Other Financial Assets	1,284		(945)
(Increase)/Decrease in Loans	(10,049)		(704)
	(16,836)		1,126
Cash (used)/generated in and from Operating Activities	(8,115)		10,793
Direct Taxes paid (net)	332		41
Net Cash (used)/generated in and from Operating Activities (A)	(7,783)		10,834
Cash Flow from Investing Activities:			
Purchase of Fixed Assets	(33)		(30)
Sale of Fixed Assets	24		0
Purchase of Current Investments	(386,995)		(346,690)
Sale of Current Investments	387,054		346,772
Net cash from Investing Activities (B)	50		52
Cash Flow from Financing Activities:			
Interest Cost	(1,779)		(1,862)
Discount on issue of Commercial Paper	(2,641)		(4,090)
Premium on Forward Contract	(93)		-
Repayment of Loans	(113,241)		(119,809)
Loan Taken	120,772		117,413
Commercial Paper Repaid	(150,000)		(279,500)
Commercial Paper Taken	155,500		273,000
Net Cash generated from Financing Activities (C)	8,518		(14,848)
Net increase in Cash and Cash Equivalents (A + B + C)	785		(3,963)
Cash and Cash Equivalents as at March -21/March - 20			
Cash in Hand	1		1
Stamp in Hand	-		-
Cash & Bank Balances in Current Account with Banks	971		186
	972		187
Less: Cash and Cash Equivalents as at Mar-20/Mar-19	187		4,149
	785		(3,963)

Note :

1. Cash Flow Statement has been reported using the Indirect Method.

See accompanying notes to the financial statements		2 - 54	
As per our report of even date	For and on behalf of the Board of Directors		
For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C DIN :- 08797991 Sachin Vyas Partner M.No. 419656 Place : Mumbai Date : 29 April 2021	Ashwini Kumar Tiwari Chairman DIN :- 07969705	P. Hemant Kumar Pammi Managing Director & CEO	
	Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 29 April 2021	Nandan Nimbkar Company Secretary	

Note 1: Significant Accounting Policies

1.1 Corporate Information:

SBI Global Factors Ltd ('SBIGFL' or the 'Company'), a Public Limited Company, incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013, is a subsidiary of State Bank of India, is Non-Banking Financial Company regulated by Reserve Bank of India. SBIGFL provides Domestic and Export Factoring services under one roof. It is headquartered in Mumbai with 09 Branches across India.

1.2 Significant Accounting Policies, Accounting Judgements, Estimates and Assumptions:

(A) Significant Accounting Policies:

i. Compliance with Ind-AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind-AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use

ii. Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of IND AS 7 "Statement of Cash Flows". The Company presents its Balance Sheet in the order of liquidity.

iii. Basis of preparation of Ind-AS Financial Statements:

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments and certain employee benefit assets are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized within the fair value hierarchy into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakhs except when otherwise stated.

iv. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the amount is received. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms and excluding taxes collected on behalf of government.

Ind AS 115 addresses the recognition of revenue from customer contracts and impacts on the amounts and timing of the recognition of such revenue. The standard introduced a five-step approach to revenue recognition

- Identifying the contract;
- identifying the performance obligations in the contract;
- determining the transaction price;
- allocating that transaction price to the performance obligations; and
- finally recognizing the revenue as those performance obligations are satisfied.

Rendering of Services

The Company recognizes revenue when control over the promised services is rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company recognises revenue generally at the point in time when the services are rendered to customer i.e. Recognition of Facility Set-Up Fees/ Facility Continuation fees:

New Sanction

Facility Set up fees is charged for the period from the date of sanction to end of financial year, in which account is sanctioned and are recognized as income only when there is reasonable certainty of its receipt after execution of documents.

Facility Continuation Fees (FCF):

Facility Continuation Fees is charged in the month of May on the basis of the sanctioned/ capped limits on the core factoring facilities which are current as at 1st April of that financial year. It is calculated for the entire financial year on all live Standard core accounts. 1st of May will be deemed as the date of accrual of the FCF . However, in case the account is in dormant mode, or NPA, FCF will be recognized only when the same is realized.

Facility Set-Up fees on enhancement or adhoc limits:

The facility set-up fee is charged and recognized as income, only when there is reasonable certainty of its receipt after execution of documents and at the time of first factoring under the enhanced/adhoc core limit.

Discount charges and interest on advances:

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

v. Functional currency

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The Company has accordingly assessed INR as its functional currency. The transactions in currencies other than the entity's functional currency for the month are recorded at the exchange rates prevailing on the previous month end rate.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the dates when fair value was determined. Non-monetary items measured at historic cost are not translated.

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. Exchange difference arising on monetary items are recognised in the statement of profit and loss in the year in which they arise.

vi. Borrowing Costs

Borrowing costs includes interest, commission/brokerage and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to interest cost. Interest expenses is accrued on a time basis, by reference to the principal outstanding and at the Effective Interest Rate (EIR) applicable. The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

vii. Employee Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a

charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognized for benefits to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

viii. Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Taxes

Current income tax is the amount of expected tax payable based on taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and

liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company.

Current and Deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they are relating to items that are recognized in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

ix. Property, plant and equipment

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit or Loss. Property, plant and equipment except freehold land held for use for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements on transition i.e. April 01, 2018 to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight - line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013, except in respect :

Sr.No	Asset Description	Useful life as per management estimates
1	Furniture & Fixtures *	5
2	Vehicles *	4
3	Computer Hardware (Servers & Network) *	3

*For these class of assets based on internal assessment the management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful life for these assets is different from the useful life as prescribed in Part C of Schedule II of The Companies Act, 2013

Assets held under finance leases are depreciated over their expected useful lives on the basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the lease term, assets are depreciated over the shorter of lease term and their useful lives.

Depreciation on additions to Fixed Assets is provided on pro-rata basis from the date of acquisition or installation. Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Lease Accounting as per Ind AS 116

IND AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset value is low.

As per this standard a lease liability is initially recognised and measured at an amount equal to present value of minimum lease payments during the lease term that are not yet paid.

Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration cost and other direct costs incurred by lessee.

The lease liability is measured in subsequent period using effective interest rate method. The right to use asset is depreciated in accordance with the requirements in Ind as 16 Property plant and equipment. The recognition and measurement exemptions is availed by the company in case of low value lease and and short term leases. For leases where exemptions are availed by the Company payments are recognised on straight line basis or another systematic basis that is more representative of the patterns of lessees benefits.

x. Intangible Assets and amortization thereof:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on a straight-line basis based on their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software is amortised over the period of three years on a straight-line basis.

An item of Intangible Asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognized as on April 01, 2018 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

xi. Impairment of Property, plant & equipment and intangible assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash - generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

xii. Provisions

Provisions involving substantial degree of estimation in measurement are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. A contingent asset is disclosed in the Financial Statements, where an inflow of economic benefits is probable.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

xiii. Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

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

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial assets

a) Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at -

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,

- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Business Model Test:

The Company determines its business model at the level that best reflects how it manages group of financial assets to achieve its business objective.

The Company's business model is not assessed on instrument and instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model.

d) Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

The Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

e) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the

previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculate the gross carrying amount of the financial asset and shall recognize a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset

f) Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. The Company applies a three-stage approach for measuring ECL for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

The Company assesses ECL on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Company does not conduct an individual assessment of exposures in Stage

1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL - not credit impaired

The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset). Similar to Stage 1, the Company does not conduct an individual assessment on Stage 2 exposures as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.

Stage 3: Lifetime ECL - credit impaired

The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised as a collective or specific provision, and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment losses reverts from lifetime ECL to 12-months ECL.

Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for impairment losses for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, industry and other relevant factors.

Measurement of ECL

ECL are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due

to the Company in accordance with the contract and the cash flows that the Company expects to receive. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

Provision for impairment losses.

ECL are recognised using a provision for impairment losses in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

g) Effective interest method

The Effective Interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognized in profit or loss.

h) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations.

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those

assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised Classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Financial liabilities and equity instruments

1) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

3) Financial liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such

on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

4) Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

5) Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

xiv. Cash and Cash Equivalent:

Cash and cash equivalent in balance sheet comprise of cash at bank, cash on hand and short term highly liquid investments and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

xv. Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue

to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares.

xvi. Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xvii. Commitments

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

- i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and
- ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

xviii. Segment Reporting

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 –Segment Reporting.

1.3 Key Estimates and Judgements:

The preparation of the financial statements in conformity with Indian Accounting Standards (“IND AS”) requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

i. Determination of Expected Credit Loss (“ECL”)

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company’s historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company’s criteria for assessing if there has been a significant increase in credit risk.

- Development of ECL models, including choice of inputs / assumptions used.

ii. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

iii. Income Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for certain tax positions.

iv. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

v. Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

Notes forming part of the Financial Statements as at March 31, 2021		
NOTE 2		
Cash and cash equivalents	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
(i) Cash on hand	1	1
(ii) Balances with Banks (of the nature of cash and cash equivalents)	971	186
Total	972	187

NOTE 3		
	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
(A)		
(i) Loans - at amortised cost		
- Factoring	137,598	122,592
Others		
- Gold Pool	297	9,487
Total - Gross (A)	137,895	132,079
Less: Impairment Loss Allowance (Expected Credit Loss)	(15,323)	(18,123)
Total - Net (A)	122,572	113,956
(B)		
(i) Secured by tangible assets	4,564	5,691
(ii) Secured by intangible assets	34,623	55,062
(iii) Unsecured	98,708	71,326
Total - Gross (B)	137,895	132,079
Less: Impairment Loss Allowance (Expected Credit Loss)	(15,323)	(18,123)
Total - Net (B)	122,572	113,956
(C)		
(i) Loans in India	137,895	132,079
Total - Gross (C) (i)	137,895	132,079
Less: Impairment Loss Allowance (Expected Credit Loss)	(15,323)	(18,123)
Total - Net (C) (i)	122,572	113,956
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
Total - Net (C) (ii)	-	-
Total (C) (i+ii)	122,572	113,956
No loans are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.		

NOTE 4									
INVESTMENTS									
	March 31, 2021					March 31, 2020			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total	(in Lakhs)
Mutual Funds	-	-	-	-	-	-	-	-	-
Equity Shares of SBI Foundation Fellow Subsidiary (1,000 Equity Shares @ Rs. 10/- each)		0		0		0		0	0
JMFARC - IRIS December 2016 - Trust (Security Receipt of JM Financial Asset Reconstruction Company Private Limited)		383		383		383		383	383
Total – Gross (A)		383		383		383		383	383
Impairment		(383)		(383)		(383)		(383)	(383)
Total - Net (A)		0		0		0		0	0
(i) Investments outside India		-		-		-		-	-
(ii) Investments in India		0		0		0		0	0
Total (B)		0		0		0		0	0

NOTE 5		
Other Financial Assets	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
Security Deposits	246	248
Collection Receivable From Muthoot	1,429	2,739
Other Receivable	42	14
Total	1,717	3,001
NOTE 6		
Current Tax Assets (Net)	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
Advance tax and tax deducted at source (Net of provision for tax)	504	843
Total	504	843
NOTE 7		
Deferred Tax Assets (Net)	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
Deferred Tax Asset	4,616	5,431
Total	4,616	5,431

Note 8 : Property Plant and Equipment And Intangible Assets										
Description of Assets	Buildings	Right of use Building	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Tangibles Total	Intangibles Assets Software	(in Lakhs)	
									Total assets	
I. Gross Block										
Balance as at March 31, 2020	740	697	55	18	12	5	1,526	20		1,547
Additions	-	85	23	6	2	2	117	-		117
Other -Deductions/Adjustments	-	124	12	8	1	-	145	-		145
Balance as at March 31, 2021	740	658	66	16	13	7	1,498	20		1,519
II. Accumulated depreciation and impairment										
Balance as at March 31, 2020	33	214	38	4	3	3	295	9		304
Depreciation expense for the period	17	186	16	5	3	1	226	6		232
Other -Deductions/Adjustments	-	109	4	8	1	-	122	-		122
Balance as at March 31, 2021	50	291	50	1	5	3	399	15		415
Carrying Value As at March 31,2021	690	367	16	15	8	4	1,099	5		1,104
At March 31, 2020	707	483	17	14	8	2	1,231	11		1,242

NOTE 9		
Other Non-Financial Assets	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
Indirect Tax Credit	86	109
Pre-paid expenses	47	60
Advance paid to CERSAI	0	0
Advance to employees	9	11
Others*	141	166
Total	283	346
*Rs 140 lakhs pertains to payment made to SBI for salary to deputed staff against which invoices are not received		
NOTE 10		
Debt Securities	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
- At Amortised Cost		
(1) UNSECURED:		
Non Convertible Debentures - Listed*	9,998	14,988
(2) UNSECURED:		
Commercial Papers #	47,677	42,234
Total (A) (1+2)	57,675	57,222
Debt securities in India	57,675	57,222
Debt securities outside India	-	
Total (B)	57,675	57,222
* Includes issue expenses amortised as per EIR Non-convertible debentures and any other borrowings are not guaranteed by any of directors and/or others.		
Maturity Profile of Non-Convertible Debentures	(` in Lakhs)	
Description	Date of Maturity	As at March 31, 2021
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2011-12 (Series - SBIGFL - 09) of Rs. 10 Lakhs each	July 29, 2021	10,000
Adjustments on account of effective rate of interest		(2)
Total		9,998
Maturity Profile of Non-Convertible Debentures	(` in Lakhs)	
Description	Date of Maturity	As at March 31, 2020
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2011-12 (Series - SBIGFL - 09) of Rs. 10 Lakhs each	July 29, 2021	10,000
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2010-11 (Series - SBIGFL - 08) of Rs. 10 Lakhs each	August 25, 2020	5,000
Adjustments on account of effective rate of interest		(12)
Total		14,988

# The Details of Commercial Papers are as under		(` in Lakhs)	
Particulars	Date of Maturity	As at March 31, 2021	
ICICI Prudential Mutual Fund - CP	June 17, 2021	5,000	
HDFC Mutual Fund - CP	May 06, 2021	10,000	
HDFC Mutual Fund - CP	June 24, 2021	11,000	
HDFC Mutual Fund - CP	June 29, 2021	9,000	
IL&SF Mutual Fund - CP	April 26, 2021	5,000	
IL&SF Mutual Fund - CP	April 15, 2021	5,000	
Invesco Mutual Fund - CP	April 15, 2021	3,000	
Adjustments on account of effective rate of interest		(323)	
Total		47,677	
		(` in Lakhs)	
Particulars	Date of Maturity	As at March 31, 2020	
HDFC Mutual Fund - CP	April 28, 2020	9,000	
HDFC Mutual Fund - CP	May 19, 2020	10,000	
HDFC Mutual Fund - CP	May 22, 2020	5,500	
Birla Mutual Fund - CP	April 24, 2020	5,500	
Birla Mutual Fund - CP	May 20, 2020	5,000	
Tata Mutual Fund - CP	April 27, 2020	7,500	
Adjustments on account of effective rate of interest		(266)	
Total		42,234	
NOTE 11			
Borrowings (Other than Debt Securities)		(` in Lakhs)	
Particulars	As at		
	March 31, 2021	March 31, 2020	
- At Amortised Cost			
UNSECURED			
(a) Term Loans			
(i) from Banks	-	-	
(b) Loans from Related Party #	36,674	31,726	
Total (A)	36,674	31,726	
Borrowings in India	-	23,772	
Borrowings outside India	36,674	7,954	
Total (B)	36,674	31,726	
# Includes Loan (Foreign Currency Cash Credit, Working Capital Demand Loan, Short term loan Facility) taken from Parent Company - State Bank of India (SBI)			
		(` in Lakhs)	
Description	Date of Maturity	As at March 31, 2021	
Working Capital Demand Loan from SBI	May 13, 2021	5,000	
Working Capital Demand Loan from SBI	May 24, 2021	5,000	
Working Capital Demand Loan from SBI	May 27, 2021	10,000	
Working Capital Demand Loan from SBI	June 11, 2021	12,000	
Bank Overdraft facility from SBI	-	60	
Foreign Currency Cash Credit Loan			
(USD 29.29 lakhs, GBP 6.24 lakhs, EUR 21.49 lakhs)	-	4,614	
Total		36,674	

(` in Lakhs)		
Description	Date of Maturity	As at March 31, 2020
Working Capital Demand Loan from SBI	April 07, 2020	6,500
Working Capital Demand Loan from SBI	April 09, 2020	10,000
Working Capital Demand Loan from SBI	April 13, 2020	5,000
Bank Overdraft facility from SBI	-	2,272
Foreign Currency Short Term Loan Facility from SBI		
USD 39.24 Lakhs	April 03, 2020	2,969
Foreign Currency Cash Credit Loan		
(USD 42.95 lakhs ,GBP 7.57 lakhs, EUR 12.41 lakhs)	-	4,985
Total		31,726
- No term loans, external commercial borrowings, commercial paper and any other borrowing is guaranteed by directors and / or others		
NOTE 12		
Other Financial Liabilities :	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
(a) Interest accrued but not due;	252	429
(b) Outstanding Expenses	289	264
(c) Others (specify nature)		
Lease Liability	549	703
Book overdraft	-	-
Liability against collection of factoring receivables	141	362
Total	1,231	1,757
NOTE 13		
Provisions	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
(a) Provision for employee benefits; and	163	106
(b) Others		
Ex Gratia Payable	70	70
Provision for GST	21	26
Total	254	201
NOTE 14		
Other Non-financial liabilities	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
(a) Revenue received in advance;	813	825
(b) Others		
Statutory liability	39	28
Liability for stale cheque	1	2
Total	852	855

NOTE 15		
Equity	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
(a) Authorised share capital:		
880,000,000 (Previous Year 180,000,000) Equity Shares of Rs.10 each	88,000	18,000
120,000,000 (Previous Year 120,000,000) Preference Shares of Rs.10 each	12,000	12,000
	100,000	30,000
Issued, Subscribed and Paid-up		
159,885,365 (Previous Year 159,885,365) Equity Shares of Rs. 10 each, fully paid-up	15,989	15,989
	15,989	15,989
a. Includes 15,625,000 shares issued on Right issue of capital in FY 2010-11		
b. 13,77,86,585 (Previous Year 13,77,86,585) shares are held by the Holding Company, State Bank of India and its Nominees.		
Disclosure with respect to Shareholding in excess of 5%		
Name of the Equity Shareholder	% of Issued, Subscribed, and Paid up Equity Share Capital	No. of shares held as on 31.03.2021
1) State Bank of India	86.18 (86.18)	137,786,585
2) Small Industries Development Bank of India (SIDBI)	6.53 (6.53)	10,444,172
Reconciliation of Shares		
	(` in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
Number of shares at the beginning	159,885,365	159,885,365
Number of shares at the end	159,885,365	159,885,365
Rights, Preferences and Restrictions attached to Shares		
<p>The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.</p>		

NOTE 16		
Other Equity	(₹ in Lakhs)	
Particulars	As at	
	March 31, 2021	March 31, 2020
Capital Redemption Reserves		
Opening Balance	1,000	1,000
Add: Transfer from Statement of Profit and Loss	-	-
Closing Balance	1,000	1,000
Securities Premium Account		
Opening Balance	21,693	21,693
Add: Additions during the year	-	-
Closing Balance	21,693	21,693
Reserve Fund *		
Opening Balance	6,816	6,481
Add: Transfer from Statement of Profit and Loss	370	335
Closing Balance	7,186	6,816
Impairment Reserve @ #		
Opening Balance	2,196	-
Add: Transfer from Statement of Profit and Loss	-	1,341
Add: Transfer from General Reserve	-	854
Closing Balance	2,196	2,196
@ Reviewed on half yearly basis		
General Reserve		
Opening Balance	10,569	11,423
Add: Transfer from contingency reserve	-	-
Less: Transfer to Impairment Reserve	-	854
Closing Balance	10,569	10,569
Surplus in the Statement of Profit and Loss		
Opening Balance	(25,018)	(24,817)
Ind AS 116 Impact on opening reserves as on 01.04.2019	-	(176)
Add: Total Comprehensive Income for the year	1,838	1,652
	(23,180)	(23,341)
Less :-		
Transfer to Reserve Fund*	370	335
Transfer to Impairment Reserve	-	1,341
Closing Balance	(23,550)	(25,018)
Total	19,094	17,256
* Created in accordance with provision of section 45-IC of The Reserve Bank of India Act, 1934		
# Created in accordance with circular no. 109/22.10.106/2019-20 of The Reserve Bank of India dated 13th March 2020		

NOTE 17		
Interest Income	(` in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount charges	9,827	10,316
Total	9,827	10,316
NOTE 18		
Fees & Commission Income	(` in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Processing Charges	362	344
Total	362	344
NOTE 19		
Sale of Service	(` in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Factoring Charges	476	505
Total	476	505
NOTE 20		
Others	(` in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Bad Debts Recovery in Written off Accounts	92	514
Total	92	514
NOTE 21		
Reversal of provision on Financial Instruments	(` in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loans	2,799	7,257
Total	2,799	7,257
NOTE 22		
Finance Cost	(` in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expenses on debts classified as amortised category		
Non-Convertible Redeemable Debentures	1,103	1,377
Short Term Loans (including Cash Credit & Overdraft)	509	402
Discount on Issue of Commercial Papers	2,640	4,092
Interest on Financial Asset Sold	-	95
Interest Expense on Lease Liability	52	68
Other Borrowing Costs		
Bank Charges	45	60
Credit Rating Fees and Other Charges	96	79
Other Finance Cost	5	9
Forward Premium	93	-
Foreign Exchange Gain / Loss	-	2
Total	4,543	6,184

Note 23		
Fees and Commission Expense	(` in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Import Factor Commission	109	140
Total	109	140
Note 24		
Net loss on derecognition of financial instruments under amortised cost category	(` in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss on Derecognition of Financial Instruments	4,234	6,672
Total	4,234	6,672
NOTE 25		
Employee Benefits Expenses	(` in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	1,025	881
Contribution to Provident and Other Funds	41	35
Staff Welfare Expenses	24	47
Total	1,090	963
NOTE 26		
Other Expenses	(` in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent, Rates and Taxes	48	24
Repairs and Maintenance - Building	23	23
Repairs and Maintenance - Others	125	123
Travelling and Conveyance	62	80
Directors Sitting Fees	31	25
Advertisement & Publicity Expenses	1	5
Communication expense	47	57
Printing and Stationery	9	11
Legal and Professional Charges	197	164
Auditor's fees and expenses	23	23
Electricity Expenses	40	53
Membership and subscription	9	10
Outsourcing Costs	50	51
Security Charges	18	17
Contribution towards CSR activities	2	1
Goods and Services Tax	132	149
Miscellaneous Expenses	55	64
Total	872	879

27 Contingent Liabilities :			
` in Lakhs			
Particulars		March 31, 2021	March 31, 2020
i.	Claims against the Company not acknowledged as debts (to the extent ascertained from the available records)	-	32
ii	Service Tax matters (under dispute)	57	57
iii	Direct Tax matters - Income Tax	48	48
iv	Direct Tax matters - Tax Deducted at Source	0	0
		105	137
<p>Note: Future cash outflows, if any, in respect of (i) to (iv) above is dependent upon the outcome of judgements / decisions etc.</p> <p>“There is no claim or proceedings which are pending against the Company which has any financial obligations against the Company. The cases filed against the Company are appeals, either civil or criminal, filed by the Clients arising out of any civil decree or conviction in Section 138 proceedings. The Company reviews all its cases periodically. No decree or order has been passed against the Company which has any financial implication. Since, there is no contingent liability, there is no provision is required. Since all the civil as well as criminal proceedings are filed by the Company for recovery of its outstanding dues, the outcome of these pending proceedings will not have any materially adverse effect on the Company.”</p> <p>The Company has assessed all long term contracts for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts has been made in the books of account</p>			
28	<p>Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the “Micro, Small and Medium Enterprises Development Act, 2006” (the Act).</p> <p>The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any, relating to the amount unpaid at the year end together with the interest paid/payable as required under the said Act have not been given.</p>		
` in Lakhs			
Particulars		March 31, 2021	March 31, 2020
a i)	Principal amount remaining unpaid to supplier under the MSMED Act 2006	Nil	Nil
a ii)	Interest on a) (i) above	Nil	Nil
b i)	Amount of Principal paid beyond the appointed Date	Nil	Nil
b ii)	Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	Nil	Nil
c)	Amount of Interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the said Act	Nil	Nil
d)	Amount of Interest accrued and due	Nil	Nil
e)	Amount of further interest remaining due and payable Even in succeeding years	Nil	Nil
<p>MSME categorization is done based on self declaration made by the parties and no separate confirmation is sought by the Company in this regards.</p>			

29 Earnings Per Share:			
		March 31, 2021	March 31, 2020
Net Profit attributable to ordinary equity holders (` in Lakhs)		1,847	1,677
Profit available to Equity Shareholders (` in Lakhs)	(A)	1,847	1,677
Adjusted Net Profit for Diluted Earnings Per Share (` in Lakhs)	(B)	1,847	1,677
Weighted average number of Equity Shares outstanding during the year	(C)	159,885,365	159,885,365
Weighted average number of Diluted Equity Shares outstanding during the year	(D)	159,885,365	159,885,365
Nominal Value of Equity Shares (Rs.)		10	10
Basic Earnings Per Share (Rs.)	(A) / (C)	1.15	1.05
Diluted Earnings Per Share (Rs.)	(B) / (D)	1.15	1.05
30 Disclosure of Unhedged Exposure of Foreign Currency			
The Foreign Currency Exposures that have not been hedged by a derivatives instrument or otherwise as on 31st March, 2020 are as follows:			
		Currency	Amount
	Cur- rency	` in Lakhs	` in Lakhs
(a) Assets (Receivables)			
	USD	29	2,122
		(82)	(6,205)
	EUR	21	1,835
		(12)	(1,028)
	GBP	6	643
		(8)	(718)
(b) Liability (Payables)			
	USD	0	0
		(0)	(3)
	EUR	0	0
		(0)	(0)
	GBP	0	0
		(0)	(0)
(c) Loans Payable			
	USD	29	2,142
		(82)	(6,218)
	EUR	21	1,843
		(12)	(1,027)
	GBP	6	629
		(8)	(708)
As the Company has Foreign Currency outstanding Receivables & Payables which offset each other, the net foreign currency exposure is minimal.			

31 Related Party Disclosures

Name of Related Party	Relationship
a) Enterprise where control Exits	
i) Holding Company	
State Bank of India (SBI)	Holding Company
ii) Fellow Subsidiary Company with whom transactions have taken place during the year	
SBI Foundation	Fellow Subsidiary (Non Banking)
SBI Mutual Fund Trustee Company Limited	Fellow Subsidiary (Non Banking)
SBI Life Insurance Company Ltd. (SBI LIFE)	Fellow Subsidiary (Non Banking)
SBI General Insurance Ltd.	Fellow Subsidiary (Non Banking)
SBICAP Securities Ltd	Step down Subsidiary
SBICAP Trustee Company Limited	Step down Subsidiary
b) Key Management Personnel/Relatives of Key Management Personnel	
Mr. M N Aravind Kumar (upto 30th June, 2020)	MD & CEO
Mr. P. Hemant Kumar Pammi (w.e.f 1st July, 2020)	MD & CEO
Mr. Pankaj Gupta	SVP & CF&RO
Mr. Nandan Nimbkar	Company Secretary
c) Enterprises over which Key Management Personnel (KMP) & his relatives can exercise significant influence	
Mr. M N Aravind Kumar (upto 30th June, 2020)	Factors Association of India
Mr. P. Hemant Kumar Pammi (w.e.f 1st July, 2020)	Factors Association of India
Mr. P. Hemant Kumar Pammi (w.e.f 1st July, 2020)	SBI Global Factors Limited
	Staff Gratuity Fund

d) The Company's related party transactions are herein disclosed below:							
(Rs. ` in Lakhs)							
Sr. No	Nature of transaction	Holding @	Fellow Subsidiaries	Associates / Group Enterprises	Key Management Personnel / Relatives	Enterprises over which Key Management Personal (KMP) and his relatives can exercise significant influence	Grand Total
1	EXPENSES						
	Remuneration to MD and CEO *	-			46		46
	Previous Year				(48)		(48)
	Remuneration to SVP & CF&RO*	-			54		54
	Previous Year				(45)		(45)
	Remuneration to Company Secretary*				14		14
	Previous Year				(19)		(19)
	Salary (Including Perquisite) paid to Deputed Staff**	589	-	-	-		589
	Previous Year	(520)	(0)	-			(520)
	Other Receiving of Services/ Reimbursement of Expenses	557	16	-	-		574
	Previous Year	(453)	(15)	-	-		(468)
	Interest on Financial assets sold	-					-
	Previous Year	(95)					(95)
	Stamp Duty on sale of TREDS to SBI	-					-
	Previous Year	(2)					(2)
	Stamp duty on Investment in MF		5				5
	Previous Year						-
	Subscription / Membership fees					0	-
	Previous Year					-	-
	Total - Current Year	1,146	21	-	114	0	1,281
	Total - Previous Year	(1,069)	(15)	-	(113)	-	(1,197)
2	INCOME						
	Rendering of Services/ Reimbursement of Expenses	-	-	-	-		-
	Previous Year	-	-	-	(0)		(0)
	Rental Income	5					5
	Previous Year	-					-
	Profit on sale of Units of Mutual fund	-	10	-	-		10
	Previous Year		(1)				(1)
	Total - Current Year	5	10	-	-		14
	Total - Previous Year	-	(1)	-	(0)		(2)
3	SHARE CAPITAL						
	Equity Share Capital	13,779					
	Previous Year	(13,779)					
	Share Premium	16,437					
	Previous Year	(16,437)					
	Total - Current Year	30,216	-	-	-		30,216
	Total - Previous Year	(30,216)	-	-	-		(30,216)

4	ASSETS						
	Amounts Receivable / Advance	3	5				8
	Previous Year	(1)	(11)				(12)
	Bank Balances	797	-				797
	Previous Year	(24)					(24)
	Total - Current Year	800	5	-	-		806
	Total - Previous Year	(24)	(11)	-	-		(35)
5	INVESTMENTS :						
	Investments in Equity shares		0				0
	Previous Year		(0)				(0)
6	LIABILITY						
	Unsecured Loans	36,674	-	-	-		36,674
	Previous Year	(31,726)					(31,726)
	Salary Payable / Amounts Payable / Interest Payable	233	-	-	3		236
	Previous Year	(170)	-	-	(5)		(175)
	Total - Current Year	36,907	-	-	3		36,910
	Total - Previous Year	(31,896)	-	-	(5)		(31,901)
6	TRANSACTIONS						
	Sale of Fixed Assets	1	-	-	-		1
	Previous Year	-	-	-	-		-
	Loan Taken	1,292,367	-	-	-		1,292,367
	Previous Year	(146,426)					(146,426)
	Repayment of Loan	1,287,419	-	-	-		1,287,419
	Previous Year	(147,692)					(147,692)
	Investment in Schemes of Mutual Fund	-	44,099	-	-		44,099
	Previous Year	-	(6,000)	-	-		(6,000)
	Redemption of Schemes of Mutual Fund	-	44,109	-	-		44,109
	Previous Year	-	(6,001)	-	-		(6,001)

**32 Estimated amount of contracts to be executed on capital account not provided for (Net of advances)
Rs Nil (Previous Year Rs Nil)**

33 Auditors' Remuneration:

` in Lakhs		
	March 31, 2021	March 31, 2020
For Statutory Audit	10	10
For Limited Review	5	5
For Tax Audit	3	3
For Other Services (Including certification)	5	4
For Out of pocket expenses	-	1
TOTAL	23	23

34 Expenditure in Foreign Currency (On Accrual basis)

` in Lakhs		
	March 31, 2021	March 31, 2020
Correspondent Fees	109	140
Membership and Subscription	7	1
Interest on Short Term Loans	111	185
Others	10	11
TOTAL	237	337

35 Earnings in Foreign Currency:

` in Lakhs		
	March 31, 2021	March 31, 2020
Income from Factoring :		
Interest	134	309
Factoring Charges	174	226
Processing Charges	44	54
Miscellaneous Income	0	1
TOTAL	352	589

36 Book value of Investments in Security Receipt

` in Lakhs						
Particulars	Backed by NPAs sold by the Company as underlying		Backed by NPAs sold by the other banks/FI/NBFC as underlying		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Book value of Investments in security receipt	383	383	-	-	-	-
Less: Provision	383	383	-	-	-	-
Net Value of investments in security receipt	-	-	-	-	-	-

* 100% Provision is held against Investment in Security Receipts

37 Investments in security receipts				
` in Lakhs				
Particulars		SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i	Book value of SRs booked by NPAS sold by Bank as underlying	383	-	-
	Provision held against (i)	383	-	-
ii	Backed by NPAs sold by the other banks/FI/ NBFC as underlying	-	-	-
	Provision held against (ii)	-	-	-
Total (i) + (ii)		383	-	-

38 Taxes on Income:			
Income Tax			
The components of income tax expense for the year ended 31st March 2021 and year ended 31st March 2020 are:			
` in Lakhs			
Particulars		March 31, 2021	March 31, 2020
Current Tax			
In respect of Current Year		-	234
In respect of prior years		7	-
Deferred Tax			
In respect to of Current Year		818	2,117
Total Income Tax expense recognised in statement of profit and loss		825	2,351
OCI Section			
Remeasurement of the defined benefit liabilities		4	10
Income tax charges to OCI		4	10
Reconciliation of the total charge:			
A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2021 and year ended 31st March 2020 is as follows			
` in Lakhs			
Particulars		March 31, 2021	March 31, 2020
Accounting profit before tax		2,672	4,028
Income tax expense calculated at 29.12% (Previous Year 29.12%)		778	1,173
Adjustments in respect of current income tax of previous year		7	234
Deferred tax assets on losses not recognised		36	934
Others		4	10
Income tax expense recognised in statement of profit and loss		825	2,351

The Company has elected not to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended 31 March 2020 and measured its deferred tax assets basis the rate prescribed in the section 115BA of the Income Tax Act, 1961.

Movement in Deferred Tax (Assets) / Liabilities				
	` in Lakhs			
Particulars	March 31, 2021			
	(DTA) / DTL As at April 01, 2020	Statement of Profit and Loss	OCI	(DTA) / DTL As at March 31, 2021
Fixed Asset: temporary difference on account of Depreciation and Amortisation	78	5		83
Bonus Disallowed due to non-payment	(20)	-		(20)
Provision for Gratuity	(18)	(8)		(26)
Provision for Leave Encashment	(13)	(9)		(21)
Provision for Expenses	(1)	(1)		(2)
Provision for doubtful debts on Non Performing Investments	(111)	-		(111)
Impairment allowances of Financial Assets	(5,277)	815		(4,462)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(4)	0		(3)
Leases	(64)	11		(53)
Others - OCI	-	4	(4)	-
Total	(5,431)	818	(4)	(4,617)
	` in Lakhs			
Particulars	March 31, 2020			
	(DTA) / DTL As at April 01, 2019	Statement of Profit and Loss	OCI	(DTA) / DTL As at March 31, 2020
Fixed Asset: temporary difference on account of Depreciation and Amortisation	70	7		78
Bonus Disallowed due to non-payment	(13)	(7)		(20)
Provision for Gratuity	(5)	(13)		(18)
Provision for Leave Encashment	(11)	(1)		(13)
Provision for Expenses	(1)	0		(1)
Provision for doubtful debts on Non Performing Investments	(111)	-		(111)
Impairment allowances of Financial Assets	(7,391)	2,113		(5,277)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(4)	-		(4)
Leases	(72)	8		(64)
Others - OCI		10	(10)	-
Total	(7,538)	2,117	(10)	(5,431)

39 Retirement Benefit Plan		
In accordance with the Indian Accounting Standard on (IND AS-19) - "Employee Benefits" the following disclosures have been made:		
Defined Contribution Scheme		
` in Lakhs		
Description	March 31, 2021	March 31, 2020
Employer's Contribution to Provident Fund	12	11
Employer's Contribution to Pension Fund	13	12
Total	25	24
Defined Benefit Scheme		
Obligation in respect of employee's gratuity fund scheme managed by SBI Life Insurance Company Ltd of India is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation:		
a) Principal Assumptions used in determining gratuity and post employment benefits are:-		
Actuarial Assumptions	March 31, 2021	March 31, 2020
Discount Rate	6.92%	6.80%
Future Salary Increases	10.00%	10.00%
Retirement Age	60 Years	60 Years
Mortality Rate	(as % of IALM (2012-14) Ultimate Mortality Table	IALM (2012-14) Ultimate Mortality Table
Method	Projected Unit Credit Method	Projected Unit Credit Method
b) Changes in Present Value of Obligation		
` in Lakhs		
Particulars	March 31, 2021	March 31, 2020
a) Present Value of obligation at the beginning of the year	141	104
b) Interest Cost	9	8
c) Past Service Cost	-	-
d) Current Service Cost	12	10
e) Benefits Paid	(4)	-
f) Actuarial (gain) / loss on Obligation	12	18
g) Present Value of obligation at the end of the year	171	141
c) Changes in Fair Value of Plan Assets		
` in Lakhs		
Particulars	March 31, 2021	March 31, 2020
a) Fair value of plan assets at the beginning of the year	79	88
b) Expected Return	5	7
c) Past Service Cost	-	-
d) Contributions	-	-
e) Benefits Paid	(4)	-
f) Actuarial gain / (Loss) on Plan Assets	2	(16)
g) Fair value of plan assets at the end of the year	82	79
h) Funded Status	(89)	(63)

d) Actuarial gain/loss recognized		
` in Lakhs		
Particulars	March 31, 2021	March 31, 2020
a) Actuarial (gain) / loss for the year - Obligation	12	18
b) Actuarial (gain) / loss for the year - Plan Assets	2	(16)
c) Actuarial (gain) / loss recognized in the year	11	35
e) Amounts to be recognized in the Balance Sheet:		
` in Lakhs		
Particulars	March 31, 2021	March 31, 2020
a) Present Value of obligation at the end of the year	171	141
b) Fair value of plan assets at the end of the year	82	79
c) Funded Status	(89)	(63)
d) Net liability recognized in the Balance Sheet	89	63
f) Expenses recognized in the Statement of Profit & Loss:		
` in Lakhs		
Particulars	March 31, 2021	March 31, 2020
a) Current Service Cost	12	10
b) Past Service Cost	-	-
c) Interest Cost	9	8
d) Return on plan assets	(5)	(7)
e) Net Actuarial (gain) / loss recognized in the year	11	35
f) Interest on Fund Balance not recognised earlier	-	-
g) Expenses/(Income) recognized in the Statement of Profit & Loss	27	46
g) Investment Details of Plan Assets		
` in Lakhs		
Particulars	March 31, 2021	March 31, 2020
Assets managed by insurance scheme (100%)	82	79
h) Balance Sheet Reconciliation		
` in Lakhs		
Particulars	March 31, 2021	March 31, 2020
Opening Net Liability	(63)	(16)
Expenses as above	27	46
Employers Contribution	-	-
Amount Recognised in Balance sheet	(90)	(63)

I) Amount Recognised in current year and previous two years			
	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligation	171	141	104
Plan Assets	82	79	88
(Surplus)/Deficit	89	63	16
Experience adjustments on plan liabilities Loss/ (Gain)	12	18	6
Experience adjustments on plan Assets (Loss)/Gain	2	(16)	5

J) Maturity Analysis of Projected Benefit Obligation: From the Fund		
	March 31, 2021	March 31, 2020
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	6	10
2nd Following Year	8	10
3rd Following Year	6	12
4th Following Year	7	10
5th Following Year	16	11
Sum of Years 6 To 10	67	71

K) Sensitivity analysis				
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.				
	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	154	191	131	154
Withdrawal Rate (1% movement)	168	174	140	143
Future salary growth (1% movement)	187	156	152	131
Compensated Absences				
The obligation for compensated absences is determined based on actuarial valuation using the Projected Unit Credit Method. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged leaves of the employees of the company as at year end is given below:				
	March 31, 2021		March 31, 2020	
Privileged Leave	73		43	
Notes: The Company expects to contribute Rs. 89 Lakhs to Gratuity fund in 2021-22.				

40. Maturity Analysis of Assets and Liabilities:

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

Particulars	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	` in Lakhs					
Assets						
Financial Assets						
Cash and Cash Equivalents	972	-	972	187	-	187
Loans*	122,572	-	122,572	113,956	-	113,956
Investments	-	0	0	-	0	0
Other Financial Assets	1,476	241	1,717	2,739	262	3,001
Non-Financial Assets						
Current Tax Assets (Net)	-	504	504	-	843	843
Deferred Tax Assets (Net)	-	4,616	4,616	-	5,431	5,431
Property, Plant and Equipment		1,099	1,099		1,231	1,231
Other Intangible Assets	-	5	5	-	11	11
Other Non-Financial Assets	283	-	283	180	166	346
Total Assets	125,303	6,466	131,769	117,062	7,944	125,007
Liabilities						
Financial Liabilities						
Debt Securities	57,675	-	57,675	47,230	9,992	57,222
Borrowings (Other than Debt Securities)	36,674	-	36,674	31,726	-	31,726
Other Financial Liabilities	682	549	1,231	1,054	703	1,757
Non-Financial Liabilities						
Provisions	70	184	254	-	201	201
Other Non-Financial Liabilities	852	-	852	855	-	855
Total Liabilities	95,953	733	96,686	80,865	10,896	91,762
Net			35,082			33,245
* Represents Loans net of provision						

41 Capital

i Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of Reserve Bank of India. The Company's objective, when managing Capital, is the ongoing assessment of Company's risks, how the Company intends to mitigate these risks and how much current and future capital is necessary after considering other mitigating factors.

Being an NBFC-SI, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting minimum Tier I Capital of 10% and a combined Tier I & Tier II Capital of 15% of our aggregate risk weighted assets. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

in Lakhs

Regulatory Capital	As at March 31, 2021	As at March 31, 2020
Tier I Capital	28,218	25,547
Tier II Capital	-	2,000
Total Capital	28,218	27,547
Risk Weighted Assets	133,954	124,724
CRAR		
Tier I Capital (%)	21.07%	20.48%
Tier II Capital (%)	0.00%	1.60%

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profits. Certain adjustments are made to IND AS-based results and reserves, as prescribed by RBI. Tier II Capital consists primarily of Subordinated Debt instruments, subject to permissible limits as per the directions of the RBI.

ii ICAAP Document & Stress Scenarios:

One of the most important tool for capital planning and capturing risks of the enterprise is the ICAAP Document. Annually the Company prepares its ICAAP based on the audited financials, future business plan and, Stress Scenarios. The Stress Scenario captured in the ICAAP Document are quarterly compared with the actual performance and put up to the RMCB in its quarterly Memorandum. The Management Action Trigger (MAT) and Corrective Action (CA) are initiated if the Stress Scenario actually materializes during any reporting quarter.

Likely stress scenarios which are built and discussed in ICAAP are

- i) Increase in NPA level requiring higher provision
- ii) Large frauds in the standard assets of the Company and ability of the Company to provide for them.
- iii) Tightening of the liquidity in the market and inability of the Company to raise funds through Commercial Papers (CPs) at reasonable rate and its impact on the overall average cost of funds and profitability.

The stipulated Management Action Triggers ('MAT') are as under –

- (i) MAT - Increase in average Cost of Funds by 100 Basis Points since last revision in Interest Rate matrix – Review of Interest Rate Matrix by ALCO.

- ii) New frauds exceeding 2% of FIU as at the beginning of the Financial Year – Review by CCC-I
- iii) MAT - Fresh NPAs in any quarter exceeding 5% of Gross NPA as at the end of previous quarter – Review by CCC-I

The Corrective Action ('CA') is initiated as per the need.

The ICAAP Document is to be reviewed annually based on the actual performance of the Company in the previous year, Business Plan for the current year, Capital requirement to grow, and after factoring in the Stress Scenarios based on the past data. The Annual ICAAP document is to be placed before the Board for approval through RMCB.

iii Categories of Financial Instruments:

in Lakhs

Particulars	As at March 31, 2021			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	972			972
Loans	122,572			122,572
Investments		0		0
Other Financial Assets	1,717			1,717
Total	125,261	0	-	125,261
Financial Liabilities				
Debt Securities	57,675			57,675
Borrowings (Other than Debt Securities)	36,674			36,674
Other Financial Liabilities	1,231			1,231
Total	95,580	-	-	95,580
Particulars	As at March 31, 2020			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	187			187
Loans	113,956			113,956
Investments		0		0
Other Financial Assets	3,001			3,001
Total	117,144	0	-	117,144
Financial Liabilities				
Debt Securities	57,222			57,222
Borrowings (Other than Debt Securities)	31,726			31,726
Other Financial Liabilities	1,757			1,757
Total	90,705	-	-	90,705

42 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use nonmarket observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

Fair Value Hierarchy

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Company recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable

Level 3: Fair value measurements are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

Particulars	As at March 31, 2021			
	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investments	0	-	-	0

Fair value technique

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted from active markets or on published Net Asset Value of the investment at the measurement date.

Other Financial Assets and Liabilities

With respect to Bank Balances and Cash and Cash Equivalents, Other Financial Assets, Trade Payables and Other Financial Liabilities, the carrying value approximates the fair value.

43 Financial Risk Management

1 Introduction

The Company has operations in India, headquartered in Mumbai with ten branches across India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework under the overall framework of its parent Company viz. State Bank of India, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operational, regulatory and compliance risks.

2 Risk Management Framework

The Company undertakes a formal risk assessment exercise annually to proactively identify the risks and ensure all possible strategies to control & mitigate in pursuit of achieving the Company's objective. Every department is responsible for identification of their risks and putting it in the Risk Control and Self Assessment (RCSA) Template. The consolidated RCSA Template is analyzed by the Chief Risk Officer and the Managing Director of the Company, and is then put up before the Risk Management Committee of the Board and Board of Directors annually at their meeting for amendment and review.

The Management of Risk in the Company is ensured through compliance with the laid down systems and procedures, processes and risk parameters detailed in the various Manuals viz. Assets & Liability, Credit, Operations, ALM Policy, Investment Policy, Foreign Exchange Operations, IT & IT Security, HR and Accounts. The key risks critical to the Company's operations are as under:

- Credit Risk (including Concentration and Country Risk)
- Operational Risk
- Liquidity Risk
- Market Risk (Interest Rate Risk)
- Compliance Risk (Including Legal Risk)

The Company has following policies in place to mitigate various types of risk:

- Credit Manual – Covering Client Risk, Country Risk, Concentration Risk, Counter Party Risk.
- Operations Manual – For conducting entire gamut of operations of factoring transactions in a systematic manner in accordance with the laid down procedures and instructions so as to prevent Fraudulent and Suspicious transactions.
- Asset Liability Management Policy manual – Liquidity Risk, Investment Manual – For Market (Interest Rate) Risk and Liquidity Risk and Foreign Exchange Operations manual.
- IT Policy and IT Security Policy and BCMS – for IT & IT Systems
- Accounting Policy manual – For Accounts
- HR Policy – Employee Risk
- Compliance Policy – Compliance Risk
- Fraud Risk Management Policy – Fraud Risk
- Risk Management Policy

- KRIs, RCSA Template, RCSA Manual, Loss Data Manual, KRI Manual & OR
 - Policy on outsourcing of financial services for NBFC
 - Sale of NPAs to ARC
 - Cyber Security Manual
 - Policy on Preservation of Documents
- 3 The Company ensures identification, measurement and control of risks affecting the business through the following Committees:

(i) The Board of Directors (BOD)

The BOD is responsible for overall monitoring of Risk Profile of the Company and gives directions for future growth. The Board meets at least 4 times in a year to review the quarterly results and performance of the Company. It may also meet between quarters if required as per exigent circumstances. BOD also exercises supervision of Company through its duly constituted sub-Committees as follows:

(a) Risk Management Committee of the Board (RMCB)

Role of RMCB is review of Risk Profile of the Company at quarterly intervals and issue directions for measurement, mitigation and management of key risks of the Company. RMCB will also periodically review the Risk Management Policy and Compliance thereof and recommends amendments to the Board.

The role of the Committee is as follows:-

- Review of Risk Management Policy
- Review of the current status on the risk limits in the Risk Management Policy and Report to the Board
- Review the matters on Risk Management
- Review and monitor the risks to which the Company is exposed

(b) Executive Committee of the Board (ECB)

To review the MIS relating to Business Profile, NPAs and Stressed Assets and guide the Management in improving the health of the Asset Portfolio. ECB also approves amendments to Assets & Liability, Credit, Operations, Forex Operations, Treasury & Investment and IT Manuals based on past experience and emerging needs so as to ensure healthy growth in top line and bottom line within acceptable risk taking capabilities.

ECB also sanctions Credit Proposals including renewal, enhancement and amendments beyond discretionary powers of CCC-I while ensuring compliance with laid down processes and Risk Appetite parameters. Further, deviations which do not fall within the sanctioning powers of the CCC-II/CCC-I are also approved by the ECB.

(c) Audit Committee of the Board (ACB)

ACB oversees financial management of the Company by reviewing quarterly / year-end financial statements. The Internal / Statutory Auditors share their observations for respective accounting period and keep ACB improved about adoption of sound accounting policies as well as adequacy of provisions, adherence to Accounting Standards. It also reviews instances of Income leakages observed by the Auditors.

(ii) The internal Committees of the Company for risk management are as under:

(a) Asset-Liability Committee (ALCO)

Roles and Responsibilities

The Asset Liability Management (ALM) Committee presents the Structural and Dynamic Liquidity Report to the Risk Management Committee on a quarterly basis and meetings are

held every month. The ALM Committee formulates the ALM Policy which is reviewed at least once a year. If any change is required, then, the revised policy along with desired change and rationale for the same shall be put up to the ECB. Consequent to the recommendation of the ECB, the reviewed policy would be put up to the Board for its approval.

Composition

ALCO Committee is headed by the MD & CEO of the Company. Other members of the Committee comprise all SVPs, HODs of Departments -Treasury, Credit/Credit Admin, Accounts, Marketing, IT, Risk Management, Operations, Debt Management and as nominated by MD & CEO of the Company.

ALCO normally meets at monthly intervals to discuss and take a view on the following:

- Cost of funds – Considering the prevailing liquidity position and future scenario
- Benchmark Rates, after factoring in the Cost of funds and future liquidity scenario.
- Asset – Liability position of the Company.
- Interest rate scenario
- Country Risk Exposure Review

(b) Corporate Credit Committee I and II:

Sanction of Credit Proposals including renewal, enhancement and amendments are within their discretionary powers, while ensuring compliance with laid down processes and Risk Appetite parameters. Further, certain Branches have been granted discretionary power to sanction LC Bills Discounting Facility (post due date confirmation) of upto Rs 20.00 Cr. The sanctions by the said Branches are Controlled by the CCC-II on a monthly basis. Further, sanctions by CCC-II are reviewed by CCC-I.

4 A synopsis of the various risks faced by the Company and their mitigation is as follows:

A) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit Risk for the Company is the risk of default by the Client availing the Factoring Facility from the Company for invoices recourse to him in the event of default by the debtor (buyer) in making payment on due date for the factored invoices drawn on him.

Credit Mitigation measures

To reduce loss from credit risk, the Company has adopted following practices-

- Client wise Exposure Limit:

The exposure on each single borrower and group of borrowers are restricted within a maximum limit prescribed by the RBI, which is as under:

Single Borrower	Rs. 35 crs
Borrower Group	Rs. 45 crs

Debtors Exposure Limit:

Debtors are classified into two categories i.e. rated debtor and unrated debtor.

The Maximum Exposure on a Single Rated Debtor (in respect of all clients is restricted as under:

Debtor Rating	Amount of Exposure (Rs. in crs)
A	40
B	30
C	10

The maximum exposure on a Single Unrated Debtors in respect of all clients has been fixed as under:

Constitution	Amount of Exposure(Rs. in crs)
Public / Pvt Ltd Company	5
Partnership / Proprietorship Firm	3

B) Operational Risk

Operational Risk is a risk of losses resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, IT Risk and Outsourcing Risk but excludes strategic and reputational risk.

The operational risks relating to the specific business profile of the Company involve

- i) Fraudulent Transactions
- ii) Diversion of Funds
- iii) Disruption of business

Operational Risk Mitigation measures

Each department of the Company meticulously follows rules or guidelines mentioned in their respective manuals to control operational risk. Further, the Internal Audit System of the Company is very robust to mitigate Operation Risk

While the disbursement of factored invoices are released to the Working Capital Banker only to ensure that there are no diversion of funds, we do have a rigorous risk focused Internal (Concurrent) Audit Mechanism for early detection, minimization of fraudulent transactions. Company has a Board approved policy to deal with Fraud Risk.

The Company has a Business Continuity Plan (BCP) and DRP. Back-up server is maintained at Bangalore (outsourced to a service provider NetMagic Solutions Pvt Ltd) for continuity of operations and the BCP site is being maintained at Pune Branch of SBIGFL. The BCP is being tested on periodical intervals.

The Operations Manual details Systems and Procedures and Processes for Inclusion and authorization of invoices for factoring and allocation of collections. Internal Audit is an important mechanism to detect non-compliance, suspicious transactions and suggest remedial measures. The ECB has the power to amend the Manual, as per emerging needs and exigencies and Annual Review is to be put up to the Board.

C) Market Risk

Market risk is the risk of losses in positions taken by the company which arises from movements in market prices. The Company is exposed to only Interest Rate Risk due to its borrowing programme from the market.

Interest Rate Risk

Interest Rate Risk refers to the risk associated with the adverse movement in the interest rates. Adverse movement would imply rising interest rates on liabilities and falling interest yields on the assets. This is the biggest risk which the company faces. It arises because of maturity and re-pricing mismatches of assets and liabilities.

Market Risk Mitigation measures

The Majority of the Company's advances and Borrowings of the Company are short term in nature (upto 90 days). In case of any adverse movement in Interest Rate, the Company can easily pass on the increased cost of funds to the Clients.

Further, due to 100% backup lines of credit, in case of sharp increase in CP borrowing rates, Company can switch over to banks' lines of credit.

Every month ALCO meets and monitors the cost, and maturity profile of funds borrowed and accordingly revises the Benchmark rates for various products viz. DF, RF, EF, LCEX and LCBD.

As regards Forex risk, the Company utilises the Forex line of Credit from Banks only to the extent of Export Factoring Outstanding with overnight open position restricted to USD 50000 only, as against USD 500,000 permitted by the RBI. The same is monitored on a Daily and Weekly Basis. In case of any shortfall or excess in open position from the prescribed limit of USD 50000, the position is regularized through purchase or sale of USD from time to time.

The Company invests surplus funds in approved Overnight (Debt) funds to earn some return vis-à-vis idle cash. The Guidelines contained in the Treasury & Investment Manual on Liquidity Back up, Investment of temporary Surplus funds, conduct of front / mid / back office and reporting mechanism can be amended from time to time, subject to approval by the Board.

D) Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources in addition to its core deposit base and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk.

The Liquidity Risk relating to the Company is inability to repay its borrowings from the market.

The Company has following sources of funds:

- Share Capital
- Reserves & Surplus
- Non Convertible Debentures
- Commercial Paper (1-90 days maturity)
- Bank lines of Credit (Domestic & Foreign)

To mitigate the liquidity risk, Company has a policy that the total of:

- i) Undrawn, committed rupee facilities.
- ii) Investments in liquid instruments, should always exceed aggregate of short term dated loans with no surety of roll over, and CP's falling due within the next one week.

Therefore, SBIGFL has backup lines of Credit from Banks to meet the 100% of the other short term/volatile resources and mitigate liquidity risks at any point of time.

Company has included a Contingency Funding Plan as a part of its Asset Liability Management Policy.

E) Compliance Risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. The risk exposes the institution to fines, civil money penalties, payment of damages, and the voiding of contracts.

The Compliance part is taken care of by the Company Secretary & Compliance Officer, besides the departmental heads who look after compliance function of their departments. The Internal Auditors also verify and furnish report on Regulatory Compliance at quarterly intervals which is put up to the Audit Committee along with the compliance of observations of the Internal Audit.

The Company has a Board approved compliance policy based on the guidelines issued by the Group Compliance Dept of SBI.

in Lakhs

Maturity Pattern Assets and liabilities as on 31st March 2021									
Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Cash and cash equivalents	972	-	-	-	-	-	-	-	972
Loans	54,280	40,791	27,162	15,377	285	-	-	-	137,895
Investments*	-	-	-	-	-	383	-	0	383
Other Financial assets	1,471	-	-	-	5	241	-	-	1,717
Total	56,723	40,791	27,162	15,377	290	624	-	0	140,967
Debt Securities	12,972	9,957	24,748	9,998	-	-	-	-	57,675
Borrowings (other than Debt Securities)	1,562	22,433	12,679	-	-	-	-	-	36,674
Other Financials liabilities	682	-	-	157	-	549	-	-	1,389
Total	15,217	32,390	37,427	10,155	-	549	-	-	95,738

* The Period of realisation of Investment shall be 5 years from the date of acquisition. The Period of realisation may be extended to a maximum of 8 Years from the date of acquisition by the Board of Directors of JMFARC (Securitisation Company)

in Lakhs

Maturity Pattern Assets and Liabilities as on 31st March 2020									
Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Cash and cash equivalents	187	-	-	-	-	-	-	-	187
Loans	55,405	29,463	19,035	28,176	-	-	-	-	132,079
Investments*	-	-	-	-	-	383	-	0	383
Other Financials assets	2,739	-	-	-	-	262	-	-	3,001
Total	58,330	29,463	19,035	28,176	-	645	-	0	135,650
Debt Securities	21,901	20,333	-	4,997	-	9,992	-	-	57,222
Borrowings (other than Debt Securities)	26,741	-	4,985	-	-	-	-	-	31,726
Other Financials Liabilities	628	-	-	426	-	703	-	-	1,757
Total	49,270	20,333	4,985	5,422	-	10,695	-	-	90,705

* The Period of realisation of Investment shall be 5 years from the date of acquisition. The Period of realisation may be extended to a maximum of 8 Years from the date of acquisition by the Board of Directors of JMFARC (Securitisation Company)

44 Segment Reporting

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

45 Leases

Ind AS 116 - Leases, has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information, instead the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	` in Lakhs	
	March 31, 2021	April 1, 2020
Right to use assets		
Buildings	367	483
Lease liabilities		
Lease liabilities	549	703

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets		` in Lakhs	
Buildings	186	214	
Interest expense (included in finance cost)	52	68	
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	26	-	
Expense relating to leases of low-value assets that are not shown above	3	3	
Expense relating to variable lease payments not included in lease	-	-	
The total cash outflow for leases during the year	303	314	

46 Expected Credit Losses Impairment Assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies

The Company applies General approach to provide for credit losses prescribed by IND AS 109, which provides to recognised 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognised lifetime expected

credit losses for financial instruments for which there have been significant increase in credit risk since initial recognition considering all reasonable and supportable information, including that of forward looking.

Definition of Default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue

Stage wise Categorisation of Loan Assets The company categorises loan assets into stages based on the Days Past Due status:

- **Stage 1:** [0-30 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. The Company uses the same criteria mentioned in the standard and assume that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

- **Stage 2:** [31-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset)

- **Stage 3:** [More than 90 days Past Due] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred. The Company use the same criteria mentioned in the standard and assume that when the days past due exceeds '90 days', the default has occurred.

For Domestic Factoring

The management has adopted a provision matrix based on 'Transition Matrix Model' (basic) model for arriving at the Probability of Default. Basic model used for arriving at the Probability of Default is the Flow Rate/ Transition Matrix Model. The Management have taken quarter wise historic data for the last four years to arrive at the Probability of Default (PD)

For Export Factoring

The company has considered PD in case of export factoring as follows: Entire performing Export Factoring Portfolio is under the Two Factor Model wherein the exposure is covered by the PUG from the import factor. Due to availability of cover from import factor the delinquency in the Export Factoring is negligible.

The exposure is secured by the Payment Under Guarantee (PUG) cover given by the overseas Import factor. Therefore, additional 0.50 % provided towards future default seems adequate and thus total 1.00% of on the entire portfolio of Export factoring portfolio is provided.

Credit Quality Analysis –						
						`in Lakhs
Particulars	Stage 1		Stage 2	Stage 3		Total
	Out-standing Loan	Impairment Losses	Outstand-ing Loan	Outstand-ing Loan	Impairment Losses	Impairment Losses
As at March 2021	117,941	1,977	2,892	17,062	13,331	15,308
As at March 2020	105,509	870	5,933	20,638	17,211	18,123
Write off policy						
“The NPA accounts where despite best efforts recovery is not forthcoming. Such accounts are critically examined on case to case basis and are recommended for write off to Executive Committee of the Board.						
Executive Committee of the Board has full powers for write off of NPAs and no authority below that has been vested with any power in this regard.”						

Impact of COVID – 19 on the Company & steps taken/required to be taken to deal with the situation.

During the period April to July 2020, the impact of Covid-19 and consequent lock down was evident in the performance. The Company had redrawn its projection and strategies accordingly. However, things have started looking up since August 2020 and this has resulted in improvement in Company’s performance.

Measures taken to mitigate the impact of Covid-19

Following measures have been taken by the Company to mitigate the Impact on account of Covid-19 :

- In respect of ‘Terms Loans’ Board’s approval is in place to grant a moratorium of upto 3 months on payment of all installments falling due between 1.3.2020 and 31.5.2020, in accordance with the RBI’s notification dated 27.3.2020 titled ‘Covid-19- Regulatory Package’.
- For Standard Assets, comprising Domestic/ Export/ Reverse Factoring Facilities and ‘Factoring Unit’ purchased on TReDS as of 1.3.2020, Board’s approval obtained to grant on a case-to-case basis in respect of requests received upto 31.5.2020, extension / deferment upto maximum 3 months from the invoice due date in respect of invoices falling due for payment during 1.3.2020 till 31.5.2020
- Management’s & ECB approval obtained for revision in the ‘Prudential Norm for ‘Sub-Standard Asset Classification’ from “6 months” to “3 months” in respect of the ‘Factoring Assets Portfolio’ in compliance with the RBI directives. The Board approval is being obtained in their meeting scheduled for 29.04.2021).
- Entire Export Factoring Portfolio Backed by Import Factor’s Credit Cover is under the FCI Framework. Client’s request for extension of time for payment of the invoice by overseas debtors being examined on a case-to-case basis subject to receipt of the Import Factor’s consent for the extended credit term.

- Extension of time for payment of the Bills Discounted Under LC granted only after receipt of Due Date Confirmation for the extended period from the LC Issuing Bank.
- Created Additional Provision @ 0.25% (amounting to Rs.219 lakhs) on Standard Unsecured Assets pertaining to Domestic Factoring, Export Factoring and TReDS as on 31.03.2021.

Financial Impact on Loans and Advances

- a) The Company has not made any additional provision on the Gold Pool purchased from M/s. Muthoot Fincorp Ltd as per RBI circular dated 17th April 2020 as there was no outstanding amount (under Moratorium) as on 31.03.2021.
- b) The Company has made an additional provision of 0.25% (Rs.219 lakhs) on the Unsecured Standard Assets as on 31.03.2021
- c) The management feels that the provisions made is adequate to cover the losses on impact of Covid-19 on the Loans and Advances.
- d) The Company does not foresee any other impact on the financial performance due to Covid-19 for the future
- e) Based on current indicators of future economic conditions, the Company notes that for the period ended 31st March, 2021, it expects to recover the carrying amount of its current and non-current assets and does not anticipate any impairment.

47 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 :		March 31, 2021		March 31, 2020	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
		Rs. in lakhs		Rs. in lakhs	
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*)	10,155	-	15,413	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	47,677	-	42,234	-
	(f) Other Loans (specify nature)				-
	- Cash Credit	4,614	-	4,985	-
	- Working Capital Demand Loan	32,000	-	21,504	-
	- Short Term Loan Facility	-	-	2,969	-
	- Bank Overdraft	60		-	-
ASSETS SIDE :		Amount Outstanding			
		March 31, 2021 Rupees in Lakhs		March 31, 2021 Rupees in Lakhs	
2	Break-up of Loans and Advances including bills receivables [other than those included in (3) below: #				
	(a) Secured		39,187		60,753
	(b) Unsecured		98,708		71,326
	(Excludes Advance Payment of Tax)				
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	-	-	-
	(iv)	Government Securities	-	-	-
	(v)	Others (please specify)	-	-	-
	Long Term 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	0	0	0
		(b) Preference	-	-	-
	(ii)	Debentures and Bonds	-	-	-
	(iii)	Units of mutual funds	-	-	-
	(iv)	Government Securities	-	-	-
	(v)	Others (please specify)	-	-	-
		- Investment in Security Receipt (SR)	383		383
5	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:				
	Category	Amount net of provisions			
		Secured	Unsecured	Total	
1	Related Parties				
	(a) Subsidiaries				
	(b) Companies in the same group				
	(c) Other related parties	-	-	-	
2	Other than related parties	39,187	98,708	137,895	
	(Previous Year)	60,753	71,326	132,079	
	Total (Current year)	39,187	98,708	137,895	
	Total (Previous year)	60,753	71,326	132,079	

6 Investor group-wise classification of all investments (current and long term) (both quoted and unquoted):					
Category		March 31, 2021		March 31, 2020	
		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 *	-	0	-	0
	(c) Other related parties	-	-	-	-
2	Other than related parties @	574	-	574	-
	Total	574	0	574	0
* Disclosed as zero as amount is less than lakhs					
@ 100% Provision is held in books against Investment, therefore book value is zero					
7 Other Information					in Lakhs
Particulars		March 31, 2021		March 31, 2020	
(i)	Gross Non Performing Assets				
	(a) Related Party	-		-	
	(b) Other than Related Parties	17,062		20,638	
(ii)	Net Non-Performing Assets				
	(a) Related Party				
	(B) Other than Related Parties	3,730		3,427	
(iii)	Assets acquired in satisfaction of debts	-		-	
48. (i) Disclosures as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 dated 2nd September, 2015 and Circular No.CIR/IMD/DF/18/2013 dated October 29,2013, relating to contact details of Debenture Trustees					
IDBI Trusteeship Services Ltd					
Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001. Tel: 022 - 4080 7000 Fax: 022 - 6631 1776 / 4080 7080					
(ii)		March 31, 2021		March 31, 2020	
(a) Credit rating and change in credit rating (if any);		No		No	
(b) Debt-Equity ratio;		3.67		3.67	
(c) (i) Previous due date for the payment of interest					
- 8.75% Tier II Bonds (10 Year)		-		25.08.2019	
- 9.22% Tier II Bonds (10 Years)		29.01.2021		29.01.2020	
(ii) Repayment of principal of non convertible debt securities		25.08.2020		-	
(d) (i) Next due date for the payment of Interest					
- 8.75% Tier II Bonds (10 Year)		-		25.08.2020	
- 9.22% Tier II Bonds (10 Years)		29.07.2021		29.07.2020	
(ii) Principal along with the amount of interest					
- 8.75% Tier II Bonds (10 Year)		-		25.08.2020	
- 9.22% Tier II Bonds (10 Years)		29.07.2021		29.07.2021	
(e) Capital redemption reserve / Debenture redemption reserve;		1,000		1,000	
(f) Net Worth;		35,083		33,245	
(g) Net Profit After Tax;		1,847		1,677	
(h) Earnings Per Share:		1.15		1.05	

49. Disclosure in accordance with RBI Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10th November 2014 and Notification issued by RBI on 27th March 2015 and 10th April 2015 relating to Non Banking Financial Companies - Corporate Governance (Reserve Bank) Directions 2015:

A. Capital to Risk (weighted) Assets Ratio

` in Lakhs			
Sr No.	Particulars	March 31, 2021	March 31, 2020
i.	CRAR (%)	21.07	22.09
ii	CRAR - Tier I Capital (%)	21.07	20.48
iii	CRAR - Tier II Capital (%)	-	1.60
iv	Amount of Subordinated debt as Tier II Capital (Rs In Lakhs)	-	2,000
v	Amount raised by issue of Perpetual Debt Instruments	-	-

The above disclosure is also 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.

B Investments

` in Lakhs			
Sr No.	Particulars	March 31, 2021	March 31, 2020
1	Value of Investments	-	-
i	Gross Value of Investments	-	-
	a) In India	383	383
	b) Outside India	-	-
ii	Provisions for Depreciation		
	a) In India	383	383
	b) Outside India	-	-
iii	Net Value of Investments		
	a) In India	0	0
	b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
i	Opening balance	383	383
ii	Add: Provisions made during the year	-	-
iii	Less: Write-off / write-back of excess provisions during the year	-	-
iv	Closing balance	383	383

C. Derivatives - Forward Contract

The accounting policy followed for forward contract is as mentioned in 1.9 of Note 1

` in Lakhs			
Sr No.	Particulars	March 31, 2021	March 31, 2020
i	Derivatives - Forward Contract	-	-
	For hedging	-	-

D. Disclosure on Risk Exposure in Derivatives - Not Applicable			
E. Disclosure relating to Securitisation			
1. Details of Financial Assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction.			
			` in Lakhs
Sr No.	Particulars	March 31, 2021	March 31, 2020
(i)	No. of Accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC. *	-	-
(iii)	Aggregate consideration @	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years.	-	-
(v)	Aggregate gain/loss over net book value.	-	-
2 Details of Assignment transactions undertaken by NBFCs			
			` in Lakhs
Sr No.	Particulars	March 31, 2021	March 31, 2020
(i)	No. of Accounts	-	2
(ii)	Aggregate value (net of provisions) of accounts sold	-	12,535
(iii)	Aggregate consideration	-	12,535
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-
3 Details on Non-Performing financial assets purchased/sold.			
A. Details of Non-Performing Assets purchased			
			` in Lakhs
Sr No.	Particulars	March 31, 2021	March 31, 2020
(i)	(a) No. of Accounts purchased during the year	3	3
	(b) Aggregate outstanding	30,000	30,000
(ii)	(a) Of these, number of accounts restructured during the year	30,000	30,000
	(b) Aggregate outstanding	-	-
(v)	Aggregate gain / loss over net book value	-	-
B. Details of Non-Performing Financial Assets sold.			
			` in Lakhs
Sr No.	Particulars	March 31, 2021	March 31, 2020
(i)	No. of accounts sold	-	1
(ii)	Aggregate outstanding	-	3,415
(iii)	Aggregate Consideration received	-	755

F. Asset Liability Maturity Pattern of certain items of Assets and liabilities									
Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans	54,280	40,791	27,162	15,377	285	-	-	-	137,895
Investments	-	-	-	-	-	-	-	0	0
Borrowing									
- Bank Overdraft	60	-	-	-	-	-	-	-	60
- CC Facility \$	1,502	2,433	679	-	-	-	-	-	4,614
- WCDL	-	20,000	12,000	-	-	-	-	-	32,000
- Commercial Papers	12,972	9,957	24,748	-	-	-	-	-	47,677
Debentures	-	-	-	9,998	-	-	-	-	9,998
Interest on Debentures	-	-	-	157	-	-	-	-	157
Foreign Currency assets									
- Bank Accounts	318	-	-	-	-	-	-	-	318
Foreign Currency liability									
- Import Factoring Commission	21	-	-	-	-	-	-	-	21
- Interest Payable on Loan	0	-	-	-	-	-	-	-	0

* The Period of realisation of Investment shall be 5 years from the date of acquisition. The Period of realisation may be extended to a maximum of 8 Years from the date of acquisition by the Board of Directors of JMFARC (Securitisation Company)
\$ Represents Foreign Currency Cash Credit Loan

a) Exposure to Real Estate Sector *		in Lakhs	
Category		March 31, 2021	March 31, 2020
Direct Exposure			
(i)	Residential Mortgages -		
(i)	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,666	2,794
(ii)	Commercial Real Estate -		
(ii)	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose 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 limits	2,918	2,918
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(iii)	a. Residential		
(iii)	b. Commercial Real Estate		
	Total Exposure to Real Estate Sector @	4,584	5,711

* Above amounts reflects exposure towards collateral security accepted against the Factoring facility (Receivable financing) provided to the clients.
@ Out of the above exposure, an amount of Rs.4,584 Lakhs (Previous Year 5,711 Lakhs) is security relating to Non Performing Assets

b) Exposure to Capital Market - There are no exposure, direct or indirect to Capital Market

c) Details of Financing of Parent Company products - Not Applicable

(in Lakhs)

d) Details of Single Borrower limit (SGL)/Group Borrower Limit (GBL) exceeded by the NBFC - The list of clients with limits exceeding Rs. 3500 lakhs is given below.															
Sr. No	Client Name	Facility	Region	Max. Overall Limit	DF	RF	EF	SLC	PLC	ELC	Overall Core Limit	Core out-standing as on 31.03.21	Overall LC Limit	LC out-standing as on 31.03.21	Total FIU OS as on 31.03.21
1	BENGAL ENERGY LTD	LC	Kolkata	30,000	-	-	-	7,500	30,000	-	-	-	30,000	11,787	11,787
2	INDIA GLYCOLS LTD	DF/RF/PLC	New Delhi	13,500	3,500	2,500	-	-	10,000	-	3,500	2,740	10,000	787	3,527
3	PATEL ENGINEERING LTD	PLC/Retention Money Finance (BG Backed)	Mumbai	13,500	3,500	-	-	-	10,000	-	3,500	288	10,000	3,670	3,958
4	SAISONS TRADE AND INDUSTRY PVT LTD	DF/EF/SLC	Mumbai	6,200	1,200	-	296	5,000	-	-	1,200	1,178	5,000	-	1,178
5	INFLOW TECHNOLOGIES PVT LTD	DF/SLC	Bangalore	4,500	3,500	-	-	1,000	-	-	3,500	1,241	1,000	-	1,241
6	SUPREME AND CO PVT LTD	RF/PLC	Kolkata	4,500	-	2,500	-	-	2,000	-	2,500	2,121	2,000	655	2,776
7	BANSAL SPINNING MILLS LTD	EF/SLC/PLC/ELC	Ludhiana	4,000	-	-	500	20	3,500	2,000	500	246	3,500	-	246

e) Unsecured Advances		
` in Lakhs		
Type of Security	March 31, 2021	March 31, 2020
Insured through overseas Import Factor	4,458	7,824
Secured by way of Assignment of Receivables and through Residual / Subservient Charge	51,568	42,856
Fully Unsecured	42,675	20,647
Total	98,700	71,326

Miscellaneous

a) Registration obtained from other financial sector regulators - Not Applicable						
b) Disclosure of Penalties imposed by RBI and other regulators - Not Applicable						
c) Related Party Transactions - Disclosed in Note 31						
d) Ratings assigned by credit rating agencies and migration of ratings during the year						
Sr. No.	Rating Agency	Rating	Amount in Lakhs	“Instrument / Facility”	Validity Period **	
					From	To
i)	ICRA	[ICRA]AAA (Stable)	15,980	Subordinated Debt Programme	3-Jul-20	2-Jul-21
ii)	ICRA	[ICRA]AAA (Stable)	100,000	Long-Term Bank Lines	3-Jul-20	2-Jul-21
iii)	ICRA	[ICRA]A1+	100,000	Short-Term Bank Lines	3-Jul-20	2-Jul-21
iv)	ICRA	[ICRA]A1+	200,000	Short-Term Debt Programme (Commercial Paper)	3-Jul-20	2-Jul-21
v)	CRISIL	CRISIL AAA/Stable	20,000	Non-Convertible Debentures	4-Feb-21	3-Feb-22
vi)	CRISIL	CRISIL AAA/Stable	10,000	Non-Convertible Debentures	4-Feb-21	3-Feb-22
vii)	CRISIL	CRISIL A1+	150,000	Commercial Paper	4-Feb-21	3-Feb-22
** The rating agency can review the rating once in previous 15 months						
Note: The above rating are taken on the basis of the certification provided by the respective rating agencies						
e) Prior Period Items - An amount of Rs. NIL (Previous Year NIL).						
f) Revenue Recognition - There are no such significant uncertainties where Revenue Recognition is postponed.						
g) Consolidated Financial Statements - Not Applicable						

ix Additional Disclosure		
a) Concentration of Deposits, Advances, Exposures and NPAs		
	` in Lakhs	
i) Concentration of Deposits	March 31, 2021	March 31, 2020
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-
	` in Lakhs	
ii) Concentration of Advances	March 31, 2021	March 31, 2020
Total Advances of twenty largest borrowers	48,352	74,320
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	35.06	56.27
	` in Lakhs	
iii) Concentration of Exposures (i + ii)	March 31, 2021	March 31, 2020
Total Exposure to twenty largest borrowers /customers	48,352	74,320
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of NBFC on borrowers / customers	35.06	56.27

	` in Lakhs	
iv) Concentration of NPAs	March 31, 2021	March 31, 2020
Total Exposure to top four NPA Accounts	7,355	8,297
b) Sector-wise NPAs		
	` in Lakhs	
Sector	Percentage of NPAs to Total Advances in that sector	
	March 31, 2021	March 31, 2020
1 Agriculture & allied activities	-	-
2 MSME	2	4
3 Corporate Borrowers	16	20
4 Services	4	2
5 Unsecured Personal Loan	-	-
6 Auto Loans	-	-
7 Other personal Loans	-	-

c) Movements of NPAs		` in Lakhs	
Particulars		March 31, 2021	March 31, 2020
i	Net NPAs to Net Advance (%)	2.99%	2.98%
ii	Movement of NPAs (Gross)		
	(a) Opening Balance	20,638	28,133
	(b) Additions during the year	1,242	443
	(c) Reductions during the year	4,818	7,939
	(d) Closing balance	17,062	20,638
iii	Movement of Net NPAs		
	(a) Opening Balance	3,427	3,719
	(b) Additions during the year	300	53
	(c) Reductions during the year	(3)	346
	(d) Closing balance	3,730	3,427
iv	Movement of Provisions of NPAs (Excluding Provision on Standard Assets)		
	(a) Opening Balance	17,211	24,414
	(b) Provision made during the year	941	390
	(c) Write off / write back of excess provisions	4,821	7,593
	(d) Closing Balance	13,331	17,211
d) Overseas Asset (for those with joint ventures and subsidiaries abroad) - Not Applicable			
g) Off Balance Sheet SPVs sponsored - Not Applicable			
h) Disclosure of Complaints			
Customer Complaint		` in Lakhs	
	Particulars	March 31, 2021	March 31, 2020
a)	No. of Complaints pending at the beginning of the year	-	-
b)	No. of Complaints received during the year	-	-
c)	No. of Complaints redressed during the year	-	-
d)	No. of Complaints pending at the end of the year	-	-
50. In terms of RBI Circular No DNBS.PD.CC.No. 256 / 03.10.042/2011-12 dated March 02, 2012 the Company has to report Nos and Amount of Fraud identified during the year. The Company has not detected / identified any fraud during the current year and previous year.			
51. The Companies net profit for previous financial year was more than Rs. 5 crs and hence provision for CSR was applicable. As per provisions of the Companies Act, 2013, the Company was required to spend Rs. Nil (Previous Year Rs. Nil) on CSR activities for the year ended 31st March, 2021. The Company has during the year incurred expenditure relating to CSR activities amounting to Rs.2.00 Lakh (Previous Year Rs. 1.25 Lakh) and the same is reflected in Note 26 under Other Expenses.			
52. Input Tax Credit under Goods and Services Tax The company is eligible to claim 50% of ITC only in view of speciifc provision of GST law. Therefore, 50% of ITC is always expensed off in books. Remaining 50% is allowed subject to confirmation by vendors on GST portal. Similarly, in case of locations registered as ISD under GST, 50% ITC is reversed as mandated by GST law.			

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IndAS 109 provisions and IRACP norms
-1	-2	-3	-4	(5)=(3)-(4)	-6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	117,941	1,977	115,964	688	1,289
	Stage 2	2,892	14	2,878	15	(1)
Subtotal		120,833	1,991	118,842	702	1,288
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,235	705	530	247	458
Doubtful - up to 1 year	Stage 3	300	12	288	300	(288)
1 to 3 years	Stage 3	3,978	2,353	1,625	3,978	(1,625)
More than 3 years	Stage 3	11,253	9,966	1,287	10,722	(755)
Subtotal for doubtful		15,531	12,331	3,200	14,999	(2,669)
Loss	Stage 3	296	296	-	296	-
Subtotal for NPA		17,062	13,331	3,730	15,543	(2,211)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	117,941	1,977	115,964	688	1,289
	Stage 2	2,892	14	2,878	15	(1)
	Stage 3	17,062	13,331	3,730	15,543	(2,211)
	Total	137,895	15,323	122,572	16,245	(922)

54. Disclosure in accordance with RBI Circular No. DIR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 4th November 2019 relating Liquidity Risk Management Framework for Non-Banking Financial Companies:

(i) Funding concentration based on significant counterparty (Both deposits and borrowings) as on 31st March 2021

Sr. No.	Number of Significant Counterparties *	Amount	% of Total deposits	% of Total Liabilities
Total	11	91,674	NA	95

as on 31st March 2020

Sr. No.	Number of Significant Counterparties *	Amount	% of Total deposits	% of Total Liabilities
Total	9	85,226	NA	93

* Significant counterparties are those counterparties whose outstandings is Rs. 10 crore and above. (Details as per Annexure C(i))

(ii) Top 20 large deposits (amount in Rupees crore and % of total deposits)

- Since the Company has been categorized as an NBFC NDSI, this is not applicable.

(iii) Top 10 borrowings (amount in Rupees crore and % of total borrowings)

as on 31st March 2021

Sr. No.	Particulars of Lenders	March 31, 2021	% of Total Borrowings
	Total	91,674	97%

as on 31st March 2020

Sr. No.	Particulars of Lenders	March 31, 2020	% of Total Borrowings
	Total	85,226	96%

(iv) Funding concentration based on significant instrument/product as on 31st March 2021

Sr. No	Number of Instrument/product	Amount	% of Total Liabilities
1	Commercial Papers	48,000	50
2	Bank Lines (INR+FOREX)	36,674	38
3	TIER II Bonds	10,000	10
	Total	94,674	98

as on 31st March 2020

Sr. No	Number of Instrument/product	Amount	% of Total Liabilities
1	TIER II Bonds	15,000	16
2	Commercial Papers	42,500	46
3	Bank Lines	31,727	35
	Total	89,227	97

(V) Stock Ratios: As per Ind AS			
Sr. No.	Ratios	March 31, 2021	March 31, 2020
a)	Commercial paper as a % of Total Public Funds	NA	NA
	Commercial paper as a % of Total Liabilities	49	46
	Commercial paper as a % of Total Assets	36	34
b)	Non-convertible debentures(Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA	NA
c)	Other Short-term liabilities as a % of Total Public Funds	NA	NA
	Other Short-term liabilities as a % of Total Liabilities	50	42
	Other Short-term liabilities as a % of Total Assets	37	31

(VI) Institutional set-up of liquidity risk management

I. Introduction

Liquidity Risk is the Probability of loss arising from a situation where

- (1) The cash and / or cash equivalent is not adequate to meet the obligations to the lenders and other counter parties.
- (2) Sale of liquid assets will yield less than their fair value, or
- (3) Liquid assets cannot be sold at the desired time due to lack of buyers.

II. Identification

Events that may lead to disturbance in cash flow position in our Company:

- a) Delays in repayment of loans by the debtors / clients.
- b) Inability to raise money from the overnight market.

III. Treatment / Handling of Liquidity Risk

Majority of the Company's assets are of short-term nature (Average 90 days) and are funded through combination of Commercial Papers (CPs), Owned funds and banks' lines of credit. As the Banks' lines of credit are normally for a period of one year (renewable after one year) but are costly as compared to other sources of funds, the assets are funded mainly through CPs.

In case of a tight liquidity position, wherein Company is unable to raise money through CPs at reasonable rates, the Company may fund its assets through Banks' lines of credit.

- a) Undrawn, committed rupee facilities;
SBIGFL has backup lines of Credit from Banks to meet 100% of the other short term/volatile resources and mitigate liquidity risks at any point of time.
- b) Investments in liquid instruments, should always exceed aggregate of short term dated loans with no surety of rollover, and CP's falling due within the next one week and
- c) A Contingency Funding Plan (CFP) has also been approved by ECB & the Board for inclusion in the Asset Liability Management Policy, which is being reviewed annually.

As per our report of even date	For and on behalf of the Board of Directors	
For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C DIN :- 08797991 Sachin Vyas Partner M.No. 419656 Place : Mumbai Date : 29 April 2021	Ashwini Kumar Tiwari Chairman DIN :- 07969705 Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 29 April 2021	P. Hemant Kumar Pammi Managing Director & CEO Nandan Nimbkar Company Secretary

Balance Sheet

As at March 31, 2021

			(in US \$)	
	Particulars	March 31, 2021 *	March 31, 2020 **	
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	1,329,573	246,894	
(b)	Loans	167,654,078	150,606,364	
(c)	Investments	137	132	
(d)	Other Financial assets	2,348,719	3,965,891	
		171,332,507	154,819,282	
(2)	Non-financial Assets			
(a)	Current tax assets (Net)	689,329	1,114,108	
(b)	Deferred tax Assets (Net)	6,314,440	7,177,746	
(c)	Property, Plant and Equipment	1,503,935	1,627,125	
(d)	Other Intangible assets	6,439	14,859	
(e)	Other non-financial assets	387,161	457,720	
		8,901,304	10,391,558	
	Total Assets	180,233,811	165,210,841	
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Debt Securities	78,887,947	75,625,734	
(b)	Borrowings (Other than Debt Securities)	50,162,355	41,928,942	
(c)	Other financial liabilities	1,684,293	2,322,686	
		130,734,595	119,877,362	
(2)	Non-Financial Liabilities			
(a)	Provisions	347,148	265,908	
(b)	Other non-financial liabilities	1,166,299	1,130,533	
		1,513,447	1,396,442	
(3)	EQUITY			
(a)	Equity Share capital	21,869,151	21,130,690	
(b)	Other Equity	26,116,618	22,806,347	
		47,985,769	43,937,037	
	Total Liabilities and Equity	180,233,811	165,210,841	

* 1 US \$ = 73.110

** 1 US \$ = 75.665

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

Statement of Profit and Loss

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

(in US \$)			
	Particulars	Year ended March 31, 2021 *	Year ended March 31, 2020 **
	Revenue from operations :		
(i)	Interest income	13,441,593	13,633,976
(ii)	Fees and commission income	494,656	454,342
(iii)	Sale of services	651,086	667,583
(iv)	Others	125,223	679,002
(v)	Reversal of provision	3,829,130	9,591,029
(1)	Total revenue from operations	18,541,687	25,025,933
(2)	Other income	267,560	246,371
(3)	Total income	18,809,247	25,272,304
	Expenses :		
(i)	Finance costs	6,213,593	8,169,979
(ii)	Fees and commission expense	148,967	184,397
(iii)	Net loss on derecognition of financial instruments under amortised cost category	5,791,082	8,817,344
(iv)	Employee benefits expenses	1,490,426	1,273,185
(v)	Depreciation, amortization and impairment	317,282	342,009
(vi)	Others expenses	1,192,813	1,162,328
(4)	Total expenses	15,154,162	19,949,241
(5)	Profit / (loss) before exceptional items and tax	3,655,085	5,323,062
(6)	Exceptional items	-	-
(7)	Profit/(loss) before tax	3,655,085	5,323,062
(8)	Tax Expense:		
	Current Tax / Tax for previous year	9,569	309,419
	Deferred Tax	1,119,425	2,797,450
(9)	Profit / (loss) for the period from continuing operations	2,526,092	2,216,193
(10)	Profit/(loss) from discontinued operations	-	-
(11)	Tax Expense of discontinued operations	-	-
(12)	Profit/(loss) from discontinued operations(After tax)	-	-
(13)	Profit/(loss) for the year	2,526,092	2,216,193
(14)	Other Comprehensive Income		
	(i) Items that will not be reclassified to profit or loss	(18,118)	(45,597)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	5,276	13,278
	Subtotal (A)	(12,842)	(32,319)
	(i) Items that will be reclassified to profit or loss	-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-
	Subtotal (B)	-	-
	Other Comprehensive Income (A + B)	(12,842)	(32,319)
(15)	Total Comprehensive Income for the year	2,513,249	2,183,874

* 1 US \$ = 73.110

** 1 US \$ = 75.665

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

Registered Office

Mumbai

6th Floor, The Metropolitan, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
Tel: +91-22- 4889 0300 Fax: +91-22-2657 2719
E-mail: contact@sbiglobal.in website: www.sbiglobal.in
CIN : U65929MH2001PLC131203

BRANCHES:

Mumbai

The Metropolitan, 6th Floor, Bandra-Kurla Complex,
Bandra-East, Mumbai -400051
Tel: 022 - 48890300
Fax: 022 - 26572719, 26572006, 26572072

Bengaluru

S-821, 8th Floor, Manipal Centre,
#47, Dickenson Road, Bengaluru - 560042
Tel: 080 - 46177277 Fax: 080 - 40923761

Chennai

G-5, Ground Floor, Karumuthu Centre,
634-Anna Salai, Nandanam, Chennai - 600 035
Tel: 044 - 24341201/02/03 Fax: 044 - 24312190

Coimbatore

4th Floor, Jaya Enclave, No. 1057,
Avinashi Road, Coimbatore - 641 018
Tel: 0422 - 2240772 Fax: 0422 - 2240676

Hyderabad

S-2, ANR Centre, Road # 1,
Banjara Hills, Hyderabad - 500 034
Tel: 040 - 2339 6660

BANKERS

State Bank of India,
Axis Bank,
HDFC Bank,
Standard Chartered Bank.

SOLICITORS

K Ashar & Co.
Meadows house, 4th & 5th Floor
39, Nagindas Master Road,
Fort, Mumbai- 400001

PKA Advocates
1st Floor, Jani Chambers,
Opp Ali Chambers, Tamarind Lane,
Fort, Mumbai – 400001

HSA Advocates
Construction House,
5th Floor, Walchand Hirachand Marg,
Ballard Estate, Mumbai- 400001.

Ethos Legal Alliance
805, Arcadia, NCPA Marg,
Nariman Point, Mumbai - 400 021.

Jaipur

1st Floor, Silver Square, C-18, Bhagwan Das Road,
C-Scheme, Jaipur - 302 001
Tel: 0141 - 4002178/79/80
Fax: 0141 - 2374186

Kolkata

Sukhsagar Building, Flat No. 6-B, 6th Floor,
2/5A Sarat Bose Road, Kolkata - 700 020
Tel: 033 - 2475 6367
Fax: 033 - 2475 6383

Ludhiana

1st Floor, Building No. BXXI - 14627,
Gandhi Nagar, G.T. Road,
Near Dholewal Bridge, Ludhiana - 141 003
Tel: 0161 - 2544426/2545626
Fax: 0161 - 2545626

New Delhi

906-907, Narain Manzil, 23 Barakhamba Road,
Connaught Place, New Delhi - 110 001
Tel: 011 - 4039 1651
Fax: 011 - 4160 8580

Pune

107 & 108, City Square Apartment, Plot No. 29/2,
City Survey No. 1723,
Shivaji Nagar (Bhamburda),
Pune - 411 005.
Tel: 020 - 2553 6700 / 2553 6701

AUDITORS

M/s. Vyas & Vyas
Chartered Accountants
8, Kalpatru Building,
Dr. S.S. Rao Road,
Parel, Mumbai - 400 012.
Tel.: 022- 2410 1822
Email: info@vyasnyas.com

SBIGFL - DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai – 400 001.
Contact Person: Mr. Aditya Kapil (VP)
Contact Details: Tel: 91 022 4080 7001
Fax: (022)66311776 Mob: 9702943333
E-mail: adityakapil@idbitrustee.com
Website: http://www.idbitrustee.com



SBI Global Factors Ltd.

CIN U65929MH2001PLC131203

The Metropolitan, 6th Floor, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.
Tel.: 91 22 48890300 Fax: 91 22 26572719 Email: contact@sbiglobal.in