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Our Vision

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

List of Directors

| Name | Designation |
|-----------------------------|---|
| Smt. Arundhati Bhattacharya | Chairman |
| Shri V. G. Kannan | Director (Up to 30-07-2016) |
| Smt. Bharati Rao | Independent Director |
| Dr. B.K. Vatsaraj | Independent Director |
| Shri Ashwin Ankhad | Independent Director (Up to 16-02-2016) |
| Shri Narayanan Raja | Independent Director (w.e.f. 29-03-2016) |
| Shri Krishna Iyer Mani | Director |
| Shri R.B. Kshirsagar | Director |
| Shri K.N. Reghunathan | Director (Up to 12-12-2015) |
| Shri G.R. Padalkar | Director (w.e.f. 20-07-2016) |
| Shri Arun Kumar Agarwal | Managing Director & CEO (Up to 30-06-2016) |
| Shri Tushar Buch | Managing Director & CEO (w.e.f. 01-07-2016) |

Board of Directors



Smt. Arundhati Bhattacharya
Chairman



Shri V. G. Kannan
Director
(Up to 30-07-2016)



Smt. Bharati Rao
Director



Dr. B. K. Vatsaraj
Director



Shri Ashwin Ankhad
Director
(Up to 16-02-2016)



Narayanan Raja
(w.e.f. 29-03-2016)



Shri Krishna Iyer Mani
Director



Shri R. B. Kshirsagar
Director



Shri K.N. Reghunathan
Director
(Up to 12-12-2015)



Shri G.R. Padalkar
(w.e.f. 20-07-2016)



Shri Arun Kumar Agarwal
Managing Director & CEO
(Upto June 30, 2016)



Shri Tushar Buch
Managing Director & CEO
(w.e.f. 01-07-2016)

Directors' Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

Your Directors have pleasure in presenting the 15th Annual Report of SBI Global Factors Limited ('SBI GFL') along with the audited Balance Sheet as at March 31, 2016 and Profit & Loss Account for the year 2015-16.

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. 33.99 Crores, by a conscious strategy to:
- grow the portfolio selectively,
 - 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.

Brief highlights of the Company's performance are as under:

(Rs. in Crores)

| Key Parameters | Actual 2014-15 | Projected 2015-16 | Actual 2015-16 |
|--------------------------------|----------------|-------------------|----------------|
| Turnover | 2226 | 2500 | 2532 |
| Gross NPAs | 363 | 300 | 297 |
| Net NPAs | 91 | 59 | 30 |
| Operating Profit | 50 | 40 | 34 |
| PBT | (59) | 10 | 3 |
| PAT | (46) | 9 | 1 |
| Recovery from Written-off A/cs | 27 | 17 | 9 |

SHARE CAPITAL

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

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, 2016, 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 |

As a result of the de-growth as mentioned above, Company's Capital Adequacy Ratio as on March 31, 2016 is as high as 43.16 % (As per Basel II norms) against 15% stipulated by the RBI.

THE COMPANIES ACT, 2013

As on March 31, 2016, the Company was compliant with all applicable provisions of the Companies Act, 2013 and the respective Rules framed thereunder.

INTERNATIONAL ASSOCIATIONS

SBI Global Factors Limited is an Associate 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 80% 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.

During the year,

- Ms. Amita Joshi, KMP, formerly AVP & Company Secretary, was promoted as the Vice President & Company Secretary w.e.f. August 01, 2015,
- Shri Brajesh Kumar Gupta, Deputy General Manager (TEGS-VI), SBI, joined SBIGFL on deputation from the Bank w.e.f. August 11, 2015 and took charge as Senior Vice President – Legal & Debt Management of the Company w.e.f. August 21, 2015.
- Shri Pankaj Gupta, Deputy General Manager (TEGS-VI), SBI, joined SBIGFL on deputation from the Bank w.e.f. August 19, 2015, and was posted as Senior Vice President & CFRO– Designate. He took over charge from Shri Tushar Buch, General Manager (TEGS – VII), SBI, w.e.f. August 25, 2015.

- Shri Tushar Buch, General Manager (TEGS-VII), SBI, was designated as the Executive Vice President & Chief Operating Officer of SBIGFL from the close of business hours on November 19, 2015, in place of Shri Pradeep Kumar Sanyal, General Manager (TEGS-VII), SBI.
- Shri Pradeep Kumar Sanyal, General Manager (TEGS-VII), SBI, the then Executive Vice President & COO of the Company, who came on deputation from SBI on June 03, 2014 was repatriated to the Bank as at the close of business hours on January 22, 2016.

No cases were filed under the Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) in the Company during the Financial Year 2015 -16.

As on 31st March, 2016, the staff strength of SBIGFL is 92, including 13 executives/ Officers on deputation from SBI.

INFORMATION TECHNOLOGY

The Company has setup Disaster Recovery (DR) site at Bangalore with a service provider, Netmagic IT Services Pvt. Ltd., and Business Continuity site at its Pune Branch to deliver the Company's key services without disruption to business in case of a Disaster event. Company has successfully completed BCP drills as per the policy.

All IT driven processes have the inherent risk of IT abuse in absence of basic controls. A proper Information Security Management enables information to be shared, whilst ensuring protection of information and computing assets. To safeguard IT security, Company has appointed during current financial year, an Information Security Manager as measure to prevent and minimize impact of security incidents on Company's business.

CREDIT RATING

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

| RATING AGENCY | RATING | AMT | INSTRUMENT/FACILITY |
|---------------|------------------------|-----------------|--|
| ICRA | [ICRA]AAA (stable) | Rs. 1000 Crs. | Long Term Fund Based Bank Lines |
| ICRA | [ICRA]AAA (stable) | Rs. 159.80 Crs. | Non-Convertible Debentures Programme (Long Term) |
| ICRA | [ICRA]A1+ | Rs. 1000 Crs. | Short term fund based Bank lines |
| ICRA | [ICRA]A1+ | Rs. 2000 Crs. | Short Term Debt Programme |
| CRISIL | CRISIL A1+ | Rs. 2000 Crs. | Short Term Debt Programme |
| CRISIL | CRISIL AAA/ (Negative) | Rs. 250 Crs. | Non-Convertible Debentures Programme (Long Term) |

The 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. 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 Company had set itself an ambitious target of bringing down the Gross NPA level to Rs.300 crores by the end of the FY2015-16. To meet the challenging task, Company focused on recovery in NPA accounts, up gradation of NPA accounts and arresting further slippage of assets to NPA category. As a result, gross NPA level could be brought down to Rs 296.88 crores by 31st March 2016.

Since Company carried stressed assets of Rs 75.00 crores at the beginning of the year, preventing fresh slippages was a big challenge. By persistent follow up and dialogues with the promoters, most of the accounts were prevented from slipping and only one account with FIU of Rs. 3.79 crores slipped to NPA during 2015-16. Cash recovery of Rs 17.00 crores (Including INCA) from 11 accounts, and up-gradation of an account with FIU outstanding of Rs 22.54 crores are other highlights of our NPA Management during FY 2015-16.

The year-end position of Gross and Net NPAs in respect of the last 3 years is as under:

(Amt. in crores)

| FY | FIU | Gross NPA | Provision held | Net NPA | Gross NPA % | Net NPA % |
|---------|------|-----------|----------------|---------|-------------|-----------|
| 2015-16 | 1008 | 297 | 267 | 29.72 | 29.45 | 2.94 |
| 2014-15 | 920 | 363 | 271 | 92.00 | 39.45 | 10.00 |
| 2013-14 | 957 | 347 | 208 | 139.00 | 36.25 | 14.52 |

As would be seen from the above data, our Provision Coverage Ratio as at the end of FY 2015-16 stands as high as 90%.

During the year, 3 Non Performing Accounts, with Principal outstanding of Rs. 34.07 crores, where 100% provision was available, were transferred to AUCA.

Out of the outstanding dues of about Rs. 686 crores being followed up with legal and recovery actions, an amount of Rs.9.35 crores only could be recovered from AUCA.

Recovery in NPA/AUCA is extremely challenging due to various reasons such as:

- ✓ Most of the NPAs are not backed by tangible collateral securities;
- ✓ No expeditious recovery mechanism, such as DRT/ SARFAESI is available to us;
- ✓ Legal Proceedings take a long time to reach conclusion, and at times get suspended if clients approach BIFR/CDR.

Further, inordinate delay occurred in Section 138 cases during the last 2 years, on account of Hon'ble Supreme Court's order in July 2014 with regard to the territorial jurisdiction in respect of dishonor of cheques, and its subsequent reversal by Government of India through an Ordinance in June 2015. Thus, proceedings in all those cases which were transferred to other

courts across India again halted and the process of their transfer back to Mumbai commenced. Out of 248 cases, earlier transferred to various courts across India as a result of the Hon'ble Supreme Court order, 163 cases have since been transferred back under jurisdiction of Mumbai Court. 85 cases still remain to be transferred back to Mumbai. This has adversely affected our recovery prospects to a great extent.

Nevertheless, the Company is committed to bring about substantial reduction in outstanding dues in NPA/AUCA accounts during FY 2016-17.

TRANSFER TO RESERVE

The Company has not transferred any amount to General Reserve in the Financial Year 2015-16, whereas the Company has transferred Rs. 17.50 Lakhs to specific Reserve as per the Reserve Bank of India Act, 1934.

DIVIDEND

In view of a Profit After Tax of Rs. 1 cr only for the FY 15-16, the Directors do not propose payment of any Dividend to the Equity Shareholders for the Financial Year ended March 31, 2016.

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.

INTERNAL AUDIT AND LIMITED REVIEW OF QUARTERLY ACCOUNTS

SBIGFL has appointed an independent firm of Chartered Accountants, M/s., Shah Gupta & Co., as Internal and Concurrent Auditors. Internal Audit & Compliance is focused on independently evaluating the adequacy of internal controls, ensuring adherence to operating guidelines and Regulatory and Legal requirements and pro-actively recommending, by way of Theme Audits, 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 of Rupees Five Lakh or more per Month, a Statement of such Employees is not required.

As on March 31, 2016, there are 92 employees in company (79 Direct Staff and 13 SBI deputees). The increment given to the direct staff including the Company Secretary (KMP) ranged from 5% to 7.5%. The percentage increase in the median remuneration of the employees in Financial year 2015-16 is 14.70 %. 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.

Independent 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".

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals and the intervening gap between the Meetings during the year 2015-16 was within the period prescribed under the Companies Act, 2013. The notice of the Board Meeting was given well in advance to all Directors.

Five Board Meetings and Five Audit Committee Meetings were held during the Financial Year. The Board met on April 30 2015, July 29, 2015, August 27, 2015, October 23, 2015, and January 29, 2015. The Audit Committee met on April 30, 2015, July 29, 2015, August 27, 2015, October 23, 2015 and January 29, 2016.

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 Eight Directors including Five Nominee Directors and three Independent Directors. During the Financial Year ended on 31st March, 2016 :

- (i) Due to change in the Nomination of its Directors by Union Bank of India on the Company's Board, (a) Shri Vivek Jaywant Mhatre (then General Manager, Treasury & International Banking Division, Union Bank of India) (DIN 03560932) ceased to be the Nominee Director of Union Bank of India, and (b) Shri Kalapurakovilakam Narasimhapai Reghunathan (General Manager, Treasury & International Banking Division, Union Bank of India, Central Office, Mumbai) (DIN 06627200) was inducted as a Nominee Director of Union Bank of India, on the Board of Directors of the Company and a Member of the Executive Committee of the Board, in place of Shri Vivek Jaywant Mhatre - with effect from April 30, 2015,
- (ii) Shri Kalapurakovilakam Narasimhapai Reghunathan (then General Manager, Treasury & International Banking Division, Union Bank of India, Central Office, Mumbai) (DIN 06627200) ceased as a Nominee Director of Union Bank of India, on the Board of Directors

of the Company and a Member of the Executive Committee of the Board, on account of his resignation / taking a Voluntary Retirement from services of Union Bank of India, with effect from December 12, 2015. Nomination of a new Director is awaited from the Union Bank of India.

- (iii) Shri Ashwin Bapulal Ankhad (DIN 00598230) ceased as an Independent Director of the Company and as a Member of Nomination and Remuneration Committee of the Board of Directors of the Company with effect from February 16, 2016, upon his resignation,
- (iv) Equity Shareholders of the Company, at their Extraordinary General Meeting held on March 29, 2016, considered and :
 - (a) re-appointed Dr. Bhargava Kaushik Vatsaraj (DIN 00144251) (who had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013), as an Independent Director of the Company for a period of three years with effect from February 16, 2016 pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the respective provisions of the Articles of Association of the Company,
 - (b) appointed Shri Narayanan Raja (formerly Dy. Managing Director, State Bank of India) (DIN 00503400) (who had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013), as an Independent Director of the Company for a period of three years with effect from March 29, 2016 pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rule(s) framed thereunder read with Schedule IV of the Companies Act, 2013 and the respective provisions of the Articles of Association of the Company.

CHANGE IN KEY MANAGERIAL PERSONNEL (KMPs)

The Board, at its Meeting held on August 27, 2015, inter alia considered and appointed Shri Pankaj Gupta (Senior Vice President and Chief Financial & Risk Officer) of the Company as a Key Managerial Personnel (KMP) of the Company on the current terms and conditions of his appointment including his remuneration, in place of Shri Tushar Buch (formerly the Senior Vice President and Chief Financial & Risk Officer of the Company), pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DECLARATION BY INDEPENDENT DIRECTORS

A statement of declaration in terms of Section 149(6) of the Companies Act 2013 was 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 is appended as “Annexure B”.

COMMENTS ON AUDITORS REPORT & SECRETARIAL AUDIT REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by Mukund M. Chitale & Co., Statutory Auditors, M/S. Shah Gupta & Co., Internal Auditors and Mr. Rajkumar R. Tiwari, Practising Company Secretary, in their Reports.

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

The Company issues Tier II Bonds in the form of 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, 2016, the total outstanding of the Company’s Tier II Bonds is at Rs. 159.80 Crores.

The last such tranche of Rs. 100 Crores was raised in July, 2011. Since then, the Company has not considered it necessary to raise any such fresh issues as its CAR as per BASEL II norms stands at 43.16 %, as against the regulatory requirement of 15%.

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

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 C”. The Board has approved the Policy on the Related Party Transactions which has been uploaded on the Company’s Website.

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 three members, of which two are Independent Directors and one Nominee Director.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) Committee of the Board, at present, consists of 3 members, of which one is an Independent Director and two are Nominee Directors. The CSR

Policy of the Company was approved by the Board in its meeting held on October 20, 2014. The Policy is also uploaded on the Website of the Company. The CSR Policy along with the details of CSR activities during the year as per Corporate Social Responsibility Policy Rules, 2014 has been appended herewith as “Annexure D”.

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 and also appended herewith as “Annexure E”.

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 and also Chairman’s Evaluation by 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, 2016, 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, 2016.

AUDITORS

Mukund M. Chitale & Co., 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 15th Annual General Meeting of the Company.

The Statutory Auditors of the Company for the Financial Year 2016-17 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 Mr. Rajkumar R. Tiwari, Practising Company Secretary, to conduct the Secretarial Audit for the Financial Year 2015-16 and his Report on Company’s Secretarial Audit is appended to this Report as “Annexure F”.

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; and
- (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
- (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 2015-16 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 Mr. 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 : April 20, 2016

Arundhati Bhattacharya
Chairman

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2016

[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, 6 th Floor, Bandra Kurla Complex, Bandra(E), Mumbai-400051 T.No. (022) 30440300 |
| Whether listed company | Yes (Equity is not listed our Debentures are listed with NSE) |
| Name, Address and Contact details of Registrar and Transfer Agents | N.A |

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 | | Rs. 15,86,80,99,896.04 |
| 2 | LC Discounting | | Rs. 9,45,59,01,094.53 |

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) | | | | | | | | | |
| B. Public Shareholding | - | - | - | - | - | - | - | - | |
| 1. Institutions | - | - | - | - | - | - | - | - | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | |
| b) Banks /FI | - | - | - | - | - | - | - | - | |
| c) Central Govt. | - | - | - | - | - | - | - | - | |
| e) Venture Capital funds | - | - | - | - | - | - | - | - | |
| f) Insurance Companies | - | - | - | - | - | - | - | - | |
| g) FIIs | - | - | - | - | - | - | - | - | |
| h) Foreign Venture Capital | - | - | - | - | - | - | - | - | |
| i) 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/en-cumbered to total shares | No. of Shares | % of total Shares of the Company | % of shares Pledged/en-cumbered 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 | 1,59,88,53,365 | 100% | | 1,59,88,53,365 | 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 he 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 he 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 Arun Kumar Agarwal* | (i) 01* | (i) Nil | (i) 01* | (i) Nil |
| 3 | Date wise Increase/Decrease in shareholding during he year specifying the reasons for increase (e.g. allotment/transfer/bonus/sweat equity etc) : | N.A. | Nil | N.A. | Nil |
| 4 | At the end of the year (i) Shri V.G. Kannan* (ii) Shri Arun Kumar Agarwal* | (i) 01* (ii) 01* | (i) Nil (ii) Nil | (i) 01* (ii) 01* | (i) Nil (ii) Nil |

* A Nominee Shareholder of State Bank of India

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 | - | 4,46,94,64,937 | - | 4,46,94,64,937 |
| ii) Interest due but not paid | - | - | - | |
| iii) Interest accrued but not due | - | 4,43,43,247 | | 4,43,43,247 |
| Total (i + ii + iii) | - | 4,51,38,08,184 | | 4,51,38,08,184 |
| Change in Indebtedness during the financial year | - | | | |
| Net Change | - | 94,22,90,425 | | 94,22,90,425 |
| Indebtedness at the end of the financial year | - | | | |
| i) Principal Amount | -- | 5,41,17,55,362 | | 5,41,17,55,362 |
| ii) Interest due but not paid | - | | | |
| iii) Interest accrued but not due | - | 4,58,36,849 | | 4,58,36,849 |
| Total (i + ii + iii) | | 5,45,75,92,211 | | 5,45,75,92,211 |

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 |
| | | Shri Arun Kumar Agarwal, Managing Director & CEO | ---- | ---- | ---- | |
| 1 | Gross Salary | | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 35,54,508.00 | - | - | - | 35,54,508.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 5,67,723.00 | | | | 5,67,723.00 |
| | (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, please specify | - | - | - | - | |
| | Total (A) | 41,22,231.00 | - | - | - | 41,22,231.00 |
| | Ceiling as per the Act | | | | | |

B. Remuneration to other Directors:

| Sr. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|----------|---|--------------------|--------------------|--------------------|---------------------|
| | | B.K.Vatsaraj | Ashwin Ankhad- | Bharati Rao | |
| 3 | Independent Directors | | | | |
| | Fees for attending Board & Committee Meetings | 5,05,000.00 | 1,85,000.00 | 3,30,000.00 | 10,20,000.00 |
| | Commission | - | - | - | |
| | Others, please specify | - | - | - | |
| | Total (1) | 5,05,000.00 | 1,85,000.00 | 3,30,000.00 | 10,20,000.00 |

| Sr. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|----------|---|--|--|---|--------------------|
| | | SIDBI (Nominee Director Krishna Iyer Mani) | Bank of Maharashtra(Nominee Director R.B.Kshirsagar) | Union Bank of India(Nominee Director – K.N.Reghunathan) | |
| 4 | Other Non-Executive Directors | | | | |
| | Fees for attending Board & Committee Meetings | 2,10,000.00 | 1,45,000.00 | 65,000.00 | 4,20,000.00 |
| | Commission | - | - | - | |
| | Others, please specify | - | - | - | |
| | Total (2) | 2,10,000.00 | 1,45,000.00 | 65,000.00 | 4,20,000.00 |

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | Total(B) = (1 + 2) Total Managerial Remuneration Overall ceiling as per the Act | | | | | | |
|--|--|--|--|--|--|--|--|

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 | - | 12,78,200.00 | 24,20,176.32 | 36,98,376.32 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | | 2,78,327.19 | 2,78,327.19 |
| | (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, please specify | - | - | - | - |

| 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. |

Nomination & Remuneration Policy

1. PREAMBLE

Section 178 of the Companies Act, 2013 requires every listed Company and such class or classes of Companies, as may be prescribed to constitute the Nomination and Remuneration Committee consisting of three or more Non-Executive Directors out of which not less than one half shall be Independent Directors. Accordingly, The Nomination & Remuneration Committee was re-constituted (earlier Nomination Committee) by the Board of Directors in its Meeting held on April 11, 2014.

2. POLICY

In compliance of Section 178(3) of the Companies Act 2013, SBI GLOBAL FACTORS shall formulate criteria/ Policy relating to the nomination of Directors and remuneration for the Directors, Key Managerial Personnel and Senior Management employees of the Company.

3. OBJECTIVE

- To lay down criteria and terms & conditions with regard to identifying persons qualified to become Directors and persons who may be appointed as Key Managerial Personnel & Senior Management Personnel
- To recommend the Board for the appointment of Directors, Key Managerial Personnel.
- To determine remuneration for Key Managerial Personnel and Senior Management Personnel.
- To recommend Sitting fees (Approved by SBI) for Directors.
- To carry out evaluation of performance for determining criteria for payment of Performance Linked Incentive to Key Managerial Personnel and Senior Management Personnel.
- To approve payment of performance Linked Incentives to Key Managerial Personnel and Senior Management Personnel.

4. DEFINITIONS

“Board” means Board of Directors of the Company.

“Company” means SBI Global Factors Ltd.

“Director” means Director of the Company.

“Independent Director” means Director appointed as per Section 149(6) of the Companies Act 2013.

“Key Managerial Personnel” (KMP) means

- Managing Director & CEO
- Company Secretary & Compliance Officer
- SVP & Chief Financial & Risk Officer

“Senior Management Personnel” means

- Executive Vice President & Chief Operating Officer
- Senior Vice President & Chief Credit Officer
- Senior Vice President & DGM(Debt & Legal)

The Policy is applicable to:

- Directors
 - Key Managerial Personnel
 - Senior Management Personnel of the Company.
5. The Board constituted the Nomination and Remuneration Committee of the Board by renaming its Nomination Committee of the Board, pursuant to provisions of Section 178 of the Companies Act, 2013, consisting of 4 members, of which two are the nominees of State Bank of India and two are the Independent Directors. The role of the Committee is as under:

6. Role of the Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Independent Director.
- Identify persons who are qualified to become Director and persons who may be appointed as Key Managerial Personnel.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

(a) Appointment/Nomination of Directors, Key Managerial Personnel & Senior Management Personnel

- To recommend to the Board for the appointment of Director on the Board.
- To appoint Key Managerial Personnel.
- To take note of appointment of Senior Management Personnel of The Company (Personnel of Senior Management team are the deputed staff from State Bank of India and they are governed by the rules of State Bank of India)

(b) Appointment criteria and Qualification of Directors

- To identify persons to be appointed as Directors and recommend to the Board for their appointment.

Qualification of Directors

The Director shall possess appropriate skills, experience and knowledge in one or more fields of Finance, Law, Management, sales, marketing, administration, research, Corporate Governance, technical operations or other disciplines related to the Company's business.

Maximum Term/ Tenure of Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company.

No Independent Director shall hold office for more than two consecutive terms of 5 years each, but such independent Director shall be eligible for appointment after expiration of 3 years of ceasing to become an independent Director.

Independence of Independent Directors

The Independent Director has or had no pecuniary relationship with the Company, its holding or associate Company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (Yearly)

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

(c) Remuneration to Directors/ Key Managerial Personnel & Senior Management Personnel.

- The Directors nominated by State Bank of India and who are full – time employees of the Bank will be governed by the rules of State Bank of India. They will not get any Remuneration from the Company including sitting fees.

Managing Director & CEO is on deputation and nominated by State Bank of India. However, his salary will be reimbursed to State Bank of India. Hence rules of Nomination & Remuneration policy will not be applicable to Nominee Directors of State Bank of India and the Managing Director & CEO.

- The remuneration rules of Nomination & Remuneration Policy will also not be applicable to Directors nominated by other shareholding Banks (SIDBI/Union Bank of India/ Bank of Maharashtra). They will get Remuneration from their respective Banks. The Company will pay only sitting fees to the respective Bank.
- The Independent Directors are Non – Executive Directors. The Company will not pay any Remuneration to the Independent Directors except sitting fees. (Sitting fees limits are laid down by State Bank of India uniformly for all subsidiaries)
- To recommend to the Board Remuneration or any revision in the Remuneration paid to KMPs.:

Managing Director & CEO – He is on deputation from State Bank of India. His Remuneration & perquisites will be as per the his scales of salary in State Bank of India.

Company Secretary & Compliance Officer – To recommend to the Board Remuneration or any revision in the salary paid to the Company Secretary.

CFO – He is on deputation from State Bank of India. His Remuneration & perquisites will be as per his scales of salary in State Bank of India.

- To take note of Remuneration paid to senior management Personnel.

They are on deputation from State Bank of India and their Remuneration & perquisites will be as per their scales of salary in State Bank of India.

- To consider and approve the criteria and payment of Performance Linked Incentive to KMPs and Senior Management Personnel.

6. The Nomination and Remuneration Policy will be subject to review every year.

ANNEXURE II 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]

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 Arun Kumar Agarwal - MD & CEO - Key Managerial Personnel (From 27.02.2013) | Key Managerial Personnel | Appointment by SBI for 2 Year & Reappointed | Acting as MD & CEO of the company | On Deputation from SBI | | Nil | |
| 2 | Mr. Tushar Burch - SVP & CF&RO - Key Managerial Personnel (Upto 24th August, 2015) | Key Managerial Personnel | Appointment by SBI | Acting as SVP & CF&RO of the company | On Deputation from SBI | | 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 | | Nil | |
| 4 | Ms. Anita Joshi - Company Secretary - Key Managerial Personnel | Key Managerial Personnel | Appointment by Board of Directors of SBIGFL | Acting as Company Secretary | Appointed as Company Secretary by the Board of Directors. | | 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) CP | CP Issue | Maximum 90 Days | Act as Principal banker of the company | Normal business purpose transactions | | Nil | |
| 7 | State Bank of Patiala - Associates / Group Companies | Manpower Support (officer on Deputation) | Appointment by SBI | Group Company | On Deputation from SBP | | Nil | |
| 8 | SBI Mutual Fund - 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 | |
| 9 | 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 | |
| 10 | SBICAP Securities Ltd - Fellow Subsidiary (Non Banking) | Demat A/c | Yearly & Renewed every year | Share buy & sell transaction on behalf of company | Normal Demat Account | | Nil | |
| 11 | SBICAP Trustee Company Limited | Trusteeship fees | Till life of NCD | Acting as trustee for issued NCD | Appointment as trustee for NCD issued | | Nil | |
| 12 | 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 | |

CSR Policy

1. PREAMBLE

Pursuant to provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having net worth of Rs. 500 Crores or more or turnover of Rs. 1,000 Crores or more or net profit of Rs. 5 Crores or more during any financial year shall constitute Corporate Social Responsibility Committee ("CSR Committee") and the CSR Committee shall formulate and recommend the policy.

Accordingly, the Board constituted the CSR Committee of the Board, pursuant to Section 135 of the Companies Act, 2013 consisting of 4 members, of which two are the Independent Directors. The CSR Committee shall:

- Formulate and recommend to the Board, a CSR Policy which shall indicate activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013,
- Recommend the amount of expenditure to be incurred on CSR activities,
- Monitor the CSR policy of the Company from time to time.

2. Objectives of the Policy

The policy shall be read in line with section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications as may be applicable and as amended from time to time and will, inter alia, provide for the following:

- Establishing guidelines for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects,
- Ensuring the implementation of CSR initiative in letter and spirit through appropriate procedures and reporting.

3. Definitions

- "Act" means Companies Act, 2013
- "Corporate Social Responsibility" means Corporate Social Responsibility as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy Rules 2014.
- "Board" means Board of Directors of the Company.
- "Company" means SBI Global Factors Ltd.
- "Net Profit" means net profit as defined in section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy Rules 2014. Average Net profit shall be calculated as per section 198 of the 2013 Act.

4. CSR Activities

The Policy recognises that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
- ii. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
- v. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;

- vi Measures for the benefit of armed forces veterans, war widows & their dependents;
 - vii. Training to promote rural sports, nationally recognised sports, paralympic sports & Olympic sports;
 - viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
 - ix. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
 - x. Rural development projects
- CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

5. Activities not included in CSR

Following shall not be included in CSR:

- (i) Activities undertaken in normal course of business.
- (ii) Activities undertaken outside India
- (iii) Contribution to any political party.
- (iv) Activities benefiting only for employees of the Company.
- (v) Activities not covered within Schedule VII of the Companies Act 2013.

6. Allocation of Funds

The Company would spend, in every financial year at least 2% of average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

If a Company fails to provide or spend such amount, the Board shall specify reasons for not spending the amount in its Directors Report under clause (o) of sub – section of section 134, specify the reason for not spending the amount.

7. Planning & Coordination

- Company will prepare an annual plan for CSR activities for each year within the budgetary provisions and will place the same before the CSR Committee and the Board of Directors for approval.
- The focus of benefits will be in line with activities mentioned in projects/ programs and schemes approved by the 2013 Act.

8. CSR Activities to be stated in the Board Report and Website

The Board of Directors' Report as per section 134(3) of the Companies Act 2013 shall disclose the composition of the Corporate Social Responsibility Committee formed as per section 135(2) of the 2013 Act.

Activities undertaken shall be prepared in form Annexed to Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rule 8 of the companies (Corporate Social Responsibility Policy) Rules, 2014.

The copy of the policy shall also be displayed on the website of the Company.

9. Amendments to the Policy

The Board of Directors as per the recommendations of CSR Committee can amend the policy. The policy would be subject to revision/ amendment in accordance with the Regulations issued from time to time by the Statutory Authorities.

The Policy will be subject to review every year.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

1. At present Company's CSR Committee consist of 3 members of which one is Independent. The following are the members:
 - Shri Arun Kumar Agarwal (Managing Director & CEO- Nominee Director, SBI)
 - Dr. B.K. Vatsaraj – Independent Director
 - Shri R.B. Kshirsagar- Nominee Director, Bank of Maharashtra
2. The Company had incurred a loss of Rs. 46 Crores during the preceeding year, and as its last 3 years average profit is negative, it did not have any legal compulsion to incur any CSR expenditure. However, the Corporate Social Responsibility (CSR) Committee, at its Meeting held on January 29, 2016, considered and approved :
 - (i) spending an amount of upto Rs. 50,000/- (Rupees Fifty Thousands Only) on CSR activity(ies) by the Company for the Financial Year 2015-16, pursuant to Section 135(3)(c) read with Schedule VII of the Companies Act, 2013,

The Committee further directed that in keeping with the spirit of the relative provisions in the Companies Act, 2013, the Company needs to explore the possibility to incur some expenditure on CSR activity(ies) during the Financial Year 2015-16 also.

1. Accordingly the Company has undertaken following activities for better Corporate Governance:
 - Rs. 39,750/- spent towards purchase of 15 Nos. Benches donated to Prabodhan Kurla Madhyamik School, and
 - Rs. 12,600/- spent towards purchase of 1 Book Shelf donated to Mahila Mandal Sanchalit Kendriya Vidyalaya.

For and on behalf of the Corporate Social Responsibility Committee

Managing Director & C.E.O.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

PREAMBLE

Section 177 of the Companies Act, 2013 requires every listed Company and such class or classes of Companies, as may be prescribed, to establish vigil mechanism for the Directors and employees to report genuine concerns in such manner as may be prescribed.

In terms of Section 2(52) of the Companies Act, 2013, "Listed Company means a Company which has any of its securities listed on any recognized Stock Exchange". Tier II Bonds of the Company are listed on the Stock Exchange, Mumbai and National Stock exchange of India Limited.

The Company has a Whistle Blower Policy approved in the meeting of the Board of Directors held on January 16, 2009 and the same was applicable to only employees of the Company. Now, as per the Companies Act 2013, the vigil mechanism is also to be laid down for the Directors of the Company as well.

POLICY

In compliance of the above requirement, SBI Global Factors Ltd as a listed Company has established vigil mechanism and formulated policy in order to provide a framework for responsible and secure whistle blowing/ Vigil mechanism.

OBJECTIVE

The Vigil (Whistle Blower) Mechanism is to ensure highest ethical, moral and business standards in the course of functioning and to build a lasting and strong culture of Corporate Governance within the Company. In terms of Policy, an internal mechanism is established for Directors and employees to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct. The policy is intended to encourage all Directors and employees of the Company to report suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviors or practices by Directors/employees without fear of retribution. The Directors/ employees can voice their concerns on irregularities, malpractices and other misdemeanors through this Policy.

It also provides necessary safeguards and protection to the Directors/employees who disclose the instances of unethical practices/ behavior observed in the Company. The mechanism also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

This Policy should be read in conjunction with the instructions already prevailing in the Company and the instructions under section 177 of the Companies Act, 2013

DEFINITIONS

The definitions of some of the key terms used in this policy are given below:

"Whistle Blower" – The Directors/employees of the Company making the disclosure under this policy. The Whistle Blower's role is that of a reporting party. Whistleblowers are not investigators or finders of the facts; neither can they determine the appropriate corrective or remedial action that may be warranted.

"Vigilance Officer/ Ombudsperson" is a person including a fulltime senior Employee, well respected for his/her integrity, independence and fairness. He/she would be authorised by the Board of the Company for the purpose of receiving all protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

The name of the Vigilance Officer / Ombudsperson will be circulated to the Directors/ Deputed and Direct employees of the Company.

“Directors/ Employees’ – all Directors and Direct / Deputed Employees of the Company.

“Protected Disclosure” means a written communication, whether by letter/ email/ or over telephone relating to unethical practice or behavior or violation of code of conduct by employees/ Directors made in good faith by the Whistle Blower.

“Reviewing Authority” – EVP & COO at corporate office will be Reviewing Authority.

“Investigators” – Committee formed to do the investigation. The Committee will be of following officials at corporate office:

- SVP & CCO
- SVP & CFRO
- Company Secretary & Compliance officer (Ombudsperson)

“Audit Committee” – constituted under section 177 of the Companies Act 2013.

“Subject” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

COVERAGE

All Directors/ employees of the Company are covered under this policy. The policy covers malpractices and events which have taken place/ suspected to have taken place in the Company involving:

- Corruption
- Frauds
- Misuse/ abuse of official position,
- Manipulation of data/ documents,
- Any other act which affects the interest of the Company adversely and has the potential to cause financial or reputational loss to the Company.

EXCLUSIONS

Decisions taken by the committees established by the Company and the policy decisions of the Company shall be outside the purview of this policy.

Reporting Mechanism/ Complainant (Whistleblower)

Any Director/ employee willing to disclose information may do so in any of the following manner:

- i. In writing, duly addressed to the Ombudsperson in sealed envelope specifically super scribed as “Disclosure under Whistle Blower Scheme”.
- ii. Suitable proof of his/her identity/ contact numbers/ address so that additional information, if any, can be obtained. In case identity cannot be ensured, the complaints will be treated as anonymous/ pseudonymous complaints, and may not attract further action.
- iii. Complaints can also be sent to the Ombudsperson from the official e-mail ID of the Director/ employee. The contact details/ address of the Director/employee should however be provided. In case of absence/ incorrectness of the same, the complaints will be treated as anonymous/ pseudonymous complaints and may not attract further action.

- iv. Disclosure can also be made to Ombudsperson over Telephone. The Whistle Blower would however, be required to disclose his/her identity and furnish sufficient information for verifying his/her identity by the Ombudsperson. Additional information, as deemed necessary, will be sought by the Ombudsperson receiving the call.
- v. The disclosure whether by letter/email/telephone should provide specific and verifiable information in respect of the "Subject – Corporate office/ Branch/ Director/ Employee.
- vi. The details in the complaint should be specific and verifiable.

Confidentiality Mechanism of Whistle Blower:

The complaints received under Whistle Blower will be opened by the Ombudsperson only. Upon the receipt of the complaint, the Ombudsperson will enter the particulars of the complaint in a Complaint Register and allot a complaint number on the all pages of the complaint. The complaint Register will remain in the custody of the Ombudsperson only.

Protection to Whistle Blower

The Company will protect the confidentiality of the complainants and their names/ identity will not be disclosed except as statutorily required under law.

- i. No adverse penal action shall be taken or recommended against an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. It will be ensured that the Whistle Blower is not victimized for making the disclosure.
- ii. In case of victimization in such cases, serious view will be taken including departmental action on such persons victimizing the Whistle Blower.
- iii. Identity of the Whistle Blower will not be disclosed by the Ombudsperson except to the investigators.
- iv. If any person is aggrieved by any action on the ground that he/she is being victimized due to the fact that he had filed a complaint or disclosure, he/ she may file an application before the Reviewing Authority.
- v. To protect the interest of the Whistle Blower for any adverse reporting in Annual Appraisal/ Performance report, he/ she may be given an option to request for a review of his/her Annual Report by the next higher Authority within 3 months of the end of relevant year.

Disqualification from protection

- i. Protection under the scheme would not mean protection from departmental action arising out of false or bogus disclosure made with malafide intention or complaints made to settle personal grievance.
- ii. Whistle Blowers, who make any disclosures, which have been subsequently found to be malafide or frivolous or malicious shall be liable to be prosecuted and appropriate disciplinary action will be taken against them under service rules/ bipartite settlements only when it is established that the complaint has been made with the intention of malice.
- iii. This policy does not protect a Director/ employee from an adverse action which occurs independent of his disclosure under this policy or for alleged wrongful conduct, poor job performance or any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

Mechanism for Action/ Reporting on such disclosures

- i. The Ombudsperson shall, on receipt of the complaint, arrange to verify the identity of the whistle Blower.

- ii. Proper record will be kept of all disclosures received. The action against each disclosure will be also noted and put up to the Reviewing Authority within 07 days from the receipt of complaint.
- iii. Only on being satisfied that the disclosure has verifiable information, necessary enquiry/ investigation will be done with regard to the complaint with assistance of the Committee at Corporate office. Ombudsperson will also have the authority to seek the assistance / support from other departments. The process will be completed within 30 days of receipt of the complaint.
- iv. Any inquiry/ investigation conducted against any subject shall not be construed by itself as an act of accusation and shall be carried out as neutral fact finding process, without presumption of any guilt.
- v. The inquiry/ investigation shall be conducted in a fair manner and provide adequate opportunity for hearing to the affected party and a written report of the findings should be prepared for submission.
- vi. A time frame of maximum 30 days will be permitted to complete the investigation / enquiry. In case the same cannot be completed within stipulated period, interim report should be submitted by the Investigators giving inter alia, the tentative date of completion.
- vii. In case the disclosure made does not have any specific & verifiable information, the Ombudsperson will be authorized not to take any action. This would be suitably recorded and placed before the Reviewing Authority.
- viii. In case the allegations made in the disclosure are substantiated, appropriate departmental action will be taken against the employee concerned on whose part lapses are observed.
- ix. The action taken against the subject/ Director/ employee as stated in the above paragraph will be in addition to any other action or prosecution which may be initiated against said subject/ Director/ employee under any statute or law in force.

Review of status Report

Functioning of the scheme will be reviewed by the Reviewing Authority on quarterly basis and status Report (including NIL report) will be put up by the Ombudsperson to the Audit Committee of the Directors of the Company.

Access to Chairman of the Audit Committee

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

Implementation of the Policy

A copy of the policy shall be uploaded on the website of the Company. The Ombudsperson will ensure that the policy is known to all Directors and employees of the Company.

Vigil Mechanism/ Whistle Blower Policy will be subject to review every year.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2016
(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, 2016 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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) 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, 1992 (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;
 - 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 w.e.f. 1st December 2015.

- (vi) Other laws applicable specifically to the company namely:
- The Factoring Regulation Act, 2011 (No. 12 of 2012);
 - NBFC Directives of RBI;
 - Indian Stamp Act, 1899 and the States Stamp Acts;
 - Fair Practices Code;
 - KYC and anti-money laundering guidelines issued by the Reserve Bank of India

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

- Secretarial Standards issued by The Institute of Company Secretaries of India;
- The Debt Listing Agreements entered into by the Company with National Stock Exchange (s) 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. 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 the members at the Annual General Meeting held on 22nd September, 2015 have approved the following Special Resolution:

The borrowing facilities from State Bank of India (being related party) exceeding 10% of the Net Worth of the Company under section 188(d) and 188 (e) of the Companies Act, 2013 and Rules made thereunder.

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

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

Place: Mumbai
Date: 11th April, 2016

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

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 31.03.2016 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 bases 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: 11th April, 2016

CS Rajkumar R. Tiwari
Practising Company Secretary
FCS No. 4227 C P 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 2015-16, the Board comprised of eight (8) members, which consisted of four (4) Non-Executive Directors, three (3) 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 future directions to the Senior Management Team of the Company.

The particulars of Directors, their attendance during the financial year 2015 – 2016 and also other Directorships are as detailed in Table –I below :

Table I : Attendance Record of Directors at Board Meetings during 2015-16

| Name and Designation of Director | Category of Director | No. of Board Meetings Attended | No. of Directorships in other companies (Excluding Foreign Company(ies)) |
|---|--|--------------------------------|--|
| Smt. Arundhati Bhattacharya (Chairman) | (Nominee-SBI) Non-Executive | 2 | 08* |
| Shri V.G. Kannan (Director) | (Nominee-SBI) Non-Executive | 4 | 10** |
| Smt. Bharati Rao (Director) | (Independent) Non-Executive | 2 | 08*** |
| Shri Arun Kumar Agarwal (Managing Director & C.E.O.) | (Nominee – SBI) Full-time Executive | 5 | 01 |
| Shri Krishna Iyer Mani (Director) | (Nominee – SIDBI) Non-Executive | 2 | Nil |
| Dr. B.K. Vatsaraj Director | (Independent) Non- Executive | 5 | 01 |
| Shri Ashwin Ankhad (Upto 16.02.2016) | (Independent) Non-Executive | 5 | Nil |
| Shri Vivek Jaywant Mhatre (Upto 30.04.2015) | (Nominee-Union Bank of India) Non-Executive | Nil | Nil |
| Shri K.N. Reghunathan (From 30.04.2015 to 12.12.2015) | (Nominee-Union Bank of India) Non-Executive | 2 | Nil |
| Shri Ramesh Bansidhar Kshirsagar | (Nominee – Bank of Maharashtra) Non-Executive | 5 | Nil |
| Shri Narayanan Raja (From 29.03.2016) | (Independent) Non-Executive | Nil | 04 |

* Excluding SBI and its Associate Banks, Association(s), Institute(s), Committee(s), Council(s), Forum(s), Board(s) of Trade etc.

** Excluding SBI, its Associate Banks, and Foreign Companies

*** Excluding a Bank and a Foreign Company

Meetings of the Board

During the Financial Year ended on 31st March, 2016, 5 (five) Board Meetings were held on April 30, 2015, June 29, 2015, August 27, 2015, October 23, 2015, and January 29, 2016.

2. Audit Committee

At present, pursuant to the provisions of Section 177 of the Companies Act, 2013, Members of the Audit Committee are as follows:

- | | |
|----------------------|----------|
| 1. Dr. B.K. Vatsaraj | Chairman |
| 2. Shri V.G. Kannan | Member |
| 3. Smt. Bharati Rao | Member |

During the Financial Year ended on March 31, 2016, the Audit Committee met 5 times Viz., on 30/04/2015, 29/07/2015, 27/08/2015, 23/10/2015, and 29/01/2016.

During the Financial Year ended on March 31, 2016, there was no change in the constitution of the Audit Committee of the Board.

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

| Name of the Member | No. of Audit Committee Meetings attended |
|------------------------------|--|
| Dr. B.K. Vatsaraj (Chairman) | 5 |
| Shri V.G. Kannan | 4 |
| Smt. Bharati Rao | 2 |

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, 2016, due to change in the Nomination of Directors by Union Bank of India on the Company's Board, Shri Kalapurakovilakam Narasimhapai Reghunathan (General Manager, Treasury & International Banking Division, Union Bank of India, Central Office, Mumbai) (DIN 06627200) was inducted as a Member of the Executive Committee of the Board, in place of Shri Vivek Jaywant Mhatre (then General Manager, Treasury & International Banking Division, Union Bank of India) (DIN 03560932) - with effect from April 30, 2015,

Shri Kalapurakovilakam Narasimhapai Reghunathan ceased as a Member of the Executive Committee of the Board, on account of his resignation / taking a Voluntary Retirement from services of Union Bank of India, with effect from December 12, 2015.

At present, the Executive Committee of the Board consists of following Members :

1. Smt. Bharati Rao (Independent Director),
2. Shri Arun Kumar Agarwal
(Managing Director & C.E.O.) (Nominee Director, SBI)
3. Dr. B.K. Vatsaraj (Independent Director), and
4. Shri. Krishna Iyer Mani (Nominee Director of Small Industries Development Bank of India).

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, 2016, there was no change in the constitution of the Risk Management Committee of the Board.

The present composition of the Risk Management Committee of the Board consists of the following Members :

1. Shri Arun Kumar Agarwal (Nominee Director, SBI)
2. Dr. B.K. Vatsaraj (Independent Director)
3. Smt. Bharati Rao (Independent Director)

During the Financial Year ended on March 31, 2016, the Risk Management Committee of the Board met 4 times Viz., on 17/04/2015, 29/07/2015, 16/10/2015, and 29/01/2016.

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 | 2 |
| Shri Arun Kumar Agarwal | 3 |
| Shri. Krishna Iyer Mani | 3 |

5. Nomination and Remuneration Committee of the Board :

During the Financial Year ended on March 31, 2016, Shri Ashwin Bapulal Ankhad (DIN 00598230) ceased as a Member of Nomination and Remuneration Committee of the Board of Directors of the Company with effect from February 16, 2016, upon his resignation as an Independent Director of the Company.

The present composition of the Nomination and Remuneration Committee of the Board consists of the following Members :

- (i) Shri V.G. Kannan, (Nominee Director, SBI),
- (ii) Smt. Bharati Rao, (Independent Director), and
- (iii) Dr. B.K. Vatsaraj, (Independent Director).

During the Financial Year ended on March 31, 2016, the Nomination and Remuneration Committee of the Board met 3 times Viz., on 30/04/2015, 29/07/2015, and 27/08/2015.

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 V.G. Kannan | 2 |
| Smt. Bharati Rao | 2 |
| Shri Ashwin Ankhad (till 16/02/2016) | 3 |
| Dr. B.K. Vatsaraj | 3 |

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

During the Financial Year ended on March 31, 2016, there was no change in the constitution of the Corporate Social Responsibility ('CSR') Committee of the Board.

The present composition of the CSR Committee of the Board consists of the following Members :

- (i) Shri Arun Kumar Agarwal (Managing Director & C.E.O.)
(i.e. a Nominee of State Bank of India),
- (ii) Dr. B.K. Vatsaraj (Independent Director), and
- (iii) Shri R.B. Kshirsagar
(Nominee Director of Bank of Maharashtra)

During the Financial Year ended on March 31, 2016, the CSR Committee of the Board met 1 time Viz., on 29/01/2016.

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

| |
|-------------------------|
| Name of the Member |
| Shri Arun Kumar Agarwal |
| Dr. B.K. Vatsaraj |
| Shri R.B. Kshirsagar |

7. 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 |
|------------|----------------|-----------------|------------|--|
| Twelfth | 2012-13 | 23/08/2013 | 05.00 p.m. | State Bank Bhavan, Corporate Centre, 15 th Floor, Madame Cama Road, Nariman Point, Mumbai – 400 021 |
| Thirteenth | 2013-14 | 01/09/2014 | 04.30 p.m. | State Bank Bhavan, Corporate Centre, 15 th Floor, Madame Cama Road, Nariman Point, Mumbai – 400 021 |
| Fourteenth | 2014-15 | 22/09/2015 | 11.30 a.m. | State Bank Bhavan, Corporate Centre, 03 rd Floor, Madame Cama Road, Nariman Point, Mumbai – 400 021 |

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

| AGM | DETAILS OF THE SPECIAL RESOLUTION(S) |
|------------|---|
| Twelfth | Appointment of Statutory Auditors for the Financial Year 2013-14, as directed by the Comptroller & Auditor General of India (C&AG) |
| Thirteenth | Appointment of Statutory Auditors for the Financial Year 2013-14, as directed by the Comptroller & Auditor General of India (C&AG) |
| Fourteenth | i) Appointment of Statutory Auditors for the Financial Year 2014-15, as directed by the Comptroller & Auditor General of India (C&AG), and payment of Fees/ Remuneration to them ii) To consider and approve the revised Articles of Association of the Company iii) To consider and approve availing Borrowing facilities from State Bank of India (being a related party) exceeding 10% of the Net Worth of the Company |

(b) Extraordinary General Meetings held during the Financial Year 2015-16 :

| Date of the Extraordinary General Meeting | Time | Venue |
|---|------------|---|
| 29/03/2016 | 03.00 p.m. | State Bank Bhavan, Corporate Centre, 19 th Floor, Conference Room, Madame Cama Road, Nariman Point, Mumbai – 400 021 |

The following Resolution(s) were passed at the above Extraordinary General Meeting :

- (i) Re-appointment of Dr. Bhargava Kaushik Vatsaraj (Director Identification Number (DIN) : 00144251) as Independent Director of the Company for a period of three years with effect from February 16, 2016
- (ii) To consider and appoint Shri Narayanan Raja (Director Identification Number (DIN) : 00503400) as Independent Director of the Company for a period of three years with effect from March 29, 2016

8. General Shareholder Information:

| Financial Year | April 01, 2015 to March 31, 2016 |
|-------------------------------|--|
| Registrar and Transfer Agents | Datamatics Financial Services Limited |
| Address for correspondence | 6 th Floor, “The Metropolitan” Bandra-Kurla Complex Bandra (East) Mumbai – 400 051 |

ANNEXURE - A

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 2015-16 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 become 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

Arun Kumar Agarwal
Managing Director & C.E.O.

Date : April 11, 2016

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, 2016** 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 Clause 49 of the Listing Agreement till 30th November, 2015 and The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 w.e.f. 1st December 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: 11th April, 2016

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

Management Discussion and Analysis

Global Economic Scenario:

The year 2016 began on a note of increased volatility and stress across global market. Equity markets fell, spreads on high-yield bonds widened and commodities tanked further. The US Fed kept interest rates unchanged in its January meet and said it was "closely monitoring" global developments. While, the Bank of Japan pushed interest rates into negative territory, the European Central Bank signalled more easing. Globally, markets have become strongly linked to crude oil in the recent months. Most of global commodities are close to bottom and stability returning in the commodities market will go a long way in reversing the market sentiment.

Global financial markets have recouped the losses suffered in the turbulence at the beginning of the year. From mid-February, a firming up of crude prices buoyed market sentiment, allaying fears of global recessionary risks. Commodity prices, including oil, have picked up recently, though they still remain soft.

Domestic Liquidity Scenario:

Liquidity conditions, which had tightened since mid-December, were stretched further by the larger-than-usual accumulation of cash balances by the Government, unusually heightened and persistent demand for currency, a pick-up in bank credit and flatter deposit growth relative to past years. The Reserve Bank undertook liquidity operations to quell these pressures and supplemented normal operations with large amounts of liquidity injected through fine-tuning variable rate repo auctions.

Macroeconomic Perspective & Proposed Financial Sector Reforms:

In the backdrop of the headwinds both on the global and domestic front, the Government has tried to address a wider spectrum of themes in the Budget while adhering to the fiscal consolidation roadmap. Union Budget 2016-17, clearly focused on giving thrust to the rural economy with a view to increasing the domestic consumption. Since the global economy has not picked up momentum, the way to sustain our economic growth is through domestic consumption and that is being addressed in the budget through several measures. By keeping the Fiscal deficit target at 3.9 per cent and 3.5 per cent respectively for the financial year 2015-16 and 2016-17, the government has reiterated its resolve to maintain fiscal prudence. The Amendment to the RBI Act to provide statutory basis for the Monetary Policy Framework is also another enabling step in this direction. These measures are in tune with the RBI's focus on price stability and financial stability and could provide sufficient room to the regulator to cut the signal rate to provide further fillip to economic growth. Recapitalisation of Public sector banks to the tune of Rs. 25,000 crore, the commitment by the government to stand behind the public sector banks for additional capital requirements, measures to further deepen the corporate bond market, 100% FDI in Asset Reconstruction Companies through Automatic Routes, comprehensive

central legislation to deal with illicit deposit taking schemes are measures which are good for the banking sector. The setting up of the Banking Board Bureau which will be operationalized during this fiscal and consolidation of public sector banks are definitely going to reinforce the operations of the public sector banks. Strengthening of the functioning of the Debt Recovery Tribunals which is a long standing demand of the banking industry is definitely a big positive for the banking sector. Further there are various other measures like statutory status to Aadhar for DBT, investments in road and rural sector, education and skill development to provide new opportunities to the banking sector.

Factoring Industry Scenario:

The following are some of the recent developments in Factoring Industry in India;

- i) After notification of “Credit Guarantee Fund Scheme for Factoring (CGFSF)”, National Credit Guarantee Trustee Company Ltd (NCGTC) is in the process of developing a B-2-B IT business platform for seamless online delivery of the credit guarantee scheme. The CGFSF shall be confined to domestic factoring of receivables of MSMEs in India and only the assigned factored debts would be covered under guarantee scheme.
- ii) In December 2015, IRDAI circulated the draft guidelines on Trade Credit Insurance seeking comments of the stakeholders to give fillip to the growth of credit insurance market.
- iii) As per RBI Circular No.RBI/2015-16/140 dt 30.07.2015, RBI has issued guidelines that the Banks may carry out the business of factoring departmentally, without obtaining the prior approval of RBI, subject to certain conditions mentioned in the aforesaid circular. Also vide Circular No. RBI/2015-16/239 dt 19.11.2015, RBI has revised the earlier stipulation that the receivables acquired under factoring should not exceed 80% of the invoice value. Later, RBI has advised that the Banks offering factoring services may decide percentage of the invoice to be paid upfront based on their own assessment of the credit worthiness of the assignor/buyer, due diligence carried out by them and other commercial considerations.
- iv) In the Union Budget for FY 2016-17, a provision has been proposed to meet a long- standing demand of NBFCs for allowing deduction of provisions for bad debts from income for tax calculation. The budget has proposed deduction for provisioning of bad debts of NBFCs upto 5% of their taxable income.

Some of the challenges being faced by Factoring Industry impacting growth of factoring business are:

- a) Non-acceptance of Notice of Assignment by debtors.
- b) Non-availability of trade credit insurance.
- c) Reluctance on the part of Banks to share credit information reports/charge on securities.
- d) Non-acceptance of names of wilful defaulters by CIBIL from NBFCs-Factor.

- e) Non-availability of enablers like SARFAESI/DRTs to NBFCs-Factor for expediting recovery.
- f) Although NBFCs –Factor participate in the Joint Lender’s Fora, they are not treated as a member of the Consortium of Lenders, and their interests are not considered in restructuring exercises.

The Way Forward for Factoring Industry:

Factoring activity, if accepted as complementary to banking, can go a long way in monitoring the cash flows of businesses, thereby checking huge slippages into Non-Performing Assets due to diversion of sale proceeds. Also, as it transfers risks from weaker MSME sellers to stronger Corporate buyers, Factoring, if strengthened by the required enablers, would be the least risky mechanism for funding and supporting MSMEs in the economy.

The factoring business in India will get a fillip if the regulators initiate appropriate corrective action for removing the impediments in growth of factoring in India.

Independent Auditors' Report

To the Members of SBI GLOBAL FACTORS LIMITED

Report on the Financial Statements

1. We have audited the accompanying Financial Statements of SBI Global Factors Limited (the Company), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2016;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the 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, we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
6. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from directors as on 31st March 2016 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2016 from being appointed as director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'
 - (g) 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 on its financial position in its financial statements to the extent determinable/ascertainable. – Refer Note 21 to the financial statements.
 - ii) The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
7. As per the Directions of the Comptroller & Auditor General of India in accordance with Sec 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 and Auditor General of India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

(S. S. Dikshit)
Partner
M. No. 41516

Place: Mumbai
Date: 23.04.2016

**Annexure 'A' to the Auditors' Report –
Statement on the matters specified in paragraphs 3 and 4 of
Companies (Auditor's Report) Order, 2016**

(Referred to in paragraph 5 of our Audit Report of even date)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b) According to information and explanations given to us, fixed assets of the Company are being physically verified according to a phased programme of verification so as to verify all assets within a period of three years. In accordance with this programme, the phased programme of physical verification of fixed assets has been completed by the management in current year and discrepancies have been reconciled with the books of accounts and an amount of Rs. 166 lakhs has been adjusted in Gross Block and Accumulated Depreciation.
In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets
- c) According to the information and explanations given to us, the title deeds of immovable properties are in the name of the erstwhile name of the Company and the Company is in the process of updating the documents in the present name of the Company.

| Particulars | Gross Value Amt in Lakhs | Net Value Amt in Lakhs | Remarks |
|---------------------------|-----------------------------|---------------------------|--|
| Office Premises in Mumbai | 797.25 | 613.41 | In the erstwhile name of Global Trade Finance Limited |
| Office Premises in Delhi | 146.72 | 121.10 | In the erstwhile name of Global Trade Finance Limited |
| Flat in Mumbai | 47.83 | 38.60 | In the erstwhile name of SBI Factors and Commercial Services Private Limited |

- ii) The Company is involved in factoring business and as thus it does not hold any physical inventory. Accordingly provisions of clause (ii) of the Order are not applicable.
- iii) a) According to the information and explanations provided to us, the Company has not given any loan, secured or unsecured, to companies, firms or other parties as covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause (iii) (a) to (c) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations provided to us, the Company has not given any loans and not made any investments and provided any guarantees and security as specified in Section 185 and 186 of the Companies Act, 2016 and accordingly provisions of section 185 and 186 of Act are not applicable.
- v) As informed, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
- 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 Act to the Company.

- vii) a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it as per the available records as far as ascertained by us on our verification.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of outstanding statutory dues as aforesaid as at 31st March 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, dues in respect of Sales tax, Income tax, Custom duty, Service tax, Excise duty, and Cess that have not been deposited with the appropriate authorities on account of any dispute are as under:

| 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. 401.53 | For the Assessment year 2010-11 to 2012-13 | CIT (Appeals) |
| Income Tax Act, 1961 | Tax deducted at source | Rs. 0.97 | For the Assessment year 2009-2010 to 2013-14 | CIT (Appeals) |
| Service Tax | Service Tax and Penalty | Rs.191.42 | For financial year 2004-05 to 2010-11. | Commissioner of Service Tax |

- viii) According to information and explanations given to us and based on our audit procedures, the Company has not defaulted in repayment of dues of loans taken from banks and Debenture holders. The Company did not have any outstanding dues in respect of financial institution during the year.
- 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 material fraud by the Company or on the Company by its officers or employees, has been noticed and reported during the year, nor have we been informed of 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) In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, provision of clause 3 (xii) of the order is not applicable.
- xiii) According to the information and explanation 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, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by applicable accounting standard.
- xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement

of shares or partly or fully convertible debentures during the year, therefore reporting under clause 3(xiv) shall not be 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 non-cash transactions with directors or person connected with them. 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.

Place: Mumbai
Date: 23.04.2016

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

(S. S. Dikshit)
Partner
M. No. 41516

**Annexure 'B' to the Auditors' Report –
Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the
Companies Act, 2013**

(Referred to in paragraph 6 (f) of our Audit Report of even date)

1. We have audited the internal financial controls over financial reporting of SBI Global Factors Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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 Companies Act, 2013.

Auditors' Responsibility

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (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 Institute of Chartered Accountants of India. 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

4. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

- 5 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

- 6 In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

Place: Mumbai
Date: 23.04.2016

(S. S. Dikshit)
Partner
M. No. 41516

**Annexure 'C' to the Auditors' Report –
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 7 of our Audit Report of even date)

- a) According to the information and explanations given to us and based on the information available, the company does not hold any freehold land and leasehold land as at the year end.
- b) According to the information and explanations given to us and based on the information available, and as per the declarations given by the Company, the cases of waiver / write off of debts / loans / interest etc. as approved by the Board of directors during the year ended 31st March, 2016 are as follows:

| No of Cases | Nature of Waiver | Reason of Waiver | Amount of Waiver Rs. in lakhs |
|-------------|-------------------|--|-------------------------------|
| 6 | Balance Principal | To Facilitate recovery in write off Account | 3,500.68 |
| 1 | Balance Principal | To Facilitate recovery in NPA Account | 203.55 |
| 1 | Interest Waiver | Concessionary interest rate provided in line with proposal considered by Joint lenders | 16.53 |

- c) According to the information and explanations give to us and based on the information available, the Company does not have inventory lying with the Third Parties and no assets have been received as gifts from the Government and other authorities.
- d) According to the information and explanations given to us and based on the information available, and as per the declarations given by the Company, the cases of waiver of fees / reversal of accounted fees which was due but not received / written off etc. as approved by the Board of directors during the year ended 31st March, 2016 are as follows:

| No of Cases | Nature of Waiver | Reason of Waiver | Amount of Waiver Rs. in lakhs |
|-------------|------------------|---|-------------------------------|
| 1 | Reversal of Fees | Marked as Non Performing Assets during the year | 1.91 |

**For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W**

**Place: Mumbai
Date: 23.04.2016**

**(S. S. Dikshit)
Partner
M. No. 41516**

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 2016

The preparation of financial statements of SBI Global Factors Limited for the year ended 31 March 2016 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 23 April 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6)(a) of the Act of the Financial Statements of SBI Global Factors Limited for the year ended 31 March 2016. 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 the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

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



(Sangita Choure)

Director General of Commercial Audit and
ex-officio Member, Audit Board-I, Mumbai

Place: Mumbai
Date: 07 JUL 2016

Balance Sheet

As at March 31, 2016

| Particulars | Note | Rs. in Lakhs | |
|--|---------|----------------|----------------|
| | | March 31, 2016 | March 31, 2015 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 15,989 | 15,989 |
| (b) Reserves and Surplus | 3 | 16,293 | 16,208 |
| | | 32,282 | 32,197 |
| (2) Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 4 | 15,000 | 15,980 |
| (b) Long Term Provisions | 5 | 26,947 | 27,411 |
| | | 41,947 | 43,391 |
| (3) Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 39,118 | 28,762 |
| (b) Other Current Liabilities | 7 | 2,271 | 1,451 |
| (c) Short Term Provisions | 8 | 17 | 17 |
| | | 41,406 | 30,230 |
| Total | | 115,635 | 105,818 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | 9 | | |
| Tangible Assets | | 858 | 891 |
| Intangible Assets | | 32 | 54 |
| (b) Deferred Tax Assets (net) | 10 | 8,281 | 8,448 |
| (c) Long Term Loans and Advances | 11 | 4,095 | 3,786 |
| | | 13,266 | 13,179 |
| (2) Current Assets | | | |
| (a) Debts Factored | 12 | 100,794 | 92,085 |
| (b) Cash and Cash Equivalents | 13 | 1,491 | 469 |
| (c) Short Term Loans and Advances | 14 | 84 | 85 |
| | | 102,369 | 92,639 |
| Total | | 115,635 | 105,818 |
| The Notes to Accounts form an integral part of Financial Statements | 1 to 39 | | |

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W
S.S.Dikshit
Partner
M.No. 41516
Place : Mumbai
Date : April 23, 2016

For and on behalf of the Board of Directors
Arundhati Bhattacharya **Arun Kumar Agarwal**
Chairman Managing Director & CEO
DIN :- 02011213 DIN :- 06518822

Pankaj Gupta **Amita Joshi**
Chief Financial & Risk Officer Company Secretary
Place : Mumbai
Date : April 20, 2016

Statement of Profit and Loss

For the Year ended March 31, 2016

| Particulars | Note | Rs. in Lakhs | |
|--|---------|----------------|----------------|
| | | Year ended | |
| | | March 31, 2016 | March 31, 2015 |
| Revenue from Operations | 15 | 9,025 | 9,532 |
| Other Income | 16 | 686 | 323 |
| Total Revenue | | 9,711 | 9,855 |
| Expenses | | | |
| Employee Benefit Expense | 17 | 753 | 700 |
| Finance Costs | 18 | 3,848 | 3,055 |
| Depreciation and Amortization Expense | 9 | 79 | 74 |
| Operating, Administrative and Other Expenses | 19 | 1,168 | 1,048 |
| Bad Debts Written Off | | 3,610 | 4,566 |
| Provision for Bad and Doubtful Debts | 20 | - | 6,333 |
| Total Expenses | | 9,458 | 15,776 |
| Profit/(Loss) before Tax | | 253 | (5,921) |
| Less :- Tax Expense: | | | |
| Current Tax | | - | - |
| Deferred Tax | | 167 | (1,298) |
| Profit/(Loss) after Tax | | 86 | (4,623) |
| Earning Per Share (In Rupees) (Par Value Rs. 10/-) | 26 | | |
| Basic | | 0.05 | (2.89) |
| Diluted | | 0.05 | (2.89) |
| Number of shares used in computing Earnings Per Share | | | |
| Basic | | 159,885,365 | 159,885,365 |
| Diluted | | 159,885,365 | 159,885,365 |
| The Notes to Account forms integral part of Financial Statement | 1 to 39 | | |

| | | | |
|--|---|--|--|
| <p>As per our report of even date</p> <p>For Mukund M. Chitale & Co. Chartered Accountants Firm Registration No. 106655W</p> <p>S.S.Dikshit Partner M.No. 41516 Place : Mumbai Date : April 23, 2016</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>Arundhati Bhattacharya Chairman DIN :- 02011213</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : April 20, 2016</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Arun Kumar Agarwal Managing Director & CEO DIN :- 06518822</p> <p>Amita Joshi Company Secretary</p> </td> </tr> </table> | <p>Arundhati Bhattacharya Chairman DIN :- 02011213</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : April 20, 2016</p> | <p>Arun Kumar Agarwal Managing Director & CEO DIN :- 06518822</p> <p>Amita Joshi Company Secretary</p> |
| <p>Arundhati Bhattacharya Chairman DIN :- 02011213</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : April 20, 2016</p> | <p>Arun Kumar Agarwal Managing Director & CEO DIN :- 06518822</p> <p>Amita Joshi Company Secretary</p> | | |

Cash Flow Statement

For the Year Ended March 31, 2016

| | (Rs in lakhs) | |
|---|----------------|-----------------|
| | March 31, 2016 | March 31, 2015 |
| Cash Flow from Operating Activities: | | |
| Net Profit / (Loss) before tax | 253 | (5,921) |
| Adjustments for: | | |
| Depreciation / Amortisation | 79 | 74 |
| Interest Cost | 3,732 | 2,973 |
| Sundry Balance Written Off | 1 | 1 |
| Foreign Exchange (Gain)/Loss (Net) | (4) | 1 |
| (Profit) / Loss on Sale of Fixed Assets | (3) | 0 |
| Liabilities no longer required Written Back | (23) | (18) |
| Provision made / (Written back) for Doubtful Debts & Advances | (404) | 6,333 |
| Provision made / (Written back) on Standard Assets | (60) | - |
| Bad Debts Written Off | 3,610 | 4,566 |
| Provision for Leave Encashment | 7 | (4) |
| Provision for Gratuity | 6 | (2) |
| Profit on Sale of Current Investments | (86) | (121) |
| | 6,855 | 13,803 |
| Operating profit before Working Capital changes | 7,108 | 7,883 |
| Increase / (Decrease) in Short Term Borrowings | 1,860 | 2,479 |
| Increase / (Decrease) in Long Term Borrowings | (980) | - |
| Increase / (Decrease) in Long Term Liabilities | - | (10) |
| Increase / (Decrease) in Long Term Provisions | (5) | - |
| Increase / (Decrease) in Other Current Liabilities | 827 | 125 |
| Increase / (Decrease) in Short Term Provisions | (7) | (1) |
| (Increase)/Decrease in Long Term Loans and Advances | 4 | (33) |
| (Increase)/Decrease in Debts Factored | (12,320) | (739) |
| (Increase)/Decrease in Short Term Loans and Advances | 1 | 2 |
| | (10,620) | 1,823 |
| Cash (used)/generated in and from operations | (3,512) | 9,706 |
| Direct Taxes paid (net) | (313) | 359 |
| Net Cash (used)/generated in and from Operating Activities (A) | (3,825) | 10,064 |
| Cash Flow from Investing Activities: | | |
| Purchase of Fixed Assets | (25) | (111) |
| Sale of Fixed Assets | 3 | 3 |
| Purchase of Current Investments | (267,600) | (336,200) |
| Sale of Current Investments | 267,686 | 336,321 |
| Net cash from Investing Activities (B) | 64 | 13 |
| Cash Flow from Financing Activities: | | |
| Interest Cost | (3,717) | (3,003) |
| Repayment of Debentures | - | (3,000) |
| Repayment of Term Loans | (31,500) | (37,000) |
| Term Loan Taken | 40,000 | 32,500 |
| CP Repaid | (177,000) | (109,500) |
| CP taken | 177,000 | 109,500 |
| Net Cash generated from Financing Activities (C) | 4,783 | (10,503) |
| Net increase in Cash and Cash Equivalents (A + B + C) | 1,022 | (426) |
| Cash and Cash Equivalents as at Mar-16 / Mar-15 | | |
| Cash in Hand | 1 | 1 |
| Stamp in Hand | 1 | 12 |
| Cash & Bank Balances in Current Account with Banks | 1,489 | 456 |
| | 1,491 | 469 |
| Less: Cash and Cash Equivalents as at Mar-15/Mar-14 | 469 | 895 |
| | 1,022 | (426) |

Note :

- Cash flow statement has been reported using Indirect Method
- Previous Year figures have been regrouped / reclassified / rearranged wherever necessary.

The Notes to Account forms integral part of Financial Statements (Note 1 to 39)

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W
S.S.Dikshit
Partner
M.No. 41516
Place : Mumbai
Date : April 23, 2016

For and on behalf of the Board of Directors

Arundhati Bhattacharya
Chairman
DIN :- 02011213

Arun Kumar Agarwal
Managing Director & CEO
DIN :- 06518822

Pankaj Gupta
Chief Financial & Risk Officer
Place : Mumbai
Date : April 20, 2016

Amita Joshi
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1 Significant Accounting Policies

1.1 Basis of preparation of Financial Statements

The Financial Statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with generally accepted accounting principles ('GAAP') prevalent in India and the mandatory Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Account) Rules, 2014 as adopted consistently by the company and the provisions of the Companies Act 2013 (to the extent notified and applicable).

1.2 Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and the difference between actual results and estimates are recognized in the periods in which the results are known or materialized.

1.3 Fixed Assets

a Tangible Assets

Tangible assets are stated at cost of acquisition less accumulated depreciation. Cost is inclusive of borrowing cost and other incidental charges incurred upto the date of installation/put to use.

b Intangible Assets

In accordance with Accounting Standard - 26, Intangible Assets are stated at cost of acquisition less accumulated amortisation and impairment, if any.

1.4 Depreciation / Amortisation

With effect from 01.04.2014 "Schedule II – Useful lives to compute Depreciation" of Companies Act, 2013 is applicable. Depreciation on tangible assets is provided on Straight Line Method over the useful life of assets estimated by the Management. The Management estimates the useful life for fixed assets as follows:

| Sr. No. | Asset Description | Useful life as per Management estimates | Useful Life as per Sch. II of the Act |
|---------|--|---|---------------------------------------|
| 1 | Leasehold Premises | - | AS-19 |
| 2 | Office Premises | 60 | 60 |
| 3 | Furniture & Fixtures * | 5 | 10 |
| 4 | Vehicles * | 4 | 10 |
| 5 | Office Equipment | 5 | 5 |
| 6 | Computer Hardware (Servers & Networks) * | 3 | 6 |
| 7 | Computer Hardware (Other Hardware) | 3 | 3 |
| 8 | Computer Software | 3 | AS-26 |

The useful life estimated by the management is consistent with the useful lives followed in earlier years.

Depreciation on additions to/deletions from Fixed Assets during the year is provided on pro-rata basis. Leasehold improvements are depreciated over the effective lease term of the respective premises.

* 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.

1.5 Impairment of Fixed Assets

The carrying amounts of Company's assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable value. The Company has not identified any such assets.

1.6 Reserve Bank of India Prudential Norms

The Company follows the guidelines issued by the Reserve Bank of India (RBI), in respect of Asset Classification, Income Recognition and Provisioning.

1.7 Asset Classification and Provisions

a Classification of Non-Performing Asset:

| Category | Criteria |
|---------------------|---|
| Sub-Standard Assets | Principal and/or Interest overdue for 5 months or more |
| Doubtful Assets | Principal and/or Interest overdue for 21 months or more |
| Loss Assets | 1. An asset which has been identified as loss asset by the company or its internal or external auditor or by the Reserve Bank of India during the inspection of the company, to the extent it is not written off by the company; and 2. An asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower |

b Provisioning for Non-Performing Asset:

(i) The portion of advance/ asset not covered by value of tangible security is provided for cumulatively as under:

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

(ii) In addition to b(i) above, the portion of advance/asset covered by value of tangible security is provided for cumulatively as under:

| Category | Provision % |
|---|-------------|
| Sub-Standard Asset | 20% |
| Period for which the advance remains doubtful : | |
| Upto 1 year | 20% |
| More than 1 year and upto 3 years | 50% |
| More than 3 years | 100% |
| Loss Assets | 100% |

- c Additional provisions is also made as and when considered necessary.
d As per RBI Guidelines, provision @ 0.30% is made on Standard Assets.

1.8 Investments

a Long Term Investments

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

b Current Investments

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

1.9 Foreign Currency Transactions

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

1.10 Revenue Recognition

Revenue is recognised as per Accounting Standard - 9 "Revenue Recognition".

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

b Factoring charges are accrued on factoring of debts at the applicable rates.

c Recognition of Processing Fees (PF) / Facility Continuation Fee (FCF):

i) **New Sanction:** Facility Set up fees will be charged for the period from beginning to end of financial year, in which account became sanctioned and are recognized as income only when there is reasonable certainty of its receipt after execution of documents.

ii) **Continuation / Renewal of Limit:** Facility Continuation Fees will be charged in the month of May on the basis of the sanctioned/ capped limits on the core factoring facilities which is current as at 1st April of that financial year. It will be calculated for the entire next financial year on all live Standard 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.

iii) **Enhancement or adhoc limits:** The PF will be 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.

d Revenue excludes Service Tax, wherever recovered.

1.11 Debts Factored

Debts factored represents 'Trade Receivables'. The unpaid balance of debts factored and due to the clients on collection is included under 'Other Current Liabilities' as Liability against collection of Trade Receivables'.

1.12 Taxes on Income

a Current tax is determined as the amount of tax payable in respect of taxable income for the period.

b Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Asset in respect of carry forward of losses and depreciation is recognised only to the extent that there is virtual certainty that sufficient taxable income will be available to realise this asset. All other deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

1.13 Employee Benefits

a Defined Contribution Plan:

Contribution to the recognised Provident Fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss Account during the period in which the employee

renders the related service. The Company has no further obligation under the provident fund plan beyond its monthly contribution.

b **Defined Benefit Plan:**

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

c **Leave Encashments:**

Leave encashment are provided for based on an actuarial valuation.

1.14 Segment Reporting

The company renders Factoring services in India thereby operating in a single business segment as defined under Accounting Standard – 17 'Segment Reporting' as contained in Accounting Standards Rules (2006). The Company operates in a geographical segment where by services are rendered to client having debtors based in India as well as outside India.

1.15 Discount on issue of Commercial Paper

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

1.16 Provision, Contingent Liabilities and Contingent Assets

a Provisions are recognised for liabilities that can be measured only using a substantial degree of estimation, if :

- i The company has a present obligation as a result of a past event.
- ii A probable outflow of resources is expected to settle the obligation.
- iii The amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

b Contingent Liabilities are disclosed in the case of :

- i A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- ii A possible obligation, unless the probability of outflow of resources is remote.

Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet Date.

c Contingent Assets are neither recognised nor disclosed.

1.17 Leased Assets

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

1.18 Earnings Per Share

In accordance with the Accounting Standard 20 (AS – 20) "Earnings Per Share" issued by the Institute of Chartered Accountants of India, basic / diluted earnings per share is computed using the weighted average number of shares outstanding during the period.

1.19 Other Accounting Policies

These are consistent with the generally accepted accounting principles.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

| | | | | |
|--|--|---|--|--|
| 2 | SHARE CAPITAL | | | Rs. in Lakhs except as otherwise stated |
| | Particulars | As at | | |
| | | March 31, 2016 | March 31, 2015 | |
| | Authorized : | | | |
| | 180,000,000 (Previous Year 180,000,000) Equity Shares of Rs.10 each | 18,000 | 18,000 | |
| | 120,000,000 (Previous Year 120,000,000) Preference Shares of Rs.10 each | 12,000 | 12,000 | |
| | | 30,000 | 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 | |
| | TOTAL | 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. | | | |
| 2.1 Disclosure with respect to Shareholding in excess of 5% | | | | |
| | Name of the Equity Shareholder | % of Issued Subscribed and paid up | No. of shares held as on 31.03.2016 | No. of shares held as on 31.03.2015 |
| | 1) State Bank of India | 86.18 (86.18) | 137,786,585 | 137,786,585 |
| | 2) Small Industries Development Bank of India (SIDBI) | 6.53 (6.53) | 10,444,172 | 10,444,172 |
| 2.2 Reconciliation of Shares | | | | |
| | Particulars | As at | | |
| | | March 31, 2016 | March 31, 2015 | |
| | Number of shares at the beginning | 159,885,365 | 159,885,365 | |
| | Number of shares at the end | 159,885,365 | 159,885,365 | |
| 2.3 Rights, Preferences and Restrictions attached to Shares | | | | |
| 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. | | | | |

| 3 RESERVES AND SURPLUS | | Rs. in Lakhs except as otherwise stated | |
|--|--|--|-----------------------|
| Particulars | | As at | |
| | | March 31, 2016 | March 31, 2015 |
| 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 | | 6,337 | 6,337 |
| Add: Transfer from Statement of Profit and Loss | | 18 | - |
| Closing Balance | | 6,354 | 6,337 |
| General Reserve | | | |
| Opening Balance** | | 11,423 | 11,423 |
| Add: Transfer from Contingency Reserve | | - | - |
| Closing Balance | | 11,423 | 11,423 |
| Surplus | | | |
| Opening Balance | | (24,245) | (19,622) |
| Add: Net Profit/(Loss) transferred from Statement of Profit and Loss | | 86 | (4,623) |
| | | (24,159) | (24,245) |
| Less :- | | | |
| Transfer to Reserve Fund * | | 18 | - |
| Transfer to Contingency Reserve | | - | - |
| Closing Balance | | (24,177) | (24,245) |
| | | | |
| TOTAL | | 16,293 | 16,208 |

* Created / transfer in accordance with provision of Section 45-IC of The Reserve Bank of India Act, 1934

**Contingency Reserve has been transferred to General Reserve as on 30th Sept 2013 vide approval received from The Reserve Bank of India dt.26.07.2013.

| 4 LONG TERMS BORROWINGS | | Rs. in Lakhs except as otherwise stated | |
|--|----------------|---|--|
| Particulars | As at | | |
| | March 31, 2016 | March 31, 2015 | |
| Unsecured Loans | | | |
| 9.22% 10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2011-12 (Series - SBIGFL - 09) of Rs. 10 Lakhs each (Maturity date: July 29, 2021) | | | |
| From Banks | - | - | |
| From Others | 10,000 | 10,000 | |
| 8.75% 10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2010-11 (Series - SBIGFL - 08) of Rs. 10 Lakhs each (Maturity date: Aug 25, 2020) | | | |
| From Banks | - | - | |
| From Others | 5,000 | 5,000 | |
| 9.75 % 7 Years 1 Month Unsecured Subordinated Redeemable Non-Convertible Debentures 2008-09 (Series - GTF - 06) of Rs. 10 Lakhs each (Maturity date: Apr 04, 2016) | | | |
| From Banks | - | - | |
| From Others | - | 980 | |
| | | | |
| TOTAL | 15,000 | 15,980 | |
| 5 LONG TERM PROVISIONS | | Rs. in Lakhs except as otherwise stated | |
| Particulars | As at | | |
| | March 31, 2016 | March 31, 2015 | |
| Provision for Bad and Doubtful Debts (Note - 20) | 26,716 | 27,120 | |
| Provision against Standard Assets (Note - 24) | 214 | 274 | |
| Provision for Leave Encashment | 17 | 12 | |
| Provision for Gratuity | - | 5 | |
| TOTAL | 26,947 | 27,411 | |
| 6 SHORT TERM BORROWINGS | | Rs. in Lakhs except as otherwise stated | |
| Particulars | As at | | |
| | March 31, 2016 | March 31, 2015 | |
| Loans from State Bank of India (Parent Company) | | | |
| Working Capital Demand Loan @ | 33,500 | 25,000 | |
| Cash Credit | - | 47 | |
| Foreign Currency Loan * | 5,618 | 3,715 | |
| (USD 71.68 lakhs ,GBP 1.97 lakhs, EUR 9.02 lakhs; March 31, 2015 USD 42.86 lakhs; GBP 3.62 lakhs and EUR 10.44 lakhs) | | | |
| TOTAL | 39,118 | 28,762 | |
| @ Repayable in the month of April, 2016 and the rate of interest is @ 9.30% * The rate of interest payable @ LIBOR plus 1.50% per annum paid on quaterly basis. | | | |

| 7 OTHER CURRENT LIABILITIES | | Rs. in Lakhs except as otherwise stated | |
|---|-----------------------|--|--|
| Particulars | As at | | |
| | March 31, 2016 | March 31, 2015 | |
| Current Maturity of Long Term Debt 9.75 % 7 Years 1 Month Unsecured Subordinated Redeemable Non-Convertible Debentures 2008-09 (Series - GTF - 06) of Rs. 10 Lakhs each (Maturity date: Apr 04, 2016) | | | |
| From Banks | - | - | |
| From Others | 980 | - | |
| Cash Collateral Security received from Clients | - | 10 | |
| Statutory Liabilities | 11 | 12 | |
| Liabilities for Expenses*# | 110 | 101 | |
| Others | 3 | 48 | |
| Discount Charges received in Advance, not accrued | 665 | 754 | |
| Liability against collection of Trade Receivable | 44 | 83 | |
| Interest Accrued but not due@ | 458 | 443 | |
| TOTAL | 2,271 | 1,451 | |
| *There are no amounts due to suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act,2006 | | | |
| # Includes amount payable to related parties Rs. 49 Lakhs (Previous Year Rs. 15 Lakhs) | | | |
| @ Includes interest payable to related parties Rs. 29 Lakhs (Previous Year Rs. 18 Lakhs) | | | |
| 8 SHORT TERM PROVISIONS | | Rs. in Lakhs except as otherwise stated | |
| Particulars | As at | | |
| | March 31, 2016 | March 31, 2015 | |
| Provision for Leave Encashment | 12 | 10 | |
| Provision for Gratuity | 4 | 6 | |
| Wealth Tax (Net of advance tax Rs 0.05 lakhs; March 31, 2015 Rs. Nil) | 1 | 1 | |
| | | | |
| TOTAL | 17 | 17 | |

Rs. in Lakhs except as otherwise stated

9 FIXED ASSETS

| Particulars | Gross Block (At Cost) | | | | | | Depreciation and Amortisation | | | | | Net Block | |
|--------------------------|-----------------------|-----------|------------|---------------|----------------------|---------------------|-------------------------------|------------|---------------|----------------------|----------------------|----------------------|--|
| | As at April 1, 2015 | Additions | Deductions | Adjustments @ | As at March 31, 2016 | As at April 1, 2015 | For the Year | Deductions | Adjustments @ | As at March 31, 2016 | As at March 31, 2016 | As at March 31, 2015 | |
| Tangible Assets | | | | | | | | | | | | | |
| Building * | 992 | - | - | - | 992 | 202 | 17 | - | - | 219 | 773 | 790 | |
| Office Equipment | 157 | 8 | 12 | 6 | 147 | 148 | 3 | 11 | 6 | 135 | 12 | 9 | |
| Computers - Hardware | 512 | 8 | 9 | 159 | 352 | 484 | 15 | 9 | 159 | 331 | 21 | 28 | |
| Furniture and Fixtures | 308 | 8 | 15 | 1 | 300 | 299 | 3 | 15 | 1 | 286 | 14 | 9 | |
| Vehicles | 69 | - | 5 | - | 64 | 55 | 5 | 5 | 0 | 55 | 9 | 14 | |
| Leasehold Improvements | 347 | | 23 | - | 324 | 305 | 13 | 23 | 0 | 295 | 29 | 41 | |
| | 2,385 | 24 | 64 | 166 | 2,179 | 1,493 | 56 | 63 | 166 | 1,321 | 858 | 891 | |
| Intangible Assets | | | | | | | | | | | | | |
| Computers - Software | 431 | 1 | - | - | 432 | 377 | 23 | - | 0 | 400 | 32 | 54 | |
| | 431 | 1 | - | - | 432 | 377 | 23 | - | 0 | 400 | 32 | 54 | |
| Total | 2,816 | 25 | 64 | 166 | 2,611 | 1,870 | 79 | 63 | 166 | 1,721 | 890 | 945 | |
| Previous Period | 2,736 | 112 | 32 | - | 2,816 | 1,824 | 74 | 28 | 0 | 1,870 | 945 | | |

* Includes Rs.500/- being value of share in co-operative Housing Society.

@ During the year on account of physical verification of assets the Company has adjusted an amount of Rs. 166 lakhs in Gross Block and Rs. 166 Lakhs in Accumulated Depreciation.

| 10 DEFERRED TAXES | | Rs. in Lakhs except as otherwise stated | |
|--|-----------------------|--|--|
| Particulars | As at | | |
| | March 31, 2016 | March 31, 2015 | |
| Deferred Tax Asset | | | |
| Provision for Bad and Doubtful Debts | 8,255 | 8,380 | |
| Provision against Standard Assets | 66 | 85 | |
| Provision for Gratuity | 1 | 3 | |
| Disallowances U/s 43B | 9 | 19 | |
| Disallowances U/s 40(a)(ia) | 2 | - | |
| Depreciation and Amortisation | (52) | (38) | |
| TOTAL | 8,281 | 8,448 | |
| 11 LONG TERM LOANS & ADVANCES | | Rs. in Lakhs except as otherwise stated | |
| Particulars | As at | | |
| | March 31, 2016 | March 31, 2015 | |
| (Unsecured, unless otherwise stated) | | | |
| (Considered good by Management except to the extent provided for) | | | |
| Prepaid Expenses | 9 | 10 | |
| Deposits | 242 | 245 | |
| Advance Tax and Tax Deducted at Source (Net of Provision for Tax Rs 6459 lakhs (March 31, 2015 Rs. 6459 lakhs) | 3,844 | 3,531 | |
| TOTAL | 4,095 | 3,786 | |
| 12 DEBTS FACTORED | | Rs. in Lakhs except as otherwise stated | |
| Particulars | As at | | |
| | March 31, 2016 | March 31, 2015 | |
| Debts Factored (Secured) | | | |
| Debts outstanding for a period exceeding six months | | | |
| Considered Good | - | - | |
| Considered Doubtful | 6,727 | 8,382 | |
| Other Debts : | | | |
| Considered Good | 45,096 | 46,046 | |
| Considered Doubtful | - | - | |
| (A) | 51,823 | 54,428 | |
| Debts Factored (Unsecured) | | | |
| Debts outstanding for a period exceeding six months | | | |
| Considered Good | - | - | |
| Considered Doubtful | 22,962 | 26,053 | |
| Other Debts : | | | |
| Considered Good | 26,009 | 9,780 | |
| Considered Doubtful | - | 1,824 | |
| (B) | 48,971 | 37,657 | |
| TOTAL (A+B) | 100,794 | 92,085 | |

| 13 CASH AND CASH EQUIVALENTS | | Rs. in Lakhs except as otherwise stated | |
|--|---|---|---------------------------------|
| Particulars | | As at | |
| | | March 31, 2016 | March 31, 2015 |
| | Cash and Cash Equivalent | | |
| | Cash in hand | 1 | 1 |
| | Bank Balance with Scheduled Banks in Current Account* | 1,489 | 456 |
| | Others | | |
| | Stamps in hand | 1 | 12 |
| | TOTAL | 1,491 | 469 |
| * Includes Rs. Nil (Previous Year Rs. 10 Lakhs) held as cash collateral security | | | |
| 14 SHORT TERM LOANS AND ADVANCES | | Rs. in Lakhs except as otherwise stated | |
| Particulars | | As at | |
| | | March 31, 2016 | March 31, 2015 |
| | (Unsecured, unless otherwise stated) | | |
| | (Considered good by Management except to the extent provided for) | | |
| | Prepaid Expenses | 41 | 45 |
| | Deposits | 4 | 15 |
| | Other Advances | 39 | 25 |
| | TOTAL | 84 | 85 |
| 15 REVENUE FROM OPERATIONS | | Rs. in Lakhs except as otherwise stated | |
| Particulars | | Year ended March 31, 2016 | Year ended March 31, 2015 |
| | | | |
| | Discount Charges | 7,395 | 6,125 |
| | Factoring Charges | 442 | 412 |
| | Processing Charges | 252 | 291 |
| | Bad Debts Recovery in Written off Accounts | 936 | 2,704 |
| | TOTAL | 9,025 | 9,532 |
| 16 OTHER INCOME | | Rs. in Lakhs except as otherwise stated | |
| Particulars | | Year ended March 31, 2016 | Year ended March 31, 2015 |
| | | | |
| | Net Gain/loss on sale of Short Term Investments | 86 | 121 |
| | Other Non-Operating Income | | |
| | Provision for Bad & Doubtful Debts written back (Note - 20) | 404 | - |
| | Provision for Standard Asset written back (Note - 24) | 60 | - |
| | Income on Foreign Exchange Transactions | 69 | 49 |
| | Foreign Exchange Gain | 4 | - |
| | Profit on Sale of Fixed Assets (net) | 3 | - |
| | Interest on Income Tax Refund | - | 109 |
| | Liabilities no Longer Required | 23 | 18 |
| | Other Charges Recovered | 31 | 10 |
| | Other Income | 6 | 16 |
| | TOTAL | 686 | 323 |

| 17 EMPLOYEE BENEFIT EXPENSES | | Rs. in Lakhs except as otherwise stated | |
|---|--|---|---------------------------------|
| Particulars | | Year ended March 31, 2016 | Year ended March 31, 2015 |
| | Salaries, Bonus, Gratuity, etc. | 689 | 636 |
| | Contribution to Provident Fund and other Funds | 20 | 19 |
| | Staff Welfare | 44 | 45 |
| | TOTAL | 753 | 700 |
| 18 FINANCE COST | | Rs. in Lakhs except as otherwise stated | |
| Particulars | | Year ended March 31, 2016 | Year ended March 31, 2015 |
| Interest Expenses on | | | |
| | Non-Convertible Redeemable Debentures | 1,459 | 1,473 |
| | Short Term Loans (including CC Facility) | 215 | 154 |
| | Discount on Commercial Papers | 2,058 | 1,347 |
| Other Borrowing Costs | | | |
| | Bank Charges | 40 | 14 |
| | Credit Rating Fees and Other Charges | 69 | 62 |
| | Other Finance Cost | 7 | 5 |
| | TOTAL | 3,848 | 3,055 |
| 19 OPERATING, ADMINISTRATIVE AND OTHER EXPENSES | | Rs. in Lakhs except as otherwise stated | |
| Particulars | | Year ended March 31, 2016 | Year ended March 31, 2015 |
| | Import Factor Commission | 101 | 63 |
| | Legal and Professional Fees | 138 | 106 |
| | Field Survey Charges | 10 | 13 |
| | Rent, Rates and Taxes | 371 | 349 |
| | Repairs and Maintenance : | | |
| | Building | 29 | 32 |
| | Others | 105 | 93 |
| | Advertisement & Publicity | 9 | 12 |
| | Communication | 63 | 55 |
| | Director's Sitting Fees | 14 | 11 |
| | Auditors' Remuneration | 17 | 15 |
| | Travelling | 56 | 59 |
| | Conveyance | 6 | 5 |
| | Corporate Social Responsibility (Note - 38) | 1 | 1 |
| | Utilities | 63 | 67 |
| | Insurance | 2 | 2 |
| | Membership and Subscription | 9 | 10 |
| | Motor Car Running Expenses | 9 | 11 |
| | Printing and Stationery | 11 | 9 |
| | Outsourcing Costs | 56 | 49 |
| | Foreign Exchange Loss | - | 1 |
| | Loss on Sale of Fixed Assets (net) | - | 0 |
| | Security Charges | 15 | 14 |
| | Service Tax | 73 | 64 |
| | Miscellaneous Expenses | 10 | 7 |
| | TOTAL | 1,168 | 1,048 |

| 20 PROVISION FOR DOUBTFUL DEBTS | | Rs. in Lakhs except as otherwise stated | |
|---|---------------------------------|---|--|
| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 | |
| Provisions made during the year | 4,080 | 11,187 | |
| Less : Written Back | 4,484 | 4,853 | |
| Net Provisions made / (Written back) for the year | (404) | 6,333 | |
| Opening Balance | 27,120 | 20,787 | |
| Closing Balance Carried to Balance Sheet | 26,716 | 27,120 | |

| 21 Contingent Liabilities : | | | |
|-----------------------------|---|----------------|----------------|
| Particulars | | Rs. In Lakhs | |
| | | March 31, 2016 | March 31, 2015 |
| i. | Claims against the Company not acknowledged as debts (to the extent ascertained from the available records) | 32 | - |
| ii | Service Tax matters (under dispute) | 191 | 111 |
| iii | Direct Tax matters - Income Tax | 402 | 354 |
| iv | Direct Tax matters - Tax Deducted at Source | 1 | 69 |
| | | 626 | 534 |

Note: Future cash outflows, if any, in respect of (i) to (iv) above are dependent upon the outcome of judgements/decisions etc.

22. Details of Operating Leases as lessee:

The company has entered into agreements in the nature of Lease/Leave and License Agreements with lessors/licensors. Operating lease rental expenses have been charged in Statement of Profit & Loss Account - Note 19 (Forming part of Rent, Rates & Taxes).

| Particulars | Rs. In Lakhs | |
|---|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Operating lease payments recognised in the Statement of Profit & Loss during the Year | 365 | 340 |

23 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).

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 been given on the basis of information available with the Company.

| Particulars | Rs. In Lakhs | |
|--|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| 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 |

24 Disclosure as required in terms of Accounting Standard 29 (AS 29) on Provisions, Contingent Liabilities and Contingent Assets as at year end is as follows:

| Particulars | Rs. In Lakhs | |
|---|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Provision for Standard Assets as at 01.04.2015 / 01.04.2014 | 274 | 274 |
| Add: Amount provided during the year | - | - |
| Less : Amount Written back during the year (Note - 16) | 60 | - |
| Closing Balance as on 31.03.2016 / 31.03.2015 (Note - 5) | 214 | 274 |

25 The disclosures required under Accounting Standard - 15 on "Employee Benefits" are given below:
Defined Contribution Scheme

| Description | Rs. In Lakhs | |
|---|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Employer's Contribution to Provident Fund | 11 | 12 |
| Employer's Contribution to Pension Fund | 9 | 7 |
| Total | 20 | 19 |

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, 2016 | March 31, 2015 |
|-------------------------|----------------------------|----------------------------|
| Discount Rate | 7.68% | 7.74% |
| Future Salary Increases | 7% p.a. | 7% p.a. |
| Retirement Age | 58 Years | 58 Years |
| Mortality Rate | IALM (2006-08) Ultimate | IALM (2006-08) Ultimate |

b) Changes in Present Value of Obligation

| Particulars | Rs. In Lakhs | |
|---|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| a) Present Value of obligation at the beginning of the year | 65 | 57 |
| b) Interest Cost | 5 | 4 |
| c) Past Service Cost | - | - |
| d) Current Service Cost | 7 | 6 |
| e) Benefits Paid | - | (4) |
| f) Actuarial (gain) / loss on Obligation | (1) | 2 |
| g) Present Value of obligation at the end of the year | 76 | 65 |

| c) Changes in Present Value of Obligation | | |
|--|----------------|----------------|
| Particulars | Rs. In Lakhs | |
| | March 31, 2016 | March 31, 2015 |
| a) Fair value of plan assets at the beginning of the year | 55 | 53 |
| b) Expected Return | 4 | 4 |
| c) Past Service Cost | - | - |
| d) Contributions | 12 | 0 |
| e) Benefits Paid | - | (4) |
| f) Actuarial gain / (Loss) on Plan Assets | 1 | 2 |
| g) Fair value of plan assets at the end of the year | 72 | 55 |
| h) Funded Status | (4) | (10) |
| d) Actuarial gain/loss recognised | | |
| Particulars | Rs. In Lakhs | |
| | March 31, 2016 | March 31, 2015 |
| a) Actuarial (gain) / loss for the year - Obligation | (1) | 2 |
| b) Actuarial (gain) / loss for the year - Plan Assets | 1 | 2 |
| c) Actuarial (gain) / loss recognised in the year | (1) | 1 |
| e) Amounts to be recognised in the Balance Sheet: | | |
| Particulars | Rs. In Lakhs | |
| | March 31, 2016 | March 31, 2015 |
| a) Present Value of obligation at the end of the year | 76 | 65 |
| b) Fair value of plan assets at the end of the year | 72 | 55 |
| c) Funded Status | (4) | (10) |
| d) Net liability recognised in the Balance Sheet | 5 | 10 |
| f) Expenses recognised in the Statement of Profit & Loss: | | |
| Particulars | Rs. In Lakhs | |
| | March 31, 2016 | March 31, 2015 |
| a) Current Service Cost | 7 | 6 |
| b) Past Service Cost | - | - |
| c) Interest Cost | 5 | 4 |
| d) Return on plan assets | (5) | (4) |
| e) Net Actuarial (gain) / loss recognised in the year | (1) | 1 |
| f) Expenses/(Income) recognised in the Statement of Profit & Loss | 6 | 7 |

| g) Investment Details of Plan Assets | | |
|---|----------------|----------------|
| Particulars | Rs. In Lakhs | |
| | March 31, 2016 | March 31, 2015 |
| Assets managed by insurance scheme (100%) | 72 | 55 |

| h) Balance Sheet Reconciliation | | |
|------------------------------------|----------------|----------------|
| Particulars | Rs. In Lakhs | |
| | March 31, 2016 | March 31, 2015 |
| Opening Net Liability | (10) | (4) |
| Expenses as above | 6 | 7 |
| Employers Contribution | 12 | 0 |
| Amount Recognised in Balance sheet | (4) | (10) |

| Rs. In Lakhs | | | | | | |
|--------------|---|----------------|----------------|----------------|----------------|----------------|
| i) | Amount Recognised in current year and previous four years | March 31, 2016 | March 31, 2015 | March 31, 2014 | March 31, 2013 | March 31, 2012 |
| | Defined Benefit Obligation | 76 | 65 | 57 | 51 | 48 |
| | Plan Assets | 72 | 55 | 53 | 56 | 56 |
| | (Surplus)/Deficit | 4 | 10 | 4 | (5) | (8) |
| | Experience adjustments on plan liabilities Loss/ (Gain) | (1) | 2 | 5 | (3) | (3) |
| | Experience adjustments on plan Assets (Loss)/Gain | 1 | 2 | 1 | (4) | (4) |

j) 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:

| | Rs. In Lakhs | |
|------------------|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Privileged Leave | 29 | 22 |

Note:

The Company expects to contribute Rs. 5 Lakhs to Gratuity fund in 2016-17.

| 26 Earnings Per Share: | | | |
|--|-----------|----------------|----------------|
| Particulars | | March 31, 2016 | March 31, 2015 |
| Net Profit / (Loss) after Tax | | 86 | (4,623) |
| Less: Dividend | | - | - |
| Profit / (Loss) available to Equity Shareholders | (A) | 86 | (4,623) |
| Adjusted Net Profit for Diluted Earnings Per Share | (B) | 86 | (4,623) |
| 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) | (D) | 159,885,365 | 15,98,85,365 |
| Nominal Value of Equity Shares (Rs.) | | 10 | 10 |
| Basic Earnings Per Share (Rs.) | (A) / (C) | 0.05 | (2.89) |
| Diluted Earnings Per Share (Rs.) | (B) / (D) | 0.05 | (2.89) |

27 Segment Reporting

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

| | | | | Rs in Lakhs |
|---|-------------|----------|----------------|-------------|
| Particulars | Unallocated | Domestic | International* | Total |
| Revenues from External Customers | - | 8,534 | 491 | 9,025 |
| (Previous Year) | - | (9,314) | (218) | (9,532) |
| Other Income | 182 | 435 | 70 | 686 |
| (Previous Year) | (264) | (10) | (49) | (323) |
| Segmental Expenses | 9,253 | 10 | 195 | 9,458 |
| (Previous Year) | (9,316) | (6,346) | (114) | (15,776) |
| Segmental Results | (9,072) | 8,959 | 366 | 253 |
| (Previous Year) | (-9,052) | (2,978) | (153) | (-5,921) |
| Segment assets | 14,722 | 92,032 | 8,881 | 115,635 |
| (Previous Year) | (13,465) | (85,876) | (6,477) | (105,818) |
| Segment liabilities | 50,760 | 25,973 | 6,620 | 83,353 |
| (Previous Year) | (42,428) | (26,477) | (4,715) | (73,620) |
| Addition made to Fixed Assets | | | | |
| Tangible | 24 | - | - | 24 |
| (Previous Year) | (51) | - | - | (51) |
| Intangible | 1 | | | 1 |
| (Previous Year) | (60) | - | - | (60) |
| * International Segment denotes financing of Export Receivables of Clients. | | | | |

| 28. Disclosure of Unhedged Exposure of Foreign Currency as at year end | | | |
|---|----------|-------------------|---------------------|
| The Foreign Currency Exposures that have not been hedged by a derivatives instrument or otherwise as on 31st March, 2016 are as follows: | | | |
| | Currency | Currency in Lakhs | Amount Rs. in Lakhs |
| (a) Assets (Receivables) | | | |
| | USD | 72 | 4757 |
| | | (43) | (2,678) |
| | EUR | 9 | 680 |
| | | (11) | (706) |
| | GBP | 2 | 192 |
| | | (4) | (344) |
| (b) Liability (Payables) | | | |
| | USD | 0 | 1 |
| | | (0) | (0) |
| | EUR | 0 | 0 |
| | | (0) | (0) |
| | GBP | 0 | 0 |
| | | (0) | (0) |
| (c) Loans Payable | | | |
| | USD | 72 | 4,749 |
| | | (43) | (2,678) |
| | EUR | 9 | 680 |
| | | (10) | (701) |
| | GBP | 2 | 188 |
| | | (4) | (335) |
| As the Company has Foreign Currency outstanding Receivables & Payables which offset each other, the net foreign currency exposure is minimal. | | | |

29. Related Party Disclosures

A. List of Related Party and Relationship

| Name of Related Party | Relationship |
|---|---------------------------------|
| a. Enterprise where control Exists | |
| i. Holding Company | |
| State Bank of India (SBI) | Holding Company |
| ii Fellow Subsidiary Company with whom transactions have taken place during the year | |
| SBI Life Insurance Company Ltd. (SBI LIFE) | Fellow Subsidiary (Non Banking) |
| SBI General Insurance Ltd. | Fellow Subsidiary (Non Banking) |
| SBICAP Trustee Company Limited | Step down Subsidiary |
| SBI Funds Management Private Limited | Fellow Subsidiary (Non Banking) |
| b. Other related parties with whom transactions have taken place during the year | |

Associates/Group Enterprises

| | |
|-----------------------------|----------------|
| State Bank of Mysore (SBM) | Associate Bank |
| State Bank of Patiala (SBP) | Associate Bank |

c. Key Management Personnel/Relatives of Key Management Personnel

| | |
|---|-------------------|
| Mr Arun Kumar Agarwal | MD & CEO |
| Mr. Tushar Buch (upto 24th August, 2015) | SVP & CF&RO |
| Mr. Pankaj Gupta (from 25th August, 2015) | SVP & CF&RO |
| Ms. Amita Joshi | Company Secretary |

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 | Grand Total |
| 1 | EXPENSES | | | | | |
| | Remuneration to MD and CEO | - | | | 36 | 36 |
| | Previous Year | | | | (32) | (32) |
| | Remuneration to SVP & CF&RO | - | | | 26 | 26 |
| | Previous Year | | | | (25) | (25) |
| | Remuneration to Company Secretary | | | | 14 | 14 |
| | Previous Year | | | | (11) | (11) |
| | Salary (Including Perquisite) paid to Deputed Staff * | 278 | - | 16 | | 294 |
| | Previous Year | (253) | | (19) | | (272) |
| | Other Receiving of Services/ Reimbursement of Expenses | 639 | 17 | - | 15 | 671 |
| | Previous Year | (196) | (4) | (0) | (14) | (214) |
| | Total - Current Year | 917 | 17 | 16 | 91 | 1,041 |
| | Total - Previous Year | (449) | (4) | (19) | (82) | (554) |
| 2 INCOME | | | | | | |
| | Rendering of Services/ Reimbursement of Expenses | 0 | | | | 0 |
| | Previous Year | - | | | | - |
| | Rental Income | 3 | | | | 3 |
| | Previous Year | (3) | | | | (3) |
| | Dividend on Preference / Equity Shares / Mutual fund | | | | | - |
| | Previous Year | | | | | - |
| | Profit on sale of Units of Mutual fund | - | 26 | - | - | 26 |
| | Previous Year | | (30) | | | (30) |
| | Total - Current Year | 4 | 26 | - | - | 30 |
| | Total - Previous Year | (3) | (30) | - | - | (33) |
| 3 SHARE CAPITAL & RESERVES | | | | | | |
| | Equity Share Capital | 13,779 | | | | 13,779 |
| | Previous Year | (13,779) | | | | (13,779) |
| | Share Premium | 16,437 | | | | 16,437 |
| | Previous Year | (16,437) | | | | (16,437) |
| | Total - Current Year | 30,216 | - | - | - | 30,216 |
| | Total - Previous Year | (30,216) | - | - | - | (30,216) |

| 4 ASSETS | | | | | | |
|---|---|----------|----------|-----|-----|----------|
| | Amounts Receivable / Advance | - | - | - | - | - |
| | Previous Year | (1) | | | | (1) |
| | Bank Balances | 1,298 | - | - | - | 1,298 |
| | Previous Year | (9) | | | | (9) |
| | Total - Current Year | 1,298 | - | - | - | 1,298 |
| | Total - Previous Year | (10) | - | - | - | (10) |
| 5 LIABILITY | | | | | | |
| | Debentures | - | - | - | - | - |
| | Previous Year | (0) | | | | - |
| | Unsecured Loans | 39,118 | - | - | - | 39,118 |
| | Previous Year | (28,762) | | | | (28,762) |
| | Salary Payable / Amounts Payable / Interest Payable | 67 | - | - | 11 | 78 |
| | Previous Year | (27) | | (0) | (5) | (33) |
| | Total - Current Year | 39,185 | - | - | 11 | 39,196 |
| | Total - Previous Year | (28,789) | - | (0) | (5) | (28,795) |
| 6 TRANSACTIONS | | | | | | |
| | Purchase of Fixed Assets | 5 | - | - | - | 5 |
| | Previous Year | (2) | | | | (2) |
| | Sale of Fixed Assets | - | - | - | - | - |
| | Previous Year | (2) | | | | (2) |
| | Commercial Papers Taken | 39,107 | - | - | - | 39,107 |
| | Previous Year | (5,000) | | | | (5,000) |
| | Commercial Papers Repaid | 39,500 | - | - | - | 39,500 |
| | Previous Year | (5,000) | | | | (5,000) |
| | Loan Taken | 40,000 | - | - | - | 40,000 |
| | Previous Year | (32,500) | | | | (32,500) |
| | Repayment of Loan | 31,500 | - | - | - | 31,500 |
| | Previous Year | (37,000) | | | | (37,000) |
| | Investment in Schemes of Mutual Fund | - | 80,900 | - | - | 80,900 |
| | Previous Year | | (81,750) | | | (81,750) |
| | Redemption of Schemes of Mutual Fund | - | 80,926 | - | - | 80,926 |
| | Previous Year | | (81,780) | | | (81,780) |
| Note :- Transactions above are inclusive of Service Tax, wherever applicable. | | | | | | |
| *Includes amount paid towards Remuneration to MD & CEO and SVP & CF&RO. | | | | | | |

| 30 Estimated amount of contracts to be executed on capital account not provided for (Net of advances) Rs Nil (Previous Year Rs Nil) | | | |
|--|--|----------------|----------------|
| 31 Auditors' Remuneration: | | | |
| | | Rs. in Lakhs | |
| | | March 31, 2016 | March 31, 2015 |
| | For Statutory Audit | 9 | 9 |
| | For Limited Review | 3 | 3 |
| | For Tax Audit | 2 | 2 |
| | For Other Services (Including certification) | 3 | 0 |
| | For Out of pocket expenses | 0 | 1 |
| | TOTAL | 17 | 15 |
| 32 Expenditure in Foreign Currency (On Accrual basis) | | | |
| | | Rs. in Lakhs | |
| | | March 31, 2016 | March 31, 2015 |
| | Correspondent Fees | 101 | 63 |
| | Travelling | 4 | - |
| | Membership and Subscription | 1 | 1 |
| | Interest on Short Term Loans | 92 | 50 |
| | Others | 13 | - |
| | TOTAL | 210 | 114 |
| 33 Earnings in Foreign Currency: | | | |
| | | Rs. in Lakhs | |
| | | March 31, 2016 | March 31, 2015 |
| | Income from Factoring : | | |
| | Interest | 204 | 46 |
| | Factoring Charges | 191 | 105 |
| | Processing Charges | 41 | 16 |
| | Miscellaneous Income | 1 | 0 |
| | TOTAL | 437 | 167 |

| 34 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, 2016 | | March 31, 2015 | |
| | | 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*) | 16,410 | - | 16,406 | - |
| | (b) Deferred Credits | - | - | - | - |
| | (c) Term Loans | 39,146 | - | 28,733 | - |
| | (d) Inter-corporate loans and borrowing | - | - | - | - |
| | (e) Commercial Paper | - | - | - | - |
| | (f) Other Loans (specify nature) | - | - | - | - |
| ASSETS SIDE : | | Amount Outstanding | | | |
| | | March 31, 2016 | | March 31, 2015 | |
| | | Rs. in lakhs | | Rs. in lakhs | |
| 2 | Break-up of Loans and Advances including bills receivables [other than those included in (3) below:] # | | | | |
| | (a) Secured | - | | - | |
| | (b) Unsecured | 334 | | 340 | |
| | (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 investment | | | | |
|---|---------------------------------|-----------------------------|-----------|-------|
| 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) | - | - |
| | | | | |
| 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 | | 334 | 334 |
| | (Previous Year) | - | 340 | 340 |
| | Total (Current year) | - | 334 | 334 |
| | Total (Previous year) | - | 340 | 340 |

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

| Category | | March 31, 2016 | | March 31, 2015 | | |
|----------|--------------------------------------|---|------------------------------------|---|------------------------------------|---|
| | | Market Value/ Break-up or fair value or NAV | Book value (net of provisions) | Market Value/ Break-up or fair value or NAV | Book value (net of provisions) | |
| 1 | Related Parties | | | | | |
| | (a) Subsidiaries | - | - | - | - | |
| | (b) Companies in the same group | - | - | - | - | |
| | (c) Other related parties | - | - | - | - | |
| | 2 Other than related parties | - | - | - | - | |
| | Total | - | - | - | - | |
| 7 | Other Information Particulars | | March 31, 2016 Rs. in Lakhs | | March 31, 2015 Rs. in Lakhs | |
| | (i) | Gross Non Performing Assets | | | | |
| | | (a) Related Party | - | - | - | - |
| | | (b) Other than Related Parties | 29,688 | 36,259 | | |
| | (ii) | Net Non-Performing Assets | | | | |
| | | (a) Related Party | - | - | - | - |
| | | (B) Other than Related Parties | 2,972 | 9,139 | | |
| | (iii) | Assets acquired in satisfaction of debts | - | - | - | - |

35 (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

| | |
|--|---|
| 1) SBICAP Trustee Company Ltd. Apeejay House, 6th Floor, Dinshaw Wachha Road, Chuechgate, Mumbai - 400 020 Tel: 022 - 43025555, Extn: 502 Fax: 022 - 22040465 | 2) 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) (a) Credit rating and change in credit rating (if any); | Disclosed in Note - 36 (viii) |
| (b) Debt-Equity ratio; | 0.58 |
| (c) (i) Previous due date for the payment of interest | |
| - 8.75% Tier II Bonds (10 Year) | 25.08.2015 |
| - 9.22% Tier II Bonds (10 Years) | 29.01.2016 |
| - 9.75% Tier II Bonds (7 Years & 1months) | 05.03.2016 |
| (ii) Repayment of principal of non convertible debt securities | NA |
| (d) (i) Next due date for the payment of Interest | |
| - 8.75% Tier II Bonds (10 Year) | 25.08.2016 |
| - 9.22% Tier II Bonds (10 Years) | 29.07.2016 |
| - 9.75% Tier II Bonds (7 Years & 1 month) | 04.04.2016 |
| (ii) Principal along with the amount of interest | |
| - 8.75% Tier II Bonds (10 Years) | 25.08.2020 |
| - 9.22% Tier II Bonds (10 Years) | 29.07.2021 |
| - 9.75% Tier II Bonds (7 Years & 1 month) | 04.04.2016 |
| (e) Capital redemption reserve / Debenture redemption reserve; | NA |
| (f) Net Worth; | 32,282 |
| (g) Net Profit After Tax; | 86 |
| (h) Earnings Per Share: | 0.05 |

| | | | |
|--|---|---|---------------------|
| 36 | 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: | | |
| i. Capital Risk Adequacy Ratio | | | |
| Capital | | | |
| Items | | | Rs. in Lakhs |
| i) | CRAR (%) | | 43.09 |
| ii) | CRAR - Tier I Capital (%) | | 46.72 |
| iii) | CRAR - Tier II Capital (%) | | 28.55 |
| iv) | Amount of subordinate debt raised as Tier-II | | 30.91 |
| v) | Amount raised by issue of Perpetual Debt Instruments | | 14.53 |
| | | | 15.81 |
| | | | 11,960 |
| | | | 11,820 |
| | | | - |
| | | | - |
| 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. | | | |
| ii Investment | | | |
| Items | | | Rs. in Lakhs |
| Rs. in Lakhs | | | Rs. in Lakhs |
| 1) | Value of Investment | | |
| i) | Gross Value Of Investment | | |
| | (a) In India | - | - |
| | (b) Outside India | - | - |
| ii) | Provisions for Depreciation | | |
| | (a) In India | - | - |
| | (b) Outside India | - | - |
| iii) | Net Value of Investment | | |
| | (a) In India | - | - |
| | (b) Outside India | - | - |
| 2) | Movement of Provisions held towards depreciation on investments | | |
| i) | Opening balance | - | - |
| ii) | Add: Provisions made during the year | - | - |
| iii) | Less: Write-off / write-back of excess provisions during the year | - | - |
| iv) | Closing Balance | - | - |
| iii. Derivatives - The company is not holding any derivative instrument as on date, therefore the disclosure is not applicable | | | |
| iv. Disclosure on Risk Exposure in Derivatives - Not Applicable | | | |
| v. Disclosure relating to Securitisation - Not Applicable | | | |

vi. Asset Liability Management

Asset Liability Management Maturity pattern of certain items of assets and liabilities

| (Rs. in Lakhs) | | | | | | | | | |
|-------------------------------|------------------|------------------------------|-----------------------------|-----------------------------|---------------------------|--------------------------|---------------------------|--------------|--------|
| 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 years upto 5 years | Over 5 years | Total |
| Deposits | | | | | | | | | |
| Advances | | | | | | | | | |
| - Domestic | 49,267 | 21,116 | 13,055 | 10,133 | - | - | - | - | 93,571 |
| - Foreign | 4,673 | 1,132 | 1,282 | 136 | - | - | - | - | 7,223 |
| Investments | | | | | | | | | |
| Borrowing | | | | | | | | | |
| - CC Facility | 5,618 | - | - | - | - | - | - | - | 5,618 |
| - WC DL | 33,500 | - | - | - | - | - | - | - | 33,500 |
| Debentures | 980 | - | - | - | - | - | 5,000 | 10,000 | 15,980 |
| Foreign Currency assets | | | | | | | | | |
| - Bank Accounts | 119 | - | - | - | - | - | - | - | 119 |
| Foreign Currency liability | | | | | | | | | |
| - Import Factoring Commission | 9 | - | - | - | - | - | - | - | 9 |
| - Interest Payable on Loan | 1 | - | - | - | - | - | - | - | 1 |

| vii Exposure | | | |
|---|---|-----------------------|----------------|
| a) Exposure to Real Estate Sector * | | Rs. In Lakhs | |
| Category | | March 31, 2016 | March 31, 2015 |
| 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 | 4,524 | 4,691 |
| (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 | 2,537 | 1,300 |
| (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 * | | 7,061 | 5,991 |
| * Above amounts reflects exposure towards collateral security accepted against the Factoring facility (Receivable financing) provided to the clients. | | | |
| 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 | | | |
| d) Details of Single Borrower limit (SGL)/Group Borrower Limit (GBL) exceeded by the NBFC - There are no accounts where the limit is exceeded | | | |
| e) Unsecured Advances | | Rs. In Lakhs | |
| Type of Security | | March 31, 2016 | |
| Insured through overseas Import Factor | | 4,494 | |
| Secured by way of Assignment of Receivables and through Residual / Subservient Charge | | 42,683 | |
| Fully Unsecured | | 1,794 | |
| Total | | 48,971 | |

| viii 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 29 | | | | | | |
| 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) | 100,000 | Long Term Fund Based Bank Lines | 4-Mar-16 | 3-Mar-17 |
| ii) | ICRA | [ICRA]AAA (Stable) | 15,980 | Non-Convertible Debentures Programme(Long-Term) | 4-Mar-16 | 3-Mar-17 |
| iii) | ICRA | [ICRA]A1+ | 100,000 | Short Term Fund Based Bank Lines | 4-Mar-16 | 3-Mar-17 |
| iv) | ICRA | [ICRA]A1+ | 200,000 | Short Term Debt Programme | 4-Mar-16 | 3-Jun-17 |
| v) | CRISIL | CRISIL A1+ | 200,000 | Short Term Debt Programme | 9-Mar-16 | 8-May-16 |
| vi) | CRISIL | CRISIL AAA/ Negative | 25,000 | Non-Convertible Debentures Programme(Long-Term) | 26-Nov-15 | 25-Oct-16 |
| Rating for i) to v) above were same for the previous period. However, for vi) the rating was CRISILAAA/Stable. | | | | | | |

| | | | |
|--|-----------------------|-----------------------|---------------------|
| e) Prior Period Items - An amount of Rs. 4 Lakhs (Previous Year Rs. 2 Lakhs) is forming part of Miscellaneous Expenses (Note - 19). | | | |
| f) Revenue Recognition - There are no such significant uncertainties where Revenue Recognition is postponed. | | | |
| g) Consolidated Financial Statements - Not Applicable | | | |
| ix Additional Disclosure | | | |
| a) Provisions and Contingencies | | | |
| | | | Rs. In Lakhs |
| Break up of 'Provisions and Contingencies' show under the head Expenditure in Statement of Profit and Loss Account | March 31, 2016 | March 31, 2015 | |
| Provisions for depreciation on Investment | - | - | |
| Provision towards NPA* | (404) | 6,333 | |
| Provision made towards Income Tax | - | - | |
| Other Provision and Contingencies (with details) | - | - | |
| Provisions for Standard Assets* | (60) | - | |
| * Provision written back during the year. | | | |
| b) Draw Down from Reserves - Not Applicable | | | |
| c) Concentration of Deposits, Advances, Exposures and NPAs | | | |
| | | | Rs. In Lakhs |
| i) Concentration of Deposits | March 31, 2016 | March 31, 2015 | |
| Total Deposits of twenty largest depositors | - | - | |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC | - | - | |

| | | | Rs. In Lakhs | |
|---|-----|---|--|---------------------------|
| ii) Concentration of Advances | | | March 31, 2016 | March 31, 2015 |
| Total Advances of twenty largest borrowers | | | 57,992 | 49,492 |
| Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC | | | 57.54 | 53.75 |
| | | | Rs. In Lakhs | |
| iii) Concentration of Exposures (i + ii) | | | March 31, 2016 | March 31, 2015 |
| Total Exposure to twenty largest borrowers /customers | | | 57,992 | 49,492 |
| Percentage of exposure to twenty largest borrowers / customers to Total Exposure of NBFC on borrowers / customers | | | 57.54 | 53.75 |
| | | | Rs. In Lakhs | |
| iv) Concentration of NPAs | | | March 31, 2016 | March 31, 2015 |
| Total Exposure to top four NPA Accounts | | | 10,012 | 11,257 |
| d) Sector-wise NPAs | | | | |
| Sector | | | Percentage of NPAs to Total Advances in that sector | |
| | 1 | Agriculture & allied activities | - | |
| | 2 | MSME | 22.47 | |
| | 3 | Corporate Borrowers | 30.62 | |
| | 4 | Services | 30.25 | |
| | 5 | Unsecured Personal Loan | - | |
| | 6 | Auto Loans | - | |
| | 7 | Other personal Loans | - | |
| e) Movements of NPAs | | | | |
| | | | Rs. In Lakhs | |
| Particulars | | | March 31, 2016 | March 31, 2015 |
| | i | Net NPAs to Net Advance (%) | 4.01% | 14.07% |
| | ii | Movement of NPAs (Gross) | | |
| | | (a) Opening Balance | 36,259 | 34,705 |
| | | (b) Additions during the year | 380 | 6,494 |
| | | (c) Reductions during the year | 6,951 | 4,940 |
| | | (d) Closing balance | 29,688 | 36,259 |
| | iii | Movement of Net NPAs | | |
| | | (a) Opening Balance | 9,139 | 13,918 |
| | | (b) Additions during the year | 304 | 4,877 |
| | | (c) Reductions during the year | 6,471 | 9,656 |
| | | (d) Closing balance | 2,972 | 9,139 |
| | iv | Movement of Provisions of NPAs (Excluding Provision on Standard Assets) | | |
| | | (a) Opening Balance | 27,120 | 20,787 |
| | | (b) Provision made during the year | 4,080 | 11,187 |
| | | (c) Write off / write back of excess provisions | 4,484 | 4,853 |
| | | (d) Closing Balance | 26,716 | 27,120 |

| | | |
|---|---|---------------------|
| f) 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 | | |
| | | Rs. In Lakhs |
| a) | No. of Complaints pending at the beginning of the year | Nil |
| b) | No. of Complaints received during the year | Nil |
| c) | No. of Complaints redressed during the year | Nil |
| d) | No. of Complaints pending at the end of the year | Nil |
| 37 | 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 amounting to Rs Nil (Previous Year :Rs. 177 Lakhs fraud detected) during the current year and the same is provided for. | |
| 38 | As per provisions of the Companies Act, 2013 the Company has during the year incurred expenditure relating to CSR activities amounting to Rs. 1 Lakh (Previous Year Rs. 1 Lakh) and the same is reflected under Operating and Amortization and Other Expenses in Note 19. | |
| 39 | The previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary. | |

| | | | |
|--|---|--|--|
| <p>As per our report of even date</p> <p>For Mukund M. Chitale & Co. Chartered Accountants Firm Registration No. 106655W</p> <p>S.S.Dikshit Partner M.No. 41516 Place : Mumbai Date : April 23, 2016</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>Arundhati Bhattacharya Chairman DIN :- 02011213</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : April 20, 2016</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Arun Kumar Agarwal Managing Director & CEO DIN :- 06518822</p> <p>Amita Joshi Company Secretary</p> </td> </tr> </table> | <p>Arundhati Bhattacharya Chairman DIN :- 02011213</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : April 20, 2016</p> | <p>Arun Kumar Agarwal Managing Director & CEO DIN :- 06518822</p> <p>Amita Joshi Company Secretary</p> |
| <p>Arundhati Bhattacharya Chairman DIN :- 02011213</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : April 20, 2016</p> | <p>Arun Kumar Agarwal Managing Director & CEO DIN :- 06518822</p> <p>Amita Joshi Company Secretary</p> | | |

Balance Sheet

As at March 31, 2016

| | (in US \$) | |
|---|--------------------|--------------------|
| | March 31, 2016 * | March 31, 2015 ** |
| I. EQUITY AND LIABILITIES | | |
| (1) Shareholder's Funds | | |
| (a) Share Capital | 24,131,819 | 25,581,658 |
| (b) Reserves and Surplus | 24,590,784 | 25,933,207 |
| | 48,722,603 | 51,514,865 |
| (2) Non-Current Liabilities | | |
| (a) Long Term Borrowings | 22,639,801 | 25,568,000 |
| (b) Long Term Provisions | 40,678,900 | 43,857,269 |
| | 63,318,701 | 69,425,269 |
| (3) Current Liabilities | | |
| (a) Short-Term Borrowings | 59,040,908 | 45,943,439 |
| (b) Other Current Liabilities | 3,428,775 | 2,397,352 |
| (d) Short-term provisions | 19,304 | 26,525 |
| | 62,488,987 | 48,367,316 |
| Total | 174,530,291 | 169,307,450 |
| II. ASSETS | | |
| (1) Non-Current Assets | | |
| (a) Fixed Asset | | |
| Tangible Asset | 1,295,717 | 1,425,267 |
| Intangible Asset | 48,097 | 86,257 |
| (b) Deferred Tax Assets (net) | 12,499,194 | 13,516,941 |
| (c) Long Term Loans and Advances | 6,179,865 | 6,057,569 |
| | 20,022,873 | 21,086,034 |
| (2) Current Assets | | |
| (a) Debts Factored, Loans and Advances | 152,130,735 | 147,335,307 |
| (b) Cash and Cash Equivalent | 2,249,971 | 749,981 |
| (c) Short Term Loans and Advances | 126,712 | 136,128 |
| | 154,507,418 | 148,221,416 |
| Total | 174,530,291 | 169,307,450 |
| <p>* 1 US \$ = 66.255 ** 1 US \$ = 62.50</p> <p>Note : Previous year's figures have been regrouped / recast / reworked / rearranged / reclassified wherever necessary</p> | | |

Statement of Profit and Loss

For the year ended March 31, 2016

| (in US \$) | | |
|--|-------------------------------|---------------------------------|
| | Year ended March 31, 2016* | Year ended March 31, 2015 ** |
| Revenue from Operations | 13,621,427 | 15,251,436 |
| Other Income | 1,035,317 | 516,524 |
| Total Revenue | 14,656,744 | 15,767,959 |
| Expenses | | |
| Employee Benefit Expense | 1,137,054 | 1,118,420 |
| Financial Costs | 5,807,684 | 4,887,933 |
| Depreciation and Amortization Expense | 119,634 | 118,351 |
| Operating, Administrative and Other Expenses | 1,762,576 | 1,677,598 |
| Bad Debts Written Off | 5,449,368 | 7,305,857 |
| Provision for Bad and Doubtful Debts/Investments | - | 10,133,496 |
| Total Expenses | 14,276,316 | 25,241,656 |
| Profit/(Loss) before Tax | 380,428 | (9,473,697) |
| Tax Expense: | | |
| Current Tax | - | - |
| Deferred Tax | 251,348 | (2,077,308) |
| Profit (Loss) after Tax | 129,080 | (7,396,388) |
| <p>* 1 US \$ = 66.255 ** 1 US \$ = 62.50</p> <p>Note : Previous year's figures have been regrouped / recast / reworked / rearranged / reclassified wherever necessary</p> | | |

Registered Office

Mumbai

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E-mail: contact@sbiglobal.in website: www.sbiglobal.in
CIN : U65929MH2001PLC131203

BRANCHES:

Mumbai

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Bandra-East, Mumbai -400051
Tel: 022 - 30440300 / 66946000 / 26573976
Fax: 022 - 66946098/99, 26572719, 26572006, 26572072

Bangaluru

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#47, Dickenson Road, Bangalore - 560042
Tel: 080 - 30569746 Fax: 080 - 40923761

Chennai

2nd 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 - 30648460 Fax: 040 - 30648466

BANKERS

State Bank of India
Axis Bank
HDFC Bank
Standard Chartered Bank

AUDITORS

Mukund M. Chitale & Co.
Chartered Accountants
2nd Floor, Kapur House, Paranjape B Scheme,
Road No. 1, Vile Parle (E), Mumbai - 400 057

SOLICITORS

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

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

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 / 6
Fax: 033 - 2475 6383

Ludhiana

1st Floor, 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 - 30482094
Fax: 011 - 4160 8580

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Office No. 103, 1st Floor, "Renaissance" 1277,
Jangli Maharaj Road, Pune - 411 004
Tel: 020 - 25536777
Fax: 020 - 25536700/701

SBIGFL - DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai – 400 001.
Contact Person: Mr. Ajit Guruji
Contact Details: Tel: 91 022 4080 7001
Fax: (022)66311776 Mob: 09820343679
E-mail: ajit.guruji@idbitrustee.com
Website: <http://www.idbitrustee.com>