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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 Dinesh Kumar Khara	Director
Smt. Bharati Rao	Independent Director
Dr. B.K. Vatsaraj	Independent Director
Shri Narayanan Raja	Independent Director
Shri Krishna Iyer Mani	Director
Shri R.B. Kshirsagar	Director
Shri G.R. Padalkar	Director (up to 20-07-2017)
Shri Pranab Kumar Saha	Director (w.e.f. 20-07-2017)
Shri Tushar Buch	Managing Director & CEO

On way to becoming a Full Member from an associate Member of FCI...

".....By now everybody at SBIGFL was quite excited about the future prospects and our Board of Directors seemed to be gaining confidence in our efforts to turnaround the fortunes of the company. We revamped our website. SBIGFL even won a recognition from FCI at Singapore Annual Meeting in 2015 in the category "best improvement in quality of service by an export factor". In 2016, when the turnover reached EUR 38 million, there was some sense of disappointment at not having achieved the coveted EUR 40 million mark. But this only spurred us to work harder and by March 2017, we had aggregate turnover for 12 consecutive months of EUR 42 million. In short time of 3 years, we had progressed from almost losing our membership to becoming a Full Member. However, more exciting times lie ahead as we look to having at least 20% turnover under 2-factor model and 10% of our FIU coming from export factoring."

as published by FCI on 28th July 2017

Board of Directors



Smt. Arundhati Bhattacharya
Chairman



Shri Dinesh Kumar Khara
Director



Smt. Bharati Rao
Director



Dr. B. K. Vatsaraj
Director



Shri R. B. Kshirsagar
Director



Shri Narayanan Raja
Director



Shri Krishna Iyer Mani
Director



Shri Tushar Buch
Managing Director & CEO



Shri G.R. Padalkar
Director
(up to 20.07.2017)



Shri Pranab Kumar Saha
Director
(w.e.f. 20.07.2017)

Directors' Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

Your Directors have pleasure in presenting the 16th Annual Report of SBI Global Factors Limited ('SBIGFL') along with the audited Balance Sheet as at March 31, 2017 and Statement of Profit & Loss for the year 2016-17.

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. 34 Crores, by a conscious strategy to:

- grow the portfolio selectively, especially by tapping opportunities in Services Sector (logistic, fleet transport, ITeS etc.)
- de-risk Balance Sheet by exiting from riskier assets,
- minimise slippages in Asset Quality, and
- improve profitability by concentrating on recovery/upgradation of AUCA/NPA Accounts.

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

(Rs. in cr.)

Key Parameters	Actual 2015-16	Projected 2016-17	Actual 2016-17
-Turnover (Revenue from Operations) *	90	109	92
FIU	1,008	1,125	1,060
Gross NPAs	297	235	283
Net NPAs	30	6	28
Operating Profit	34	40	34
PBT	3	38	3
PAT	1	26	1
Recovery from Written-off A/cs	9	15	2
* as per Companies Act, 2013, Revenue from Operations alone constitute turnover. However, as per Factoring Industry practice, turnover refers to turnover of all invoices lodged by clients. As per this definition turnover is as follows:			
-Turnover (Invoices Booked / Business Turnover) of the Company	2,532	3,000	3,047

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, 2017, 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, 2017 is as high as 40.15 % (As per Basel II norms) against 15 % stipulated by the RBI.

THE COMPANIES ACT, 2013

As on March 31, 2017, 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,

- Shri Tushar Buch, General Manager (TEGS-VII), SBI, was designated as the Managing Director & Chief Executive Officer of SBIGFL with effect from July 01, 2016, in place of Shri Arun Kumar Agarwal.
- Shri Arun Kumar Agarwal, the then Managing Director & Chief Executive Officer of the Company, who came on deputation from SBI on February 27, 2013 was relieved from the services of the Bank on superannuation as at the close of business hours on June 30, 2016.

There are no cases filed in the Financial Year 2016 -17, under the Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) for the Company.

As on 31st March, 2017, the staff strength of SBIGFL is 91, including 14 executives/employees on deputation from SBI.

INFORMATION TECHNOLOGY

In order to transform the entire ecosystem of public services through the use of Information Technology, the Government of India has launched the Digital India program with the vision to transform India into a digitally empowered society and knowledge economy. SBI Global Factors Limited has taken a step forward to promote Digital India Program of Indian Government by developing e-platform for its customer to do transactions, send inquiries and to view statements. This platform helps the Company to serve its Clients more efficiently.

CREDIT RATING

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

RATING AGENCY	RATING	AMOUNT	INSTRUMENT/FACILITY
ICRA	[ICRA]AAA (stable)	Rs. 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. 1000 Crs.	Short Term Debt Programme
CRISIL	CRISIL AAA/ (Negative)	Rs. 150 Crs.	Non-Convertible Debentures Programme (Long Term)

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

The Company continues to augment resources from competitive sources and during the year under review, it raised Rupee resources by borrowing through Debt Instruments like Commercial Papers, and Short Term Credit facilities from leading Commercial Banks. 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

Debt Management continued to be an arduous task during the Financial Year 2016-17. In addition to challenges in recovery of bad debts, Company was confronted with Stressed Assets amounting to Rs.117.07 Crores which had to be prevented from slipping into Sub Standard category. Despite close follow up of these accounts and preventive measures, 6 accounts amounting to

Rs. 40.87 Crores eventually slipped into NPA category during the first 3 quarters. Of these 4 accounts pertained Iron and to Steel Industry, in which slow down continued throughout Financial Year 2016-17 too. However, during the Q4, one of these newly turned NPA (Rs.11.89 Crores) was upgraded to standard category and further slippages were prevented. The net upgradation and recovery during the year was Rs. 16.75 Crores.

- ii) In terms of the revised guidelines by RBI on provisioning, a total provision of Rs. 31 Crores towards new and ageing NPAs was required to be made, which had huge adverse impact on Company's bottom line. During the year, the Company transferred hard core delinquent assets worth Rs. 37.82 Crores off the Balance Sheet. However, the recovery measures by resources to legal action against these Clients are continuing.
- iii) With regard to the recovery from the Advances under Collection Accounts (AUCA), the Company could recover only Rs. 2.30 Crores as against Rs. 9.35 Crores last year. This is due to the general economic slackness, tight liquidity conditions due to demonetization and also the continuing impediments in pursuing legal cases, both under Sec 138 of Negotiable Instruments Act as well as Civil Suits/ Company Petitions filed.
- iv) One of the long pending demands of NBFCs was accepted by the Govt. of India. On 5th August 2016, Ministry of Finance through its gazette notification approved 196 NBFCs including SBI Global Factors Limited as a 'Financial Institution (FI)' under SARFAESI Act, 2002. The Company immediately initiated action under SARFAESI Act, where collateral security by mortgage is available; although the final outcome would be known only in the Financial Year 2017-18. During the year Company agreed to fall in line with the Consortium lenders and sold a financial asset with principal outstanding of Rs. 17.89 Crores to an ARC against a cash recovery of Rs.0.67 Crore and acceptance of Security Receipts of Rs. 3.83 Crores against remaining settlement amount.
- v) Concerted efforts were taken to contain fresh NPAs and reduce the existing NPAs which stood at Rs. 362.59 Crores in March, 2015 and came down to Rs. 296.88 Crores in March, 2016. The gross NPA has further been contained at Rs. 282.82 Crores in March, 2017. The percentage of NPA to the total FIU outstanding (net of INCA) is also gradually coming down from 39% in 2015 to 29% in 2016 and 27% in 2017. The net NPAs of Rs.27.64 Crores constitute 2.61% of the total assets as against 2.94% in the previous year.

Company has thus spared no effort to contain and recover the NPAs by persistent following directly with defaulting Clients, close monitoring of legal Cases as well as settlement through compromise route. Prospects of recovery, however, remain a challenge for your Company.

TRANSFER TO RESERVE

The Company has not transferred any amount to General Reserve in the Financial Year 2016-17, whereas the Company has transferred Rs. 20.22 Lacs 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 year 2016-17, the Directors do not propose payment of any Dividend to the Equity Shareholders for the Financial Year ended March 31, 2017.

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 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, 2017, there are 91 employees in company (77 Direct Staff and 14 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 2016-17 is 12.92 %. The remuneration paid to employee is as per the Remuneration policy of the Company. For SBI deputees, including Managing Director & CEO and Chief Financial Officer (KMPs), the Remuneration increased as applicable to their pay scales in SBI.

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure A".

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals and the intervening gap between the Meetings during the year 2016-17 was within the period prescribed under the Companies Act, 2013. The notice of the Board Meeting was given well in advance to all Directors.

Four Board Meetings and Four Audit Committee Meetings were held during the Financial Year. The Board met on April 20 2016, July 22, 2016, October 10, 2016, and January 16, 2017. The Audit Committee met on April 20, 2016, July 22, 2016, October 10, 2016 and January 16, 2017.

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 Nine Directors including six Nominee Directors and three Independent Directors. During the Financial Year ended on 31st March, 2017 :

- (i) Shri Arun Kumar Agarwal (Director Identification Number : 06518822) ceased as (a) the Managing Director & C.E.O. (i.e. a Nominee Director of State Bank of India), (b) a Member of (i) the Executive Committee of the Board, (ii) the HR Sub-Committee of the Board, (iii) the Risk Management Committee of the Board, (iv) the Corporate Social Responsibility (CSR) Committee of the Board, and (c) the Trustee and the Chairperson of SBI Global Factors Limited Staff Gratuity Fund Trust – with effect from July 01, 2016 consequent upon his retiring from the services of State Bank of India from the close of the business on June 30, 2016 (i.e. with effect from July 01, 2016).
- (ii) Equity Shareholders of the Company, at their Annual General Meeting held on September 08, 2016, considered and appointed Shri Tushar Kishorechandra Buch, Top Executive Grade Scale VII (“TEGS VII”), as the Managing Director & C.E.O. (i.e. a Nominee Director of State Bank of India), on the Board of Directors of the Company, for a period of two years, from the date he assumed charge of his new assignment (viz., from July 01, 2016 to June 30, 2018, both days inclusive), on the Bank’s usual terms and conditions.
- (iii) Shri Gajanan Ramakant Padalkar (General Manager, DFB & IBD and Treasury, Union Bank of India, Central Office, Mumbai) (Director Identification Number 07516922) was inducted as the Nominee Director of Union Bank of India, on the Board of Directors of the Company with effect from July 22, 2016
- (iv) Shri V.G. Kannan (Director Identification Number : 03443982) ceased as (a) the Nominee Director of State Bank of India on the Board of Directors of the Company, (b) a Member of (i) the Audit Committee of the Board of Directors of the Company and (ii) the Nomination and Remuneration Committee of the Board of Directors of the Company, consequent upon his retirement from the services of State Bank of India on reaching superannuation with effect from the close of business on July 30, 2016
- (v) Shri Dinesh Kumar Khara, the Managing Director (Associates & Subsidiaries), State Bank of India (Director Identification Number 06737041), was inducted as the Nominee Director of State Bank of India on the Board of the Company with effect from November 01, 2016.

The Board places on record, its deep appreciation of services rendered by Shri V.G. Kannan and Shri Arun Kumar Agarwal.

CHANGE IN KEY MANAGERIAL PERSONNEL (KMPs)

The Board, at its Meeting held on July 22, 2016, inter alia considered and appointed Shri Tushar Kishorechandra Buch (Managing Director & C.E.O.) 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 Arun Kumar Agarwal (formerly the Managing Director & C.E.O. 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

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

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

The Nomination and Remuneration Policy of the Company on Appointment, Remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters of Directors, KMPs and Senior Management Personnel is appended as "Annexure B".

COMMENTS ON AUDITORS REPORT & SECRETARIAL AUDIT REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by C & AG, 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, 2017, the total outstanding of the Company's Tier II Bonds is at Rs. 150 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 40.15 %, as against the regulatory requirement of 15 %.

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

During the Financial Year ended March 31, 2017, there are no material transactions with Related Parties. The particulars of contracts or arrangements with Related Parties referred to in Section 188(1), as prescribed in Form AOC-2 of the Rule 8 of the Companies (Accounts) Rules, 2014 is appended as "Annexure 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 is the Nominee Director of State Bank of India.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Board, at present, consists of 3 members, of which one is an Independent Director and two are Nominee Directors (i.e. one Nominee Director of State Bank of India and Bank of Maharashtra each). 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".

RISK MANAGEMENT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

VIGIL MECHANISM

The Company has established a Vigil Mechanism for Directors and Employees to report genuine concerns. The Policy on the Vigil Mechanism of the Company is displayed on the Website of the Company 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, 2017, 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, 2017.

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 16th Annual General Meeting of the Company.

The Statutory Auditors of the Company for the Financial Year 2017-18 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 2016-17 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 Statement of 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 2016-17 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, 2017

Arundhati Bhattacharya
Chairman

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017

[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	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		58.61% (Rs. 536,723,346.51)
2	LC Discounting		41.39% (Rs. 379,009,332.46)

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/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	% Change in shareholding during the year
1	STATE BANK OF INDIA	13,77,86,585	86.18%	--	13,77,86,585	86.18%		
2	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)	1,04,44,172	6.53%	--	1,04,44,172	6.53%		
3	UNION BANK OF INDIA	47,11,751	2.95%	--	47,11,751	2.95%		
4	BANK OF MAHARASHTRA	69,42,857	4.34%	--	69,42,857	4.34%		
5								
	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 the year specifying the reasons for increase (e.g. allotment/transfer/bonus/sweat equity etc)	N.A.	N.A.	N.A.	N.A.
3	At the end of the year	15,98,85,365	100%	15,98,85,365	100%

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

(v) Shareholding of Directors and key Managerial Personnel:					
Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	For Each of the Directors and KMP				
2	At the beginning of the year				
	(i) Shri Arun Kumar* Agarwal*	(i) 01*	(i) Nil	(i) 01*	(i) Nil
	(ii) Shri V.G.Kannan*	(ii) 01*	(ii) Nil	(ii) 01*	(ii) Nil
3	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase (e.g. allotment/ transfer /bonus/sweat equity etc) :	(i) 01** (ii) 01**	Nil Nil	N.A. N.A.	(i) 01** (ii) 01**
4	At the end of the year				
	(i) Shri Tushar Buch* (ii) Shri Dinesh Kumar Khara*	(i) 01* (ii) 01*	(i) Nil (ii) Nil	(i) 01* (ii) 01*	(i) Nil (ii) Nil

* A Nominee Shareholder of State Bank of India

** Transfer of one Equity share each from Shri Arun Kumar Agarwal & Shri V.G.Kannan to Shri Tushar Buch & Shri Dinesh Kumar Khara respectively.

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	-	5,41,17,55,362		
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-	4,58,36,849		
Total (i+ii+iii)	-	5,45,75,92,211		
Change in Indebtedness during the financial year	-			
Net Change	-	37,55,57,288		
Indebtedness at the end of the financial year	-			
i) Principal Amount	--	5,78,73,12,650		
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-	4,33,42,070		
Total (i+ii+iii)		5,83,06,54,720		

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 (Upto June 30, 2016)	Shri Tushar Buch , Managing Director & CEO (w.e.f. July 01, 2016)	----	----	
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10,23,372	21,07,649			31,31,021
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,71,950	2,56,978			4,28,928
	(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)					
	Ceiling as per the Act					

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		B.K.Vatsaraj	Bharati Rao	Narayanan Raja	
3	Independent Directors				
	Fees for attending Board & Committee Meetings	5,20,000.00	5,00,000.00	1,40,000.00	11,60,000.00
	Commission				
	Others, please				
	Total (1)	5,20,000.00	5,00,000.00	1,40,000.00	11,60,000.00

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 – G.R.Padalkar)	
4	Other Non-Executive Directors				
	Fees for attending Board & Committee Meetings	1,65,000.00	95,000.00	1,30,000.00	3,90,000.00
	Commission				
	Others, please				
	Total (2)	1,65,000.00	95,000.00	1,30,000.00	3,90,000.00

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	-	15,50,481.00	25,61,456.00	41,11,937.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		3,57,049.00	3,57,049.00
	(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	-	-	-	-

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 there under, 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. Tushar Burch - MD & CEO - Key Managerial Personnel	Key Managerial Personnel	Appointment by SBI for 2 Year	Acting as MD & CEO of the company	On Deputation from SBI	(f)	Nil	(h)
2	Mr. Arun Kumar Agarwal - MD & CEO - Key Managerial Personnel (From 27.02.2013 to 30.06.2016)	Key Managerial Personnel	Appointment by SBI for 2 Year & Reappointed	Acting as MD & CEO 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. Amita Joshi - Company Secretary - Key Managerial Personnel	Key Managerial Personnel	Appointment by Board of Directors	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 Patiala - Associates / Group Companies	Manpower Support (officer on Deputation)	Appointment by SBI	Group Company	On Deputation from SBP		Nil	
7	SBI Funds Management Pvt. Ltd. - Fellow Subsidiary (Non Banking)	Investment	Based on Investment duration (over night)	Surplus funds invested on overnight basis with SBI Mutual Funds	Normal business purpose transactions		Nil	
8	SBI Life Insurance Company Ltd. (SBI LIFE) - Fellow Subsidiary (Non Banking)	Group Insurance for Directly recruited staff	Yearly & Renewed every year	Insurance policy for direct staff (Swarna Ganga Policy)	Insurance policy designed for employees of SBI Group of companies		Nil	
9	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	
10	SBICAP Trustee Company Limited	Trusteeship fees	Till life of NCD	Acting as trustee for issued NCD	Appointment as trustee for NCD issued		Nil	
11	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	
12	SBI Foundation	Investment	Long Term	Purchase of Equity	Normal business purpose transactions		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, paraolympic 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 Tushar Buch (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 a marginal profit of Rs. 0.86 Crores during the preceding year 2015-16 while in the Financial year 2016-17, Company has recorded a PAT of 1.01 crore, it did not have any compulsion to incur any CSR expenditure. However, the Corporate Social Responsibility (CSR) Committee, at its Meeting held on March 02, 2017, considered and approved :
 - (i) spending an amount of upto Rs. 50,000/- (Rupees Fifty Thousand Only) on CSR activity(ies) by the Company for the Financial Year 2016-17, 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 2016-17 also.

1. Accordingly the Company has undertaken following activities for better Corporate Governance:
 - Incurred an expenditure of Rs.44,750/- towards Donation of Projector, Screen and sound system to the SAMPARC (Social Action for Manpower Creation) at Malavali, Lonavala as a part of CSR Activity on March 29, 2017

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, 2017
(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, 2017 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, 2017 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.

- (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 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 15th Annual General Meeting held on 8th September, 2016 have approved the following Special Resolution:

Appointment of Mukund M Chitale & Co., Chartered Accountants, (the retiring Auditors) was approved by the members as Statutory Auditors for the financial year 2017-18 as advised by the Comptroller & Auditors General of India ("C&AG of India") pursuant to section 139 and other applicable provisions of the Companies Act, 2013.

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

- 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: 13th April, 2017

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 **31.03.2017** is to be read along with this letter.

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

Place: Mumbai
Date: 13th April, 2017

Signature:
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 2016-17, the Board comprised of nine (9) members, which consisted of five (5) 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 2016 – 2017 and also other Directorships are as detailed in Table –I below :

Table I : Attendance Record of Directors at Board Meetings during 2016-17

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 Dinesh Kumar Khara (Director) (From 01/11/2016)	(Nominee-SBI) Non-Executive	1	11**
Shri V.G. Kannan (Director) (Upto 30.07.2016)	(Nominee-SBI) Non-Executive	2	10**
Smt. Bharati Rao (Director)	(Independent) Non-Executive	4	08***
Shri Tushar Kishorechandra Buch (Managing Director & C.E.O.) (From 01.07.2016)	(Nominee-SBI) Full-time Executive	3	01
Shri Arun Kumar Agarwal (Managing Director & C.E.O.) (Upto 30.06.2016)	(Nominee – SBI) Full-time Executive	1	01
Shri Krishna Iyer Mani (Director)	(Nominee – SIDBI) Non-Executive	1	Nil
Dr. B.K. Vatsaraj Director	(Independent) Non- Executive	4	01
Shri Ramesh Bansidhar Kshirsagar	(Nominee – Bank of Maharashtra) Non-Executive	3	Nil
Shri Narayanan Raja	(Independent) Non-Executive	4	04
Shri Gajanan Ramakant Padalkar (From 22.07.2016)	(Nominee – Union Bank of India) Non-Executive	2	Nil

* 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, 2017, 4 (four) Board Meetings were held on April 20, 2016, July 22, 2016, October 10, 2016, and January 16, 2017.

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 Dinesh Kumar Khara | Member |
| 3. Smt. Bharati Rao | Member |

During the Financial Year ended on March 31, 2017, the Audit Committee met 4 times Viz., on 20/04/2016, 22/07/2016, 10/10/2016, and 16/01/2017.

During the Financial Year ended on March 31, 2017, Shri V.G. Kannan (the erstwhile Managing Director (A&S), SBI ceased to be the Member of the Audit Committee of the Board of Directors of the Company consequent upon his retirement from the services of State Bank of India on reaching superannuation, with effect from the close of business on July 30, 2016.

Subsequently, Shri Dinesh Kumar Khara (the Managing Director (A & S), State Bank of India) (Director Identification Number 06737041), the Nominee Director of State Bank of India on the Board of the Company, was appointed as the Member of the Audit Committee of the Board of Directors with effect from November 01, 2016.

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)	4
Shri Dinesh Kumar Khara (From 01.11.2016)	0
Shri V.G. Kannan (Upto 30.07.2016)	0
Smt. Bharati Rao	4

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, 2017, with effect from October 10, 2016 :

- Shri Tushar Kishorechandra Buch, the Managing Director & C.E.O. of the Company (i.e. the Nominee Director of State Bank of India) (Director Identification Number 07566371) was appointed as the Member of the Executive Committee of the Board, in place of Shri Arun Kumar Agarwal (the erstwhile Managing Director & C.E.O. and the Nominee Director of State Bank of India on the Board of Directors of the Company), consequent upon the cessation of Shri Arun Kumar Agarwal as the Managing Director & C.E.O. of the Company (i.e. the erstwhile Nominee Director of State Bank of India on the Board of Directors of the Company) from the close of the business on June 30, 2016 (i.e. with effect from July 01, 2016), and
- Shri Gajanan Ramakant Padalkar (General Manager, DFB & IBD and Treasury, Union Bank of India, Central Office, Mumbai) (Director Identification Number ('DIN') : 07516922) was appointed as the Nominee Director of Union Bank of India on the Company's Board with effect from July 22, 2016.

Shri Padalkar was inducted as a Member of the Executive Committee of the Board with effect from October 10, 2016.

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

1. Smt. Bharati Rao (Independent Director),
2. Shri Tushar Kishorechandra Buch
(Managing Director & C.E.O.) (Nominee Director, SBI)
3. Dr. B.K. Vatsaraj (Independent Director),
4. Shri Krishna Iyer Mani (Nominee Director of Small Industries Development Bank of India),
and
5. Shri Gajanan Ramakant Padalkar (Nominee Director of Union 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, 2017, with effect from October 10, 2016 :

- (a) Shri Tushar Kishorechandra Buch, the Managing Director & C.E.O. of the Company (i.e. the Nominee Director of State Bank of India) (Director Identification Number 07566371) was appointed as the Member of the Risk Management Committee of the Board, in place of Shri Arun Kumar Agarwal (the erstwhile Managing Director & C.E.O. and the Nominee Director of State Bank of India on the Board of Directors of the Company), consequent upon the cessation of Shri Arun Kumar Agarwal as the Managing Director & C.E.O. of the Company (i.e. the erstwhile Nominee Director of State Bank of India on the Board of Directors of the Company) and a Member of the Risk Management Committee of the Board, upon his retiring from the services of State Bank of India from the close of the business on June 30, 2016 (i.e. with effect from July 01, 2016), and
- (b) As advised by State Bank of India, A & S Department, Corporate Centre, Mumbai, vide its Letter Ref. A&S/NBS/GD/133 dated September 16, 2016, Shri Narayanan Raja (an Independent Director of the Company) (Director Identification Number 00503400) was appointed as a Member 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 Tushar Kishorechandra Buch (Nominee Director, SBI)
2. Dr. B.K. Vatsaraj (Independent Director)
3. Smt. Bharati Rao (Independent Director), and
4. Shri Narayanan Raja (Independent Director).

During the Financial Year ended on March 31, 2017, the Risk Management Committee of the Board met 4 times Viz., on 20/04/2016, 22/07/2016, 10/10/2016, and 16/01/2017.

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	4
Shri Arun Kumar Agarwal (Upto 30.06.2016)	1
Shri Tushar Kishorechandra Buch (From 10.10.2016)	2
Dr. B.K. Vatsaraj	4
Shri Narayanan Raja (From 10.10.2016)	1

6. Nomination and Remuneration Committee of the Board :

During the Financial Year ended on March 31, 2017,

- (a) Shri V.G. Kannan (the erstwhile Managing Director (A&S), SBI) ceased to be the Member of the Nomination and Remuneration Committee of the Board of Directors of the Company consequent upon his retirement from the services of State Bank of India on reaching superannuation, with effect from the close of business on July 30, 2016,

- (b) Subsequently, Shri Dinesh Kumar Khara (the Managing Director (A & S), State Bank of India) (Director Identification Number 06737041), the Nominee Director of State Bank of India on the Board of the Company, was appointed as the Member of the Nomination and Remuneration Committee of the Board of Directors with effect from November 01, 2016,
- (c) As advised by State Bank of India, A & S Department, Corporate Centre, Mumbai, vide its Letter Ref. A&S/NBS/GD/133 dated September 16, 2016, Shri Narayanan Raja (an Independent Director of the Company) (Director Identification Number 00503400) was appointed as a Member of the Nomination and Remuneration Committee of the Board, with effect from October 10, 2016.

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

- (i) Shri Dinesh Kumar Khara, (Nominee Director, SBI),
(ii) Smt. Bharati Rao, (Independent Director),
(iii) Dr. B.K. Vatsaraj, (Independent Director), and
(iv) Shri Narayanan Raja (Independent Director).

During the Financial Year ended on March 31, 2017, the Nomination and Remuneration Committee of the Board met 2 times Viz., on 20/04/2016, and 22/07/2016.

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 (Upto 30.07.2016)	0
Smt. Bharati Rao	2
Dr. B.K. Vatsaraj	2
Shri Narayanan Raja (From 10.10.2016)	0

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

During the Financial Year ended on March 31, 2017, with effect from October 10, 2016, Shri Tushar Kishorechandra Buch, the Managing Director & C.E.O. of the Company (i.e. the Nominee Director of State Bank of India) (Director Identification Number 07566371) was appointed as the Member of the Corporate Social Responsibility (CSR) Committee of the Board, in place of Shri Arun Kumar Agarwal (the erstwhile Managing Director & C.E.O. and the Nominee Director of State Bank of India on the Board of Directors of the Company), consequent upon the cessation of Shri Arun Kumar Agarwal as the Managing Director & C.E.O. of the Company (i.e. the erstwhile Nominee Director of State Bank of India on the Board of Directors of the Company) and a Member of the CSR Committee of the Board, upon his retiring from the services of State Bank of India from the close of the business on June 30, 2016 (i.e. with effect from July 01, 2016).

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

- (i) Shri Tushar Kishorechandra Buch (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, 2017, the CSR Committee of the Board met 1 time Viz., on 02/03/2017.

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 Tushar Kishorechandra Buch
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
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
Fifteenth	2015-16	08/09/2016	04.00 p.m.	State Bank Bhavan, Corporate Centre, 15 th 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)
Thirteenth	(i) Appointment of Statutory Auditors for the Financial Year 2014-15, as directed by the Comptroller & Auditor General of India (C&AG) (ii) To consider and approve Borrowings by the Company in excess of the aggregate of the paid-up Share Capital and free Reserves of the Company, pursuant to Section 179(3)(d) read with Section 180 (1)(c), Section 180(2) and any other applicable provisions of the Companies Act, 2013
Fourteenth	i) Appointment of Statutory Auditors for the Financial Year 2015-16, 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
Fifteenth	Appointment of Statutory Auditors for the Financial Year 2016-17, as directed by the Comptroller & Auditor General of India (C&AG), and payment of Fees/ Remuneration to them

- (b) Extraordinary General Meetings held during the Financial Year 2016-17 :
No Extraordinary General Meeting was held during the Financial Year 2016-17.

8. General Shareholder Information:

Financial Year	April 01, 2016 to March 31, 2017
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 2016-17 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

Tushar Buch
Managing Director & C.E.O.

Date : April 10, 2017

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, 2017 with the relevant records and documents maintained by the Company, furnished to me for my review and the report on Corporate Governance as approved by the Board of Directors.

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

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

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

Place: Mumbai
Date: 13th April, 2017

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

Management Discussion and Analysis

Global Economic Scenario

Stagnant global trade, subdued investment, and heightened policy uncertainty marked another difficult year for the world economy. A moderate recovery is expected for 2017, with receding obstacles to activity in commodity-exporting emerging markets and developing economies. With the expected increase in commodity prices, the divergence in growth performance between commodity exporters and importers is on track to narrow in 2017. Weak investment is weighing on medium-term prospects across many Emerging Markets and Developing Economies (EMDEs). Although fiscal stimulus in major economies, if implemented, may boost global growth above expectations, risks to growth forecasts remain tilted to the downside. Important downside risks stem from heightened policy uncertainty, protectionist pressures and the risk of financial market disruptions in major economies.

Growth in EMDEs is expected to pick up in 2017, reflecting receding obstacles to activity in commodity exporters and continued solid domestic demand in commodity importers. Weak investment and productivity growth are, however, weighing on medium-term prospects across many EMDEs. Downside risks to global growth include increasing policy uncertainty in major advanced economies and some EMDEs, financial market disruptions, and weakening potential growth. However, fiscal stimulus in key major economies—in particular, the United States—could lead to stronger-than-expected activity in the near term.

Domestic Economic & Liquidity Scenario

Economic Scenario:

GDP figures for Q3 FY 2016 astonished on the upside, showing no significant slowdown from the government's demonetization. The reading sharply contrasted the picture painted by high-frequency indicators, which had pointed to muted activity due to a shortage of hard currency, sparking concerns that the growth figures do not reflect reality in India's economy and could be revised downwards. Meanwhile, data for the fourth quarter is positive: industrial production rebounded in January and the PMIs rose in February. On the political front, ruling party at the Centre gained major victories in a number of state elections, including the country's most populous state Uttar Pradesh. The result should support Prime Minister Narendra Modi's economic reform agenda and shows that his popularity remains strong. Market reaction to the outcome was positive, with the country's stock market recording a new record high on 14th March and external value of the Indian Rupee(USD/INR 64.88 as on 30.03.2017) strengthened to a 18 month's high.

Liquidity Scenario :

The large overhang of liquidity consequent upon demonetisation weighed on money markets in December, but from mid-January rebalancing has been underway with expansion of currency in circulation and new bank notes being injected into the system at an accelerated pace. Throughout this period, the Reserve Bank's market operations have been in liquidity absorption mode.

With progressive remonetisation, the surplus liquidity in the banking system has declined from a peak of Rs 7,956 billion on January 4, 2017 to Rs 4,806 billion in March. Currency in circulation expanded steadily during this period. Its impact on the liquidity overhang was, however, partly offset by a significant decline in cash balances of the Government up to mid-March which released liquidity into the system. Thereafter, the build-up of Government cash balances on account of advance tax payments and balance sheet adjustment by banks reduced surplus liquidity to Rs. 3,141 billion by end-March. The weighted average call money rate (WACR) remained within the LAF corridor.

The RBI move to narrow the Policy corridor to +/- 25 bps by increasing the reverse repo rate to 6% in its monetary policy statement of 6th April, 2017 is yet another affirmation of its intentions to check money flow into the banking system and drain out excessive liquidity.

Macroeconomic Perspective

Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments- the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST) and the action by Govt. of India/RBI to demonetise the two highest denomination notes. The roll out of GST would create a common Indian market. This indirect tax reform is expected to improve tax compliance and governance, besides giving a boost to investment and growth. Demonetisation has had short-term costs but holds the potential for long term benefits.

Several favourable domestic factors are expected to drive acceleration in economy. First, the pace of remonetisation will continue to trigger a rebound in discretionary consumer spending. Activity in cash-intensive retail trade, hotels and restaurants, transportation and unorganised segments has largely been restored. Second, significant improvement in transmission of past policy rate reductions into banks' lending rates post demonetization should help encourage both consumption and investment demand of healthy corporations. Third, various proposals in the Union Budget should stimulate capital expenditure, rural demand, and social and physical infrastructure all of which would invigorate economic activity. Fourth, the imminent materialisation of structural reforms in the form of the roll-out of the GST, the institution of the Insolvency and Bankruptcy Code, and the abolition of the Foreign Investment Promotion Board will boost investor confidence and bring in efficiency gains. Fifth, the upsurge in initial public offerings in the primary capital market augurs well for investment and growth.

Some Recent Developments relating to Factoring Industry:

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

- i) The Central Government, Ministry of Finance (Department of Financial Services) vide Gazette notification dt. 05th August 2016, has specified 196 Non-Banking Financial Companies (NBFCs) including SBIGFL, which are covered under clause (f) of section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934) and registered with Reserve Bank of India, having assets of Rs. Five hundred crore and above as per their last audited balance sheet, as 'financial institutions' and directed in public interest that all provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002) Act, shall apply to such financial institutions. The limitation being that provisions of sections 13 to 19 shall apply only to such security interest which is obtained for securing repayment of secured debt with principal amount of Rupees One crore and above. The NBFCs listed in the said notification shall thus have recourse under SARFAESI Act for recovery of dues by sale of mortgaged properties.
- ii) Trade Receivables Discounting System "TReDS", an online exchange has been set up under the approval of Reserve Bank of India to facilitate discounting of invoices and Bills of Exchange on a pan India basis. Its key participants are Micro, Small and Medium Enterprises "MSMEs" ("the Seller"), large Corporates including PSUs and Govt. Departments ("the Buyer") and Banks/NBFCs ("the Financier"). RBI has launched this initiative to provide MSMEs working capital at competitive rates through an open bid process by multiple financiers. The financing is "Without Recourse" to the MSME supplier.

The three entities given approval by RBI to set up and operate TReDS under the Payment and Settlement System (PSS) Act 2007 are as follows:

- a) NSE Strategic Investment Corporation Limited(NSICL) and Small Industries Development Bank of India (SIDBI), Mumbai, which has promoted the Receivables Exchange of India Ltd (RXIL).

- b) Axis Bank Limited, Mumbai, which has promoted A. Treds Ltd.
- c) Mynd Solutions Pvt. Ltd., Gurgaon, Haryana, which has promoted the Mynd Online National Exchange (M1)
- iii) As per the guidelines on Trade Credit Insurance issued by IRDA vide circular dt.10.03.16, no trade credit insurance policy shall cover factoring, reverse factoring, bill discounting or any other similar arrangement, However, guidelines contain provision for assigning a policy in favor of Banks / NBFCs.
- iv) 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.

Challenges being faced by Factoring Industry

- i) Due to persistent economic slowdown and inadequate legal/ regulatory framework, the stress in the accounts is on the rise. Non acceptance of Notice of Assignment by debtors, ambiguity regarding availability of trade credit insurance, reluctance on part of Banks to share credit information reports/ charge and non-acceptance of names of wilful defaulters by CIBIL from NBFCs-Factor, are some of the other issues impacting growth of factoring business and recovery efforts.
- ii) A need is being felt that Banks should treat NBFCs-Factor companies on a different footing in the Joint Lenders Forum (JLF) meetings at the time of sanctioning any “Restructuring of Accounts”. Presently, Banks want that NBFCs-Factor too fall in line with same level of sacrifice, extended period of payment, concessionary rate of interest etc without taking into account that nature of business of factors is different and that proceeds of unpaid invoices due to which the account had become an NPA were paid to the working capital Bank by the factor in the first place.

It is, therefore, imperative that lending banks should accommodate factoring companies within a restructuring programme on more flexible terms.

At the industry level, Factors Association of India (FAI) has been representing the same to RBI time and again.

The Way Forward

The factoring services come with various business-friendly advantages, besides making one adopt the best business practices, they fetch many comforts through assigning payment follow-up challenge to the factors, timely realization of invoice that would reduce the cost of funds used for running business, etc. Once an invoice is factored for, as much as 90 percent of the value is disbursed instantly, merely on assignment of the receivables by the seller. In fact, factoring services are usually business friendlier and more flexible that require no guarantee or collateral for instant disbursement. That is the reason world over this service has been growing at a significant rate. But the growth in India, in one sense the most suitable market for factoring service proliferation, has been slow. In fact, while globally 40 percent of the working capital is generated through factoring services, in India its size is only less than two percent of the total working capital disbursed to businesses. There is a huge scope for expansion of factoring business.

During the crisis period, especially when banks are cautious of lending for fear of their rising bad loans, many SMEs are unable to obtain traditional bank funding. Moreover, SMEs are usually perceived to have a higher probability of default compared to larger firms and their vulnerability to economic downturns is much higher. In such context, factoring services fill the space. Now even large size businesses also are vulnerable to payment crisis, where factoring service has a role to play.

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 2017, 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 2017;
 - 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 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2017 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 24 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.
 - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 44 to the financial statements.
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. M. Chitale)
Partner
M. No. 11183

Place: Mumbai
Date: 20.04.2017

**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 previous year and discrepancies have been reconciled with the books of accounts in the previous year ended 31st March, 2016.
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 we understand that 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	600.05	In the erstwhile name of Global Trade Finance Limited
Office Premises in Delhi	146.72	118.64	In the erstwhile name of Global Trade Finance Limited
Flat in Mumbai	47.83	37.79	In the erstwhile name of SBI Factors and Commercial Services Private Limited

- ii) The Company is involved in factoring business and thus it does not hold any physical inventory. Accordingly provisions of clause (ii) of the Order are not applicable.
- iii) 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 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 relating to loans are not applicable. The Company has invested amounts in one of the fellow subsidiary company and provisions of section 186 have been complied with.
- v) 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 2017 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. 47.49	For the Assessment year 2013-14	CIT (Appeals)
Income Tax Act, 1961	Tax deducted at source	Rs. 0.05	For the Assessment year 2009-2010 to 2012-13	TDS CPC
Service Tax	Service Tax and Penalty	Rs.233.05	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, Financial Institutions and Debenture holders.
- ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer (including debt instruments) and term loans during the year.
- x) According to the information and explanations given to us, no 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) is not applicable.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into 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.

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

(S. M. Chitale)
Partner
M. No. 111383

Place: Mumbai
Date: 20.04.2017

**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, 2017 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, 2017, 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

(S. M. Chitale)
Partner
M. No. 111383

Place: Mumbai
Date: 20.04.2017

**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, 2017 are as follows:

No of Cases	Nature of Waiver	Reason of Waiver	Amount of Waiver Rs. in lakhs
3	Balance Principal	To Facilitate recovery in write off Account	810.96
1	Balance Principal	Compromise settlement in NPA Account	36.72
1	Balance Principal	Claim relinquished in AUCA subsequent to sale of Asset to Asset Reconstruction Company (along with the decision of Reconstruction Company)	1,339.04
2	Reversal of Interest	In line with the concession with other Working Capital Bank and for business continuity consideration	53.87
2	Reversal of Fees	Waiver of fees on account of non-operational facility	0.30

- 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.

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

(S. M. Chitale)
Partner
M. No. 111383

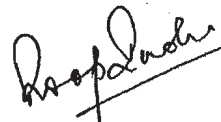
Place: Mumbai
Date: 20.04.2017

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 2017

The preparation of Financial Statements of SBI Global Factors Limited for the year ended 31 March 2017 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 20 April 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the Financial Statements of SBI Global Factors Limited for the year ended 31 March 2017 under section 143(6)(a) of the Act.

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



(Roop Rashi)

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

Place: Mumbai

Date: 23-06-2017

Balance Sheet

As at March 31, 2017

Particulars	Note	(Rs. in lakhs)	
		March 31, 2017	March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	15,989	15,989
(b) Reserves and Surplus	3	16,393	16,293
		32,382	32,282
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	15,000	15,000
(b) Long Term Provisions	5	26,200	26,947
		41,200	41,947
(3) Current Liabilities			
(a) Short-Term Borrowings	6	42,873	39,118
(b) Other Current Liabilities	7	1,459	2,271
(c) Short Term Provisions	8	26	17
		44,358	41,406
Total		117,940	115,635
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Asset	9		
Tangible Asset		813	858
Intangible Asset		11	32
(b) Non-Current Investments	10	383	-
(c) Deferred Tax Assets (Net)	11	8,057	8,281
(d) Long Term Loans and Advances	12	1,770	4,095
		11,034	13,266
(2) Current Assets			
(a) Debts Factored	13	106,052	100,794
(b) Cash and Cash Equivalents	14	633	1,491
(c) Short Term Loans and Advances	15	112	84
(d) Other Current Assets	16	109	-
		106,906	102,369
Total		117,940	115,635
The Notes to Account forms integral part of Financial Statements	1 to 45		

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W
Mr. Saurabh M. Chitale
Partner
M.No. 111383
Place : Mumbai
Date : April 20, 2017

For and on behalf of the Board of Directors
Arundhati Bhattacharya
Chairman
DIN :- 02011213
Pankaj Gupta
Chief Financial & Risk Officer
Place : Mumbai
Date : April 20, 2017
Tushar Buch
Managing Director & CEO
DIN :- 07566371
Amita Joshi
Company Secretary

Statement of Profit and Loss

For the Year Ended March 31, 2017

(Rs. in lakhs)			
Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations	17	9,157	9,025
Other Income	18	1,817	686
Total Revenue		10,974	9,711
Expenses			
Employee Benefit Expense	19	826	753
Finance Cost	20	4,322	3,848
Depreciation and Amortization Expense	9	74	79
Operating, Administrative and Other Expenses	21	1,167	1,168
Bad Debts Written Off		3,819	3,610
Provision for Bad and Doubtful Debts on Non Performing Investments	22	383	-
Provision against Standard Assets	27	58	-
Total Expenses		10,649	9,458
Profit/(Loss) before Tax		325	253
Less :- Tax Expense:			
Current Tax		-	-
Deferred Tax		224	167
Profit/(Loss) after Tax		101	86
Earning Per Share (In Rupees) (Par Value Rs. 10/-)			
Basic		0.06	0.05
Diluted		0.06	0.05
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 Statements	1 to 45		

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W
Mr. Saurabh M. Chitale
Partner
M.No. 111383
Place : Mumbai
Date : April 20, 2017

For and on behalf of the Board of Directors
Arundhati Bhattacharya
Chairman
DIN :- 02011213
Pankaj Gupta
Chief Financial & Risk Officer
Place : Mumbai
Date : April 20, 2017
Tushar Buch
Managing Director & CEO
DIN :- 07566371
Amita Joshi
Company Secretary

Cash Flow Statement

For the Year Ended March 31, 2017

(Rs in lakhs)				
	March 31, 2017		March 31, 2016	
Cash Flow from Operating Activities:				
Net Profit before Tax		325		253
Adjustments for:				
Depreciation / Amortisation	74		79	
Interest Cost	1,602		1,674	
Discount on issue of Commercial Paper	2,592		2,058	
Sundry Balance Written Off	0		1	
Foreign Exchange (Gain)/Loss (Net)	0		(4)	
(Profit) / Loss on Sale of Fixed Assets	6		(3)	
Liabilities no longer required Written Back	(16)		(23)	
Provision for Doubtful Debts & Advances	(1,198)		(404)	
Provision on Standard Assets	58		(60)	
Provision for Bad and Doubtful Debts on Non Performing Investments	383		-	
Bad Debts Written Off	3,819		3,610	
Provision for Leave Encashment	9		7	
Provision for Gratuity	9		6	
Profit on Sale of Current Investments	(72)		(86)	
		7,266		6,855
Operating profit before Working Capital changes		7,591		7,108
Increase / (Decrease) in Short Term Borrowings	1,634		1,860	
Increase / (Decrease) in Long Term Borrowings	-		(980)	
Change in Unexpired Discount of Commercial Paper	(109)		-	
Increase / (Decrease) in Long Term Provisions	0		(5)	
Increase / (Decrease) in Other Current Liabilities	175		827	
Increase / (Decrease) in Short Term Provisions	0		(7)	
(Increase)/Decrease in Long Term Loans and Advances	(11)		4	
(Increase)/Decrease in Debts Factored	(9,077)		(12,320)	
(Increase)/Decrease in Short Term Loans and Advances	(28)		1	
		(7,416)		(10,620)
Cash (used)/generated in and from operating Activities		175		(3,512)
Direct Taxes paid (Net)		2,368		(313)
Net Cash (used)/generated in and from Operating Activities (A)		2,543		(3,825)
Cash Flow from Investing Activities:				
Purchase of Fixed Assets		(23)		(25)
Sale of Fixed Assets		10		3
Purchase of Non-Current Investments		(383)		-
Purchase of Current Investments		(254,750)		(267,600)
Sale of Current Investments		254,822		267,686
Net cash from Investing Activities (B)		(324)		64
Cash Flow from Financing Activities:				
Interest Cost		(1,627)		(1,659)
Discount on issue of Commercial Paper		(2,592)		(2,058)
Repayment of Debentures		(980)		-
Repayment of Loans		(58,750)		(31,500)
Loan Taken		46,872		40,000
Commercial Paper Repaid		(165,500)		(177,000)
Commercial Paper Taken		179,500		177,000
Net Cash generated from Financing Activities (C)		(3,077)		4,783
Net increase in Cash and Cash Equivalents (A + B + C)		(858)		1,022
Cash and Cash Equivalents as at March -17 / March -16				
Cash in Hand		1		1
Stamp in Hand		1		1
Cash & Bank Balances in Current Account with Banks		631		1,489
		633		1,491
Less: Cash and Cash Equivalents as at Mar-16/Mar-15		1,491		469
		(858)		1,022

Note :

- Cash Flow Statement has been reported using the 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 Note 45)

As per our report of even date

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

Mr. Saurabh M. Chitale
Partner
M.No. 111383

Place : Mumbai
Date : April 20, 2017

For and on behalf of the Board of Directors

Arundhati Bhattacharya
Chairman
DIN :- 02011213

Pankaj Gupta
Chief Financial & Risk Officer

Place : Mumbai
Date : April 20, 2017

Tushar Buch
Managing Director & CEO
DIN :- 07566371

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/Capital Work in Progress

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

a Tangible Assets

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 prorata 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 Asset Classification and Provisions: Reserve Bank of India Prudential Norms

a Classification of Non-performing Asset:

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

Category	Criteria
Sub-Standard Assets	Principal and/or Interest overdue for 4 months or more
Doubtful Assets	Principal and/or Interest overdue for 18 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:

The Company is following higher provisioning norms as considered appropriate by management vis-à-vis RBI provisioning norms.

(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 As per RBI Guidelines, provision @ 0.35% is made on standard assets.

1.7 Provisioning Norms for Sale of Non Performing Assets

The sale of financial assets to Securitisation Company (SC) / Reconstruction Company (RC) following guidelines issued by RBI on provisioning / accounting norms are followed:

- When the Company sells its financial assets to SC / RC, on transfer the same is removed from the books
- If the sale is at a price below the net book value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Statement of Profit and Loss for the year.

- c if the sale is for a value higher than the NBV, Company is reversing the excess provision on sale of NPAs to its Statement of Profit and Loss in the year the amounts are received. However, Company can reverse excess provision arising out of sale of NPAs only when the cash received (by way of initial consideration and/ or redemption of SRs / PTCs) is higher than the net book value (NBV) of the asset. Further, reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.
- d In case of sale to SC / RC,
 - i) When Company invests in the security receipts (SR) in respect of the financial assets sold to the SC/RC, the sale is recognised in books of the Company at the lower of: - the redemption value of the security receipts and - the NBV of the financial asset.”
The investment will be carried in the books of the Company at the price as determined above until its sale or realization, and on such sale or realization, the loss or gain must be dealt with in the same manner as at b and c above.
 - ii) Investment in security receipts issued by SC / RC as sale consideration for financial assets sold to them and also other instruments issued by SC / RC in which Company invests will follow the valuation, classification and other norms applicable to such investment instruments prescribed by RBI from time to time. However, if any of the above instruments issued by SC / RC is limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme the Company will reckon the Net Asset Value (NAV), obtained from SC / RC from time to time, for valuation of such investments.

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 is charged for the period from beginning to end of financial year, in which account is sanctioned and are recognized as income only when there is reasonable certainty of its receipt after execution of documents.
 - 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 are ‘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 year.
- 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 during the year 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 for the year 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 Discount on issue of Commercial Paper

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

1.15 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.

1.16 Leased Assets

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

1.17 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

1.18 Other Accounting Policies

These are consistent with the generally accepted accounting practices

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH, 31 2017				
2	SHARE CAPITAL Rs. in lakhs except as otherwise stated			
	Particulars	As at March 31, 2017	As at March 31, 2016	
	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 Equity Share Capital	No. of shares held as on 31.03.2017	No. of shares held as on 31.03.2016
	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, 2017	As at March 31, 2016	
	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, 2017	As at March 31, 2016	
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	6,354	6,337	
Add: Transfer from Statement of Profit and Loss	20	18	
Closing Balance	6,374	6,354	
General Reserve**			
Opening Balance	11,423	11,423	
Add: Transfer from contingency reserve	-	-	
Closing Balance	11,423	11,423	
Surplus			
Opening Balance	(24,177)	(24,245)	
Add: Net Profit/(Loss) transferred from Statement of Profit and Loss	101	86	
	(24,076)	(24,159)	
Less :-			
Transfer to Reserve Fund*	20	18	
Transfer to Contingency Reserve	-	-	
Closing Balance	(24,097)	(24,177)	
TOTAL	16,393	16,293	

* Created 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, 2017	As at March 31, 2016	
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	
TOTAL	15,000	15,000	
5. LONG TERM PROVISIONS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
Provision for Bad and Doubtful Debts on Non Performing Assets (Note - 23)	25,518	26,716	
Provision for Bad and Doubtful Debts on Non Performing Investments (Note - 22)	383	-	
Provision against Standard Assets (Note - 27)	272	214	
Provision for Leave Encashment	27	17	
TOTAL	26,200	26,947	
6. SHORT TERM BORROWINGS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
Unsecured			
Loans from Related Party - State Bank of India (Parent Company)			
Foreign Currency Cash Credit Loan @	5,240	5,618	
(USD 68.50 lakhs ,GBP 2.92 lakhs, EUR 8.11 lakhs; March 31, 2016 USD 71.68 lakhs; GBP 1.97 lakhs and EUR 9.02 lakhs)			
Foreign Currency Short Term Loan Facility *	1,621	-	
(USD 25.00 lakhs; March 31, 2016 USD Nil lakhs)			
Bank Overdraft \$	2,012	-	
Working Capital Demand Loan #	12,500	33,500	
Loan from Others			
Short Term Loan Facility **	7,500	-	
Commercial Paper	14,000	-	
TOTAL	42,873	39,118	
<p>@ The rate of interest payable @ 3 Months LIBOR plus 1.5% (Previous Year 3 Months LIBOR plus 1.5%) per annum paid on quarterly basis. * Includes Loan amounting to Rs. 324 lakhs (USD 5 lakhs) payable on 06th April, 2017 along with Interest @ 3 Months LIBOR plus 1% and Loan amounting to Rs. 1,297 lakhs (USD 20 lakhs) payable on 05th May, 2017 along with Interest @ 3 Months LIBOR plus 1% \$ The rate of interest payable @ 9.5% p.a. # Current Year - Includes Loan amounting to Rs. 7,500 lakhs payable on 07th April, 2017 along with Interest @ 7.85% p.a. and Loan amounting to Rs. 5,000 lakhs payable on 10th April, 2017 along with Interest @ 7.85% p.a. Previous Year - Includes Loan amounting to Rs. 7,000 lakhs payable on 05th April, 2016 along with Interest @ 9.30% p.a. and Loan amounting to Rs. 14,000 lakhs payable on 06th April, 2016 along with Interest @ 9.30% p.a. and Loan amounting to Rs. 12,500 lakhs payable on 07th April, 2016 along with Interest @ 9.30% p.a. ** Includes Loan taken from HDFC Bank amounting to Rs. 7,500 lakhs payable on 07th April, 2017 along with Interest @ 7.85% p.a.</p>			

7. OTHER CURRENT LIABILITIES		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
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	
Statutory Liabilities	11	11	
Liabilities for Expenses* #	133	110	
Others	41	3	
Discount Charges/Set up fees received in Advance, not accrued	732	665	
Liability against collection of Trade Receivable	109	44	
Interest Accrued but not due@	433	458	
TOTAL	1,459	2,271	
*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. 27 Lakhs (Previous Year Rs. 49 Lakhs)			
@Includes interest payable to related parties Rs. 6 Lakhs (Previous Year Rs.29 Lakhs)			
8. SHORT TERM PROVISIONS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
Provision for Leave Encashment	11	12	
Provision for Gratuity	14	4	
Wealth Tax (Net of advance tax Rs Nil; March 31, 2016 Rs. 0.05 lakhs)	1	1	
TOTAL	26	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, 2016	Additions	Deductions	Adjustments @	As at March 31, 2017	As at April 1, 2016	For the Year	Deductions	Adjustments @	As at March 31, 2017	As at March 31, 2016	
Tangible Assets												
Building *	992	-	-	-	992	219	17	-	-	236	756	773
Office Equipment	147	3	6	-	144	135	4	4	-	135	9	12
Computers - Hardware	352	15	17	-	350	331	15	15	-	331	19	21
Furniture and Fixtures	300	5	5	-	300	286	4	3	-	287	13	14
Vehicles	64	-	29	-	35	55	0	20	-	35	-	9
Leasehold Improvements	324	-	-	-	324	295	13	-	-	308	16	29
	2,179	23	57	-	2,145	1,321	53	42	-	1,332	813	858
Intangible Assets												
Computers - Software	432	-	-	-	432	400	21	-	-	421	11	32
	432	-	-	-	432	400	21	-	-	421	11	32
Total	2,611	23	57	-	2,577	1,721	74	42	-	1,753	824	890
Previous Year	2,816	25	64	166	2,611	1,870	79	63	166	1,721	890	

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

@ During the previous 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 for the previous year ended 31st March 2016

10. NON-CURRENT INVESTMENTS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
JMFARC - IRIS December 2016 - Trust (Security Receipt of JM Financial Asset Reconstruction Company Private Limited)	383	-	
Face Value: 38,250 Series I SR @ Rs. 1,000 per SR Market Value: 38,250 Series I SR @ Rs. 1,500 per SR			
Equity Shares of SBI Foundation - Fellow Subsidiary (1,000 Equity Shares @ Rs. 10/- each)	0	-	
TOTAL	383	-	
11. DEFERRED TAXES		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
Deferred Tax Asset			
Provision for Bad and Doubtful Debts on Non Performing Assets	7,885	8,255	
Provision for Bad and Doubtful Debts on Non Performing Invest- ments	118		
Provision against Standard Assets	84	66	
Provision for Grauity	4	1	
Disallowances U/s 43B	22	9	
Disallowances U/s 40(a)	2	2	
Depreciation and Amortisation	(58)	(52)	
TOTAL	8,057	8,281	
12. LONG TERM LOANS & ADVANCES		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
(Unsecured, unless otherwise stated)			
(Considered good by Management except to the extent provided for)			
Prepaid Expenses	7	9	
Deposits	255	242	
Advance Tax and Tax Deducted at Source (Net of Provision for Tax Rs. 629 lakhs March 31, 2016 Rs. 6459 lakhs)	1,508	3,844	
TOTAL	1,770	4,095	

13. DEBTS FACTORED		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
Debts Factored (Secured)			
Debts outstanding for a period exceeding six months			
Considered Good	-	-	
Considered Doubtful	6,226	6,727	
Other Debts :			
Considered Good	46,148	45,096	
Considered Doubtful	-	-	
(A)	52,374	51,823	
Debts Factored (Unsecured)			
Debts outstanding for a period exceeding six months			
Considered Good	-	-	
Considered Doubtful	21,927	22,962	
Other Debts :			
Considered Good	31,622	26,009	
Considered Doubtful	129	-	
(B)	53,678	48,971	
TOTAL (A+B)	106,052	100,794	
14. CASH AND CASH EQUIVALENTS			
		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
Cash and Cash Equivalent			
Cash in hand	1	1	
Bank Balance with Sheduled Banks in Current Account	631	1,489	
Others			
Stamps in hand	1	1	
TOTAL	633	1,491	
15. SHORT TERM LOANS AND ADVANCES			
		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
(Unsecured, unless otherwise stated)			
(Considered good by Management except to the extent provided for)			
Prepaid Expenses @	21	41	
Deposits	7	4	
Other Advances	84	39	
TOTAL	112	84	
@Includes expenses paid in advance to related parties Rs. 1 Lakhs (Previous Year Rs. 0.41 Lakhs)			

16. OTHER CURRENT ASSETS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2017	As at March 31, 2016	
Unexpired Discount on issue of Commercial Papers	109	-	
TOTAL	109	-	

17. REVENUE FROM OPERATIONS		Rs. in lakhs except as otherwise stated	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016	
Discount Charges	8,165	7,395	
Factoring Charges	497	442	
Processing Charges	265	252	
Bad Debts Recovery in Written off Accounts	230	936	
TOTAL	9,157	9,025	

18. OTHER INCOME		Rs. in lakhs except as otherwise stated	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016	
Net Gain/Loss on sale of Short Term Investments	72	86	
Other Non-Operating Income			
Provision for Bad & Doubtful Debts written back (Note - 23)	1,198	404	
Provision for Standard Asset written back (Note - 27)	-	60	
Income on Foreign Exchange Transactions	67	69	
Foreign Exchange Gain	-	4	
Profit on Sale of Fixed Assets (Net)	-	3	
Interest on Income Tax Refund	408	-	
Liabilities no Longer Required	16	23	
Other Charges Recovered	34	31	
Other Income	22	6	
TOTAL	1,817	686	

19. EMPLOYEE BENEFIT EXPENSES		Rs. in lakhs except as otherwise stated	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016	
Salaries, Bonus, Gratuity, etc.	759	689	
Contribution to Provident Fund and other funds	21	20	
Staff Welfare	46	44	
TOTAL	826	753	

20. FINANCE COST		Rs. in lakhs except as otherwise stated	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016	
Interest Expenses on			
Non-Convertible Redeemable Debentures	1,360	1,459	
Short Term Loans (including Cash Credit & Overdraft)	242	215	
Discount on Issue of Commercial Papers	2,592	2,058	
Other Borrowing Costs			
Bank Charges	53	40	
Credit Rating Fees and Other Charges	71	69	
Other Finance Cost	4	7	
TOTAL	4,322	3,848	
21. OPERATING, ADMINISTRATIVE AND OTHER EXPENSES		Rs. in lakhs except as otherwise stated	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016	
Import Factor Commission	123	101	
Legal and Professional Fees	129	138	
Field Survey Charges	12	10	
Rent, Rates and Taxes	372	371	
Repairs and Maintenance:			
- Building	28	29	
- Others	102	105	
Advertisement & Publicity	2	9	
Communication	59	63	
Director's Sitting Fees	16	14	
Auditors' Remuneration	18	17	
Travelling	60	56	
Conveyance	5	6	
Corporate Social Responsibility (Note - 43)	0	1	
Utilities	50	63	
Insurance	2	2	
Membership and Subscription	10	9	
Motor Car Running Expenses	6	9	
Printing and Stationery	10	11	
Outsourcing Costs	55	56	
Foreign Exchange Loss	0	-	
Loss on Sale of Fixed Assets (Net)	6	-	
Security Charges	16	15	
Service Tax	78	73	
Miscellaneous Expenses	8	10	
TOTAL	1,167	1,168	

22. PROVISION FOR BAD & DOUBTFUL DEBTS ON NON PERFORMING INVESTMENTS		
Rs. in lakhs except as otherwise stated		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Provisions made during the Year	383	-
Less : Written Back	-	-
Net Provisions made / (Written back) for the year	383	-
Opening Balance	-	-
Closing Balance Carried to Balance Sheet	383	-

23. PROVISION FOR BAD & DOUBTFUL DEBTS ON NON PERFORMING ASSETS		
Rs. in lakhs except as otherwise stated		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Provisions made during the Year	3,316	4,080
Less : Written Back	4,514	4,484
Net Provisions made / (Written back) for the year	(1,198)	(404)
Opening Balance	26,716	27,120
Closing Balance Carried to Balance Sheet	25,518	26,716

24. Contingent Liabilities :		Rs. In Lakhs	
Particulars	March 31, 2017	March 31, 2016	
(i) Claims against the Company not acknowledged as debts (to the extent ascertained from the available records)	32	32	
(ii) Service Tax matters (under dispute)	233	191	
(iii) Direct Tax matters - Income Tax	48	402	
(iv) Direct Tax matters - Tax Deducted at Source	0	1	
	313	626	

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

25. 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 21 (Forming part of Rent, Rates & Taxes).

Operating Lease		Rs. In Lakhs	
Particulars	March 31, 2017	March 31, 2016	
Operating lease payments recognised in the Statement of Profit & Loss during the Year	369	365	

26 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 not been given.

Particulars	March 31, 2017	March 31, 2016
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

27. 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	March 31, 2017	March 31, 2016
Provision for Standard Assets as at 01.04.2016 / 01.04.2015	214	274
Add: Amount provided during the year	58	-
Less : Amount Written back during the year (Note 18)	-	60
Closing Balance as on 31.03.2017 / 31.03.2016 (Note - 5)	272	214

28. The disclosures required under Accounting Standard - 15 on “Employee Benefits” are given below:

Defined Contribution Scheme	Rs. in lakhs	
Description	March 31, 2017	March 31, 2016
Employer’s Contribution to Provident Fund	11	10
Employer’s Contribution to Pension Fund	10	10
Total	21	20

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:-

Acturial Assumptions	March 31, 2017	March 31, 2016
Discount Rate	6.85%	7.68%
Future Salary Increases	7.5% p.a.	7% p.a.
Retirement Age	60 Years	58 Years
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Method	Projected Unit Credit Method	Projected Unit Credit Method

b) Changes in Present Value of Obligation		
Particulars	March 31, 2017	March 31, 2016
a) Present Value of obligation at the beginning of the year	76	65
b) Interest Cost	6	5
c) Past Service Cost	-	-
d) Current Service Cost	8	7
e) Benefits Paid	(2)	-
f) Actuarial (gain) / loss on Obligation	1	(1)
g) Present Value of obligation at the end of the year	89	76
c) Changes in Present Value of Obligation		
Particulars	March 31, 2017	March 31, 2016
a) Fair value of plan assets at the beginning of the year	72	55
b) Expected Return	4	4
c) Past Service Cost	-	-
d) Contributions	-	12
e) Benefits Paid	(2)	-
f) Actuarial gain / (Loss) on Plan Assets	1	1
g) Fair value of plan assets at the end of the year	75	72
h) Funded Status	(14)	(4)
d) Actuarial gain/loss recognized		
Particulars	March 31, 2017	March 31, 2016
a) Actuarial (gain) / loss for the year - Obligation	1	(1)
b) Actuarial (gain) / loss for the year - Plan Assets	1	1
c) Actuarial (gain) / loss recognized in the year	0	(1)
e) Amounts to be recognized in the Balance Sheet:		
Particulars	March 31, 2017	March 31, 2016
a) Present Value of obligation at the end of the year	89	76
b) Fair value of plan assets at the end of the year	75	72
c) Funded Status	(14)	(4)
d) Net liability recognized in the Balance Sheet	14	4
f) Expenses recognized in the Statement of Profit & Loss:		
Particulars	March 31, 2017	March 31, 2016
a) Current Service Cost	8	7
b) Past Service Cost	-	-
c) Interest Cost	6	5
d) Return on plan assets	(4)	(4)
e) Net Actuarial (gain) / loss recognized in the year	0	(1)
f) Expenses/(Income) recognized in the Statement of Profit & Loss	10	6

g) Investment Details of Plan Assets		Rs. In Lakhs	
Particulars	March 31, 2017	March 31, 2016	
Assets managed by insurance scheme (100%)	75	72	
h) Balance Sheet Reconciliation			
Particulars	March 31, 2017	March 31, 2016	Rs. In Lakhs
Opening Net Liability	(4)	(10)	
Expenses as above	10	6	
Employers Contribution	-	12	
Amount Recognised in Balance sheet	(14)	(4)	

Amount Recognised in current year and previous four years	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined Benefit Obligation	89	76	65	57	51
Plan Assets	75	72	55	53	56
(Surplus)/Deficit	14	4	10	4	(5)
Experience adjustments on plan liabilities Loss/ (Gain)	(8)	(1)	2	5	(3)
Experience adjustments on plan Assets (Loss)/Gain	(1)	(1)	2	1	(4)

Compensated Absences

The obligation for compensated absences is determined based on actuarial valuation using the Projected Unit Credit Method. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged leaves of the employees of the company as at year end is given below:

	March 31, 2017	March 31, 2016
Privileged Leave	39	29

Notes:

The Company expects to contribute Rs. 8 Lakhs to Gratuity fund in 2017-18.

29 Earnings Per Share:			
		March 31, 2017	March 31, 2016
Net Profit after Tax		101	86
Less: Dividend		-	-
Profit available to Equity Shareholders	(A)	101	86
Adjusted Net Profit for Diluted Earnings Per Share	(B)	101	86
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	159,885,365
Nominal Value of Equity Shares (Rs.)		10	10
Basic Earnings Per Share (Rs.)	(A) / (C)	0.06	0.05
Diluted Earnings Per Share (Rs.)	(B) / (D)	0.06	0.05

30 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	-	8,580	577	9,157
(Previous Year)	-	(8,630)	(395)	(9,025)
Other Income	518	1,232	67	1,817
(Previous Year)	(123)	(494)	(69)	(686)
Segmental Expenses	9,930	449	270	10,649
(Previous Year)	(9,253)	(10)	(195)	(9,458)
Segmental Results	(9,412)	9,363	374	325
(Previous Year)	(-9,130)	(9,114)	(269)	(253)
Segment assets	11,258	99,807	6,874	117,940
(Previous Year)	(14,722)	(95,284)	(5,629)	(115,635)
Segment liabilities	52,411	26,258	6,889	85,558
(Previous Year)	(50,760)	(26,951)	(5,642)	(83,353)
Addition made to Fixed Assets				
Tangible	23	-	-	23
(Previous Year)	(24)	-	-	(24)
Intangible	-	-	-	-
(Previous Year)	(1)	-	-	(1)

* International Segment denotes financing of Export Receivables and Import Payables of Clients.

31. Disclosure of Unhedged Exposure of Foreign Currency

The Foreign Currency Exposures that have not been hedged by a derivatives instrument or otherwise as on 31st March, 2017 are as follows:

	Currency	Amount
	Currency	Rs. in Lakhs
(a) Assets (Receivables)		
	USD	94
		(72)
	EUR	8
		(9)
	GBP	3
		(2)
(b) Liability (Payables)		
	USD	0
		(0)
	EUR	0
		(0)
	GBP	0
		(0)

(c) Loans Payable			
	USD	93	6,063
		(72)	(4,749)
	EUR	8	561
		(9)	(680)
	GBP	3	236
		(2)	(188)

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

32 Related Party Disclosures

Name of Related Party

Relationship

a List of Related Party with whom transactions have taken place during the year:

i. Holding Company

State Bank of India (SBI)

Holding Company

ii. Fellow Subsidiary Company with whom transactions have taken place during the year

SBI Foundation

Fellow Subsidiary (Non Banking)

SBI Mutual Fund Trustee Company Limited

Fellow Subsidiary (Non Banking)

SBI Life Insurance Company Ltd. (SBI LIFE)

Fellow Subsidiary (Non Banking)

SBI General Insurance Ltd.

Fellow Subsidiary (Non Banking)

SBICAP Securities Ltd

Step down Subsidiary

SBICAP Trustee Company Limited

Step down Subsidiary

b. Other related parties with whom transactions have taken place during the year

Associates/Group Enterprises

State Bank of Patiala (SBP)

Associate Bank

c. Key Management Personnel/Relatives of Key Management Personnel

Mr Arun Kumar Agarwal (Upto 30th June, 2016)

MD & CEO

Mr. Tushar Buch (w.e.f. 01st July, 2016)

MD & CEO

Mr. Pankaj Gupta (from 25th August, 2015)

SVP & CF&RO

Ms. Amita Joshi

Company Secretary

d. Enterprises over which Key Management Personnel (KMP) can exercise significant influence

Mr Arun Kumar Agarwal (Up to 30th June, 2016)

Factors Association of India

Mr. Tushar Buch (w.e.f. 1st July, 2016)

Factors Association of India

e 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	-	-	-	47	47
	Previous Year	-	-	-	(36)	(36)
	Remuneration to SVP & CF&RO	-	-	-	39	39
	Previous Year	-	-	-	(26)	(26)
	Remuneration to Company Secretary	-	-	-	17	17
	Previous Year	-	-	-	(14)	(14)
	Salary (Including Perquisite) paid to Deputed Staff *	279	-	17	-	296
	Previous Year	(278)		(16)		(294)
	Other Receiving of Services/ Reimbursement of Expenses	888	4	-	-	892
	Previous Year	(639)	(17)	(0)	(15)	(671)
	Total - Current Year	1,167	4	17	103	1,291
	Total - Previous Year	(917)	(17)	(16)	(91)	(1,041)
2 INCOME						
	Rendering of Services/ Reimbursement of Expenses	37	1	-	1	39
	Previous Year	(0)	-	-	-	(0)
	Rental Income	4	-	-	-	4
	Previous Year	(3)	-	-	-	(3)
	Profit on sale of Units of Mutual fund	-	24	-	-	24
	Previous Year		(26)			(26)
	Total - Current Year	41	25	-	1	67
	Total - Previous Year	(3)	(26)	-	-	(29)
3 SHARE CAPITAL						
	Equity Share Capital	13,779	-	-	-	13,779
	Previous Year	(13,779)	-	-	-	(13,779)
	Share Premium	16,438	-	-	-	16,438
	Previous Year	(16,438)	-	-	-	(16,438)
	Total - Current Year	30,217	-	-	-	30,217
	Total - Previous Year	(30,217)	-	-	-	(30,217)

4 ASSETS						
	Amounts Receivable / Advance	-	1	-	-	1
	Previous Year	-	-	-	-	-
	Bank Balances	22	-	-	-	22
	Previous Year	(1,298)	-	-	-	(1,298)
	Unexpired Amount of CP	44	-	-	-	44
	Previous Year	-	-	-	-	-
	Investment in Equity Shares	-	0	-	-	0
	Previous Year	-	-	-	-	-
	Total - Current Year	66	1	-	-	67
	Total - Previous Year	(1,298)	-	-	-	(1,298)
5 LIABILITY						
	Unsecured Loans	25,373	-	-	-	25,373
	Previous Year	(39,118)	-	-	-	(39,118)
	Salary Payable / Amounts Payable / Interest Payable	27	-	-	6	33
	Previous Year	(67)	-	-	(11)	(78)
	Total - Current Year	25,400	-	-	6	25,406
	Total - Previous Year	(39,185)	-	-	(11)	(39,196)
6 TRANSACTIONS						
	Purchase of Shares (Transfer of shares of Subsidiary Company)	0	-	-	-	0
	Previous Year	-	-	-	-	-
	Purchase of Fixed Assets	0	-	-	-	0
	Previous Year	(5)	-	-	-	(5)
	Sale of Fixed Assets	1	-	-	6	7
	Previous Year	-	-	-	-	-
	Commercial Papers Taken	43,869	-	-	-	43,869
	Previous Year	(39,107)	-	-	-	(39,107)
	Commercial Papers Repaid	40,500	-	-	-	40,500
	Previous Year	(39,500)	-	-	-	(39,500)
	Loan Taken	27,000	-	-	-	27,000
	Previous Year	(40,000)	-	-	-	(40,000)
	Repayment of Loan	48,000	-	-	-	48,000
	Previous Year	(31,500)	-	-	-	(31,500)
	Investment in Schemes of Mutual Fund	-	85,650	-	-	85,650
	Previous Year	-	(80,900)	-	-	(80,900)
	Redemption of Schemes of Mutual Fund	-	85,674	-	-	85,674
	Previous Year	-	(80,926)	-	-	(80,926)
Note :- Transactions above are inclusive of Service Tax, wherever applicable.						
* Includes amount paid towards Remuneration to MD & CEO and SVP & CF&RO						

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

34 Auditors' Remuneration:		
	Rs. in Lakhs	
	March 31, 2017	March 31, 2016
For Statutory Audit	10	9
For Limited Review	3	3
For Tax Audit	2	2
For Other Services (Including certification)	3	3
For Out of pocket expenses	0	0
TOTAL	18	17
35 Expenditure in Foreign Currency (On Accrual basis)		
	Rs. in Lakhs	
	March 31, 2017	March 31, 2016
Import Factor Commission	123	101
Travelling	4	4
Membership and Subscription	1	1
Interest on Short Term Loans	140	92
Others	13	13
TOTAL	281	210
36 Earnings in Foreign Currency:		
	Rs. in Lakhs	
	March 31, 2017	March 31, 2016
Income from Factoring :		
Interest	349	204
Factoring Charges	228	191
Processing Charges	57	41
Miscellaneous Income	4	1
TOTAL	638	437

37 Book value of Investments in Security Receipt						
Rs. in Lakhs						
Particulars	Backed by NPAs sold by the Company as underlying		Backed by NPAs sold by the other banks/FI/ NBFC as underlying		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Book value of investments in security receipt	-	-	-	-	-	-
* 100% Provision is held against Investment in Security Receipts						
38 Investments in security receipts						
Rs. in Lakhs						
Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago			
i Book value of SRs backed by NPAs sold by bank as underlying	383	-	-			
Provision held against(i)	383	-	-			
ii Backed by NPAs sold by the other banks/FI/ NBFC as underlying	-	-	-			
Provision held against(ii)	-	-	-			
Total (i) + (ii)	383	-	-			

39 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, 2017		March 31, 2016	
	Amount	Amount	Amount	Amount
	Outstanding	Overdue	Outstanding	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*)	15,419	-	16,410	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	14,000	-	-	-
(f) Other Loans (specify nature)	-	-	-	-
- Cash Credit	5,241	-	5,619	-
- Working Capital Demand Loan	12,503	-	33,528	-
- Short Term Loan Facility	9,132	-	-	-
- Bank Overdraft	2,012	-	-	-

ASSETS SIDE :		Amount Outstanding	
		March 31, 2017 Rs. in Lakhs	March 31, 2016 Rs. in Lakhs
2	Break-up of Loans and Advances including bills receivables [other than those included in (3) below:] #		
	(a) Secured	-	-
	(b) Unsecured	374	334
	(Excludes Advance Payment of Tax)		
3	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities (net of provision)		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
# Debts Shown under Sundry Debtors have not been Considered			
4	Break-up of Investments :		
	Current Investments:		
	1 Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2 Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

Long Term investments :					
1. Quoted :					
(i) Shares : (a) Equity	-			-	
(b) Preference	-			-	
(ii) Debentures and Bonds	-			-	
(iii) Units of mutual funds	-			-	
(iv) Government Securities	-			-	
(v) Others (please specify)	-			-	
2 Unquoted :					
(i) Shares : (a) Equity	0			-	
(b) Preference	-			-	
(ii) Debentures and Bonds	-			-	
(iii) Units of mutual funds	-			-	
(iv) Government Securities	-			-	
(v) Others (please specify)	-			-	
JMFARC - IRIS December 2016 - Trust (Security Receipt of JM Financial Asset Reconstruction Company Private Limited) *	383	383		-	
* 100% Provision is held against the Investment					

5 Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:			
Category	Amount net of provisions		
	Secured	Unse-cured	Total
1 Related Parties			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties	-	-	-
2 Other than related parties		374	374
(Previous Year)	-	334	334
Total (Current year)	-	374	374
Total (Previous year)	-	334	334

6 Investor group-wise classification of all investments (current and long term) (both quoted and unquoted):				
Category	March 31, 2017		March 31, 2016	
	Market Value/ Break-up or fair value or NAV	Book value (net of provi- sions)	Market Value/ Break-up or fair value or NAV	Book value (net of provisions)
1 Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group *	-	0	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties @	574	0	-	-
Total	-	-	-	-

* Disclosed as zero as amount is less than lakhs

@ 100% Provision is held in books against Investment, therefore book value is zero

7. Other Information		
Particulars	March 31, 2017 Rs. in Lakhs	March 31, 2016 Rs. in Lakhs
(i) Gross Non Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	28,282	29,688
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(B) Other than Related Parties	2,764	2,972
(iii) Assets acquired in satisfaction of debts	-	-
40 (i) Disclosures as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 dated 2nd September, 2015 and Circular No.CIR/IMD/DF/18/2013 dated October 29,2013, relating to contact details of Debenture Trustees		
IDBI Trusteeship Services Ltd Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001. Tel: 022 - 4080 7000 Fax: 022 - 6631 1776 / 4080 7080		
(ii)		
(a) Credit rating and change in credit rating (if any);	March 31, 2017	March 31, 2016
(b) Debt-Equity ratio;	2.23	2.09
(c) (i) Previous due date for the payment of interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2016	25.08.2015
- 9.22% Tier II Bonds (10 Years)	27.01.2016	29.01.2016
- 9.75% Tier II Bonds (7 Years & 1months)	04.04.2016	05.03.2016
(ii) Repayment of principal of non convertible debt securities	04.04.2016	NA
(d) (i) Next due date for the payment of Interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2017	25.08.2016
- 9.22% Tier II Bonds (10 Years)	29.07.2017	29.07.2016
- 9.75% Tier II Bonds (7 Years & 1months)	Redemed during the year	04.04.2016
(ii) Principal along with the amount of interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2020	25.08.2020
- 9.22% Tier II Bonds (10 Years)	29.07.2021	29.07.2021
- 9.75% Tier II Bonds (7 Years & 1months)	Redemed during the year	04.04.2016
(e) Capital redemption reserve / Debenture redemption reserve;	NA	NA
(f) Net Worth;	32,382	32,282
(g) Net Profit After Tax;	101	86
(h) Earnings Per Share:	0.06	0.05

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

A Capital to Risk (weighted) Assets Ratio			
Rs. In Lakhs			
Sr No.	Particulars	March 31, 2017	March 31, 2016
i.	CRAR (%)	40.15	43.09
ii	CRAR - Tier I Capital (%)	27.42	28.55
iii	CRAR - Tier II Capital (%)	12.73	14.53
iv	Amount of Subordinated debt as Tier II Capital (Rs In Lakhs)	11,000	11,960
v	Amount raised by issue of Perpetual Debt Instruments	-	-

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

B Investments			
Rs. In Lakhs			
Sr No.	Particulars	March 31, 2017	March 31, 2016
1	Value of Investments	-	-
i	Gross Value of Investments	-	-
	a) In India	383	-
	b) Outside India	-	-
ii	Provisions for Depreciation	-	-
	a) In India	383	-
	b) Outside India	-	-
iii	Net Value of Investments	-	-
	a) In India	0	-
	b) Outside India	-	-
		-	-
2	Movement of provisions held towards depreciation on investments	-	-
i	Opening balance	-	-
ii	Add: Provisions made during the year	383	-
iii	Less: Write-off / write-back of excess provisions during the year	-	-
iv	Closing balance	383	-

C Derivatives - The Company is not holding any derivative instrument as on date, therefore the disclosure is not applicable.

D Disclosure on Risk Exposure in Derivatives - Not Applicable

E Disclosure relating to Securitisation

i Details of Financial Assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction.

			Rs. In Lakhs	
Sr No.	Particulars	March 31, 2017	March 31, 2016	
(i)	No. of Accounts	1	-	
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC *	-	-	
(iii)	Aggregate consideration @	450	-	
(iv)	Additional consideration realized in respect of accounts transferred in earlier years.	-	-	
(v)	Aggregate (gain) / loss over net book value	(450)	-	

* During the year, the Company had sold one NPA account to Reconstruction Company, the details are mentioned below:

Gross Value	1,789
Less: 100% Provision held	1,789
Net Book Value of Asset as on date of Sale	-

@ Sale Consideration Received is Rs. 450 lakhs and out of this the Company has invested in Security Receipt of Reconstruction Company amounting to Rs. 383 lakhs

ii. Details on Non-Performing financial assets purchased/sold.

a. Details of Non-Performing Assets purchased			
			Rs. In Lakhs
Sr No.	Particulars	March 31, 2017	March 31, 2016
(i)	(a) No. of Accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-
b. Details of Non-Performing Financial Assets sold.			
			Rs. In Lakhs
Sr No.	Particulars	March 31, 2017	March 31, 2016
(i)	No. of accounts sold	1	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate Consideration received	450	-

F Asset Liability 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 year upto 5 years	Over 5 years	Total
Deposits									
Advances									
- Domestic	52,975	20,719	14,951	10,758	22	-	-	-	99,425
- Foreign @	3,066	2,374	994	193	-	-	-	-	6,627
Investments	-	-	-	-	-	-	383*	0	383
Borrowing									
- Bank Overdraft	2,012	-	-	-	-	-	-	-	2,012
- CC Facility \$	-	5,240	-	-	-	-	-	-	5,240
- Short Term Loan Facility #	7,824	1,297	-	-	-	-	-	-	9,121
- WCDL	12,500	-	-	-	-	-	-	-	12,500
- Commercial Papers	5,000	9,000	-	-	-	-	-	-	14,000
Debentures	-	-	-	-	-	-	15,000	-	15,000
Foreign Currency assets									
- Bank Accounts	247	-	-	-	-	-	-	-	247
Foreign Currency liability									
- Import Factoring Commission	12	-	-	-	-	-	-	-	12
- Interest Payable on Loan	2	1	-	-	-	-	-	-	3
* The Period of realisation of Investment shall be 5 years from the date of acquisition. The Period of realisation may be extended to a maximum of 8 Years from the date of acquisition by the Board of Directors of JM Financial Asset Reconstruction Company Private Limited									
@ Represents Foreign Currency Receivables from Export Factoring									
\$ Represents Foreign Currency Cash Credit Loan									
# Includes Rs. 324 Lakhs Foreign Currency Loan maturing within 31 days and Rs. 1,297 Lakhs maturing within one to two months									

G Exposures		
i Exposure to Real Estate Sector *		
Category	Rs. In Lakhs	
	March 31, 2017	March 31, 2016
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	3,032	3,840
(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	4,761	4,270
(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 @	7,793	8,110

* Above amounts reflects exposure towards collateral security accepted against the Factoring facility (Receivable financing) provided to the clients.

@ Out of the above exposure, an amount of Rs. 6,226 Lakhs (Previous Year 5,151 Lakhs) is security relating to Non Performing Assets

- ii Exposure to Capital Market - There are no exposure, direct or indirect to Capital Market
- iii Details of Financing of Parent Company products - Not Applicable
- iv Details of Single Borrower limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC - There are no accounts where the limit is exceeded

v Unsecured Advances		
Type of Security	Rs. In Lakhs	
	March 31, 2017	March 31, 2016
Insured through overseas Import Factor	6,438	4,494
Secured by way of Assignment of Receivables and through Residual / Subservient Charge	45,962	42,683
Fully Unsecured	1,278	1,794
Total	53,678	48,971

H Miscellaneous

- i Registration obtained from other financial sector regulators - Not Applicable
- ii Disclosure of Penalties imposed by RBI and other regulators - Not Applicable
- iii Related Party Transactions - Disclosed in Note 32

iv 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	27-Dec-16	31-Dec-17
ii)	ICRA	[ICRA]AAA (Stable)	15,980	Non-Convertible Debentures Programme(Long-Term)	27-Dec-16	26-Dec-17
iii)	ICRA	[ICRA]A1+	100,000	Short Term Fund Based Bank Lines	27-Dec-16	31-Dec-17
iv)	ICRA	[ICRA]A1+	200,000	Short Term Debt Programme	27-Dec-16	31-Mar-18
v)	CRISIL	CRISIL A1+	100,000	Short Term Debt Programme	28-Dec-16	27-Dec-17
vi)	CRISIL	CRISIL AAA/ Negative	15,000	Non-Convertible Debentures Programme(Long-Term)	28-Dec-16	27-Dec-17

Note: The above rating are taken on the basis of the certification provided by the respective rating agencies

- v **Prior Period Items - An amount of Rs. NIL (Previous Year Rs. 4 Lakhs) is forming part of Miscellaneous Expenses (Note - 21)**
- vi **Revenue Recognition - There are no such significant uncertainties where Revenue Recognition is postponed**
- vii **Consolidated Financial Statements - Not Applicable**

I Additional Disclosure		
i 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, 2017	March 31, 2016
Provisions for depreciation on Investment	383	-
Provision towards NPA*	(1,198)	(404)
Provision made towards Income Tax	-	-
Other Provision and Contingencies (with details)	-	-
Provisions for Standard Assets	58	(60)

* Current Year: Net Provision Rs. (1,198) Lakhs Provision made during the year Rs. 3,071 Lakhs and written back Rs.(4,269) Lakhs

* Previous Year: Net Provision Rs. (404) Lakhs Provision made during the year Rs. 4,080 Lakhs and written back Rs.(4,484) Lakhs

ii Draw Down from Reserves - Not Applicable		
iii Concentration of Deposits, Advances, Exposures and NPAs		
a) Concentration of Deposits	Rs. In Lakhs	
	March 31, 2017	March 31, 2016
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-
b) Concentration of Advances	Rs. In Lakhs	
	March 31, 2017	March 31, 2016
Total Advances of twenty largest borrowers	66,138	57,992
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	62.36	57.54
c) Concentration of Exposures (a + b)	Rs. In Lakhs	
	March 31, 2017	March 31, 2016
Total Exposure to twenty largest borrowers / customers	66,138	57,992
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of NBFC on borrowers / customers	62.36	57.54

d) Concentration of NPAs	Rs. In Lakhs	
	March 31, 2017	March 31, 2016
Total Exposure to top four NPA Accounts	10,003	10,012

e) Sector-wise NPAs		Percentage of NPAs to Total Advances in that sector	
Sector		March 31, 2017	March 31, 2016
1	Agriculture & allied activities	-	-
2	MSME	16.78	22.47
3	Corporate Borrowers	29.95	30.62
4	Services	17.55	30.25
5	Unsecured Personal Loan	-	-
6	Auto Loans	-	-
7	Other personal Loans	-	-

iv Movements of NPAs	Rs. In Lakhs	
Particulars	March 31, 2017	March 31, 2016
i Net NPAs to Net Advance (%)	3.43%	4.01%
ii Movement of NPAs (Gross)		
(a) Opening Balance	29,688	36,259
(b) Additions during the year	4,087	380
(c) Reductions during the year	5,494	6,951
(d) Closing balance	28,282	29,688
iii Movement of Net NPAs		
(a) Opening Balance	2,972	9,139
(b) Additions during the year	772	304
(c) Reductions during the year	980	6,471
(d) Closing balance	2,764	2,972
iv Movement of Provisions of NPAs (Excluding Provision on Standard Assets)		
(a) Opening Balance	26,716	27,120
(b) Provision made during the year	3,316	4,080
(c) Write off / write back of excess provisions	4,514	4,484
(d) Closing Balance	25,518	26,716
v Overseas Asset (for those with joint ventures and subsidiaries abroad) - Not Applicable		
vi Off Balance Sheet SPVs sponsored - Not Applicable		
J Disclosure of Complaints		
i Customer Complaint	Rs. In Lakhs	
Particulars	March 31, 2017	March 31, 2016
a) No. of Complaints pending at the beginning of the year	-	-
b) No. of Complaints received during the year	-	-
c) No. of Complaints redressed during the year	-	-
d) No. of Complaints pending at the end of the year	-	-

42 In terms of RBI Circular No DNBS.PD.CC.No. 256 / 03.10.042/2011-12 dated March 02, 2012 the Company has to report Nos and Amount of Fraud identified during the year. The Company has not detected / identified any fraud during the current year and previous year.

43 As per provisions of the Companies Act, 2013, the Company was required to spend Rs. Nil (Previous Year Rs. Nil) on CSR activities for the year ended 31st March, 2017. The Company has during the year incurred expenditure relating to CSR activities amounting to Rs. 0.45 Lakh (Previous Year Rs. 1 Lakh) and the same is reflected in Note 21 under Operating, Administrative and Other Expenses.

44 Disclosure in respect of Specified Bank Notes

The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016 as per the MCA notification G.S.R. 308(E) dated March 31, 2017 is given below:

Particulars	Specified Bank Notes (SBN) *	Other Denomination Notes	Total
	Rs. in Lakhs		
Closing Balance of Cash in Hand as at 08th November 2016	0	0	0
(+) Permitted Receipts	-	3	3
(-) Permitted Payments	-	3	3
(-) Amount deposited in the banks	0	-	0
Closing Balance of Cash In Hand as at 30th December 2016	-	1	1

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note : An amount of Rs. 0.60 Lakhs (SBN 1,000*6 = 60,000/-) is directly deposited in bank account (other than mentioned above) towards bad debts recovery by client under permitted receipts as loan repayment under circular DBR.NO.BP.BC.37/21.04.048/2016-17 dated 21.11.2016.

45 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>Mr. Saurabh M. Chitale Partner M.No. 111383</p> <p>Place : Mumbai Date : April 20, 2017</p>	<p>For and on behalf of the Board of Directors</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Arundhati Bhattacharya Chairman DIN :- 02011213</p> <p>Pankaj Gupta Chief Financial & Risk Officer</p> <p>Place : Mumbai Date : April 20, 2017</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Tushar Buch Managing Director & CEO DIN :- 07566371</p> <p>Amita Joshi Company Secretary</p> </td> </tr> </table>	<p>Arundhati Bhattacharya Chairman DIN :- 02011213</p> <p>Pankaj Gupta Chief Financial & Risk Officer</p> <p>Place : Mumbai Date : April 20, 2017</p>	<p>Tushar Buch Managing Director & CEO DIN :- 07566371</p> <p>Amita Joshi Company Secretary</p>
<p>Arundhati Bhattacharya Chairman DIN :- 02011213</p> <p>Pankaj Gupta Chief Financial & Risk Officer</p> <p>Place : Mumbai Date : April 20, 2017</p>	<p>Tushar Buch Managing Director & CEO DIN :- 07566371</p> <p>Amita Joshi Company Secretary</p>		

Balance Sheet

As at March 31, 2017

	(in US \$)	
	March 31, 2017 *	March 31, 2016 **
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	24,654,644	24,131,819
(b) Reserves and Surplus	25,279,034	24,590,784
	49,933,678	48,722,603
(2) Non-Current Liabilities		
(a) Long Term Borrowings	23,130,301	22,639,801
(b) Long Term Provisions	40,401,509	40,672,343
	63,531,810	63,312,144
(3) Current Liabilities		
(a) Short-Term Borrowings	66,111,220	59,040,908
(b) Other Current Liabilities	2,250,055	3,428,776
(d) Short-term provisions	39,500	25,860
	68,400,775	62,495,544
Total	181,866,263	174,530,291
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Asset		
Tangible Asset	1,253,539	1,295,717
Intangible Asset	17,487	48,097
(b) Non Current Investments	589,977	-
(c) Deferred Tax Assets (net)	12,424,683	12,499,194
(d) Long Term Loans and Advances	2,729,487	6,179,865
	17,015,173	20,022,873
(2) Current Assets		
(a) Debts Factored, Loans and Advances	163,534,614	152,130,735
(b) Cash and Cash Equivalents	975,619	2,249,971
(c) Short Term Loans and Advances	172,198	126,712
(d) Other Current Assets	168,659	-
	164,851,090	154,507,418
Total	181,866,263	174,530,291
* 1 US \$ = 64.850		
** 1 US \$ = 66.255		
Note : Previous year's figures have been regrouped/ recast/ reworked/ rearranged/ reclassified wherever necessary		

Statement of Profit and Loss

For the Year Ended March 31, 2017

	(in US \$)	
	Year ended March 31, 2017*	Year ended March 31, 2016 **
Revenue from Operations	14,120,781	13,621,427
Other Income	2,801,034	1,035,317
Total Revenue	16,921,815	14,656,744
Expenses		
Employee Benefit Expense	1,274,150	1,137,054
Financial Costs	6,663,875	5,807,684
Depreciation and Amortization Expense	113,762	119,634
Operating, Administrative and Other Expenses	1,799,941	1,762,576
Bad Debts Written Off	5,889,312	5,449,368
Provision for Bad and Doubtful Debts/Investments	589,823	-
Contingent Provision against Standard Assets	89,823	-
Total Expenses	16,420,686	14,276,316
Profit/(Loss) before Tax	501,129	380,428
Tax Expense:		
Current Tax	-	-
Deferred Tax	345,311	251,348
Profit (Loss) after Tax	155,818	129,080
<p>* 1 US \$ = 64.850 ** 1 US \$ = 66.255</p> <p>Note : Previous year's figures have been regrouped / recast / reworked / rearranged / reclassified wherever necessary</p>		

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E-mail: contact@sbiglobal.in website: www.sbiglobal.in
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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
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Fax: 0141 - 2374186

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2/5A Sarat Bose Road, Kolkata - 700 020
Tel: 033 - 2475 6367 / 6
Fax: 033 - 2475 6383

Ludhiana

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

New Delhi

906-907, Narain Manzil, 23 Barakhamba Road,
Connaught Place, New Delhi - 110 001
Tel: 011 - 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>

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