SBIGFL

SBI Global Factors Ltd.

(A Subsidiary of State Bank of India)

Annual Report 2021 - 2022

Member

FCI

(Formerly Factors Chain International)

Think of Factoring
Think of
SBI Global Factors Ltd.

Contents

List of Directors

Name	Designation
Shri Ashwini Kumar Tewari	Chairman
Shri Joydeb Mukherjee	Managing Director & C.E.O.
Smt. Sudha Malhotra	Independent Director
Shri Vijay Kumar Gupta	Independent Director
Shri Narayanan Raja	Independent Director
Shri Kailash Chand Vaid	Director
Shri Chander Mohan Minocha	Director
Shri Dinkar Baburao Sankpal	Director

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

Board of Directors

Shri Ashwini Kumar Tewari
Chairman

Shri Joydeb Mukherjee
Managing Director & C.E.O.

Smt. Sudha Malhotra
Independent Director

Shri Vijay Kumar Gupta
Independent Director

Shri Narayanan Raja
Independent Director

Shri Kailash Chand Vaid
Director

Shri Chander Mohan Minocha
Director

Shri Dinkar Baburao Sankpal
Director

Directors' Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

Your Directors have pleasure in presenting the 21st Annual Report of SBI Global Factors Limited ('SBIGFL') along with the audited Balance Sheet as at March 31, 2022 and Profit & Loss Account for the Financial Year 2021-22.

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. 42.79 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,
- Improving NIM by reducing interest cost,
- Minimise slippages in Asset Quality,
- Improve profitability by concentrating on recovery / upgradation of AUCA/ NPA Accounts,
- Exploring new opportunities of without recourse Factoring on TReDs (Trade Receivables Discounting System), Asset Backed Securitisation Assignment of Portfolio (Gold Loan).

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

(Rs. in cr.)

Key Parameters	2020-21	2021-22	YOY % Growth
- Turnover (Revenue from Operations) *	108	101	-6.16
FIU	1379	1205	-12.41
Gross NPAs	171	85	-50.07
Net NPAs	37	5	-86.95
Operating Profit	41	43	4.20
PBT	27	43	62.75
PAT	18	25	36.80
Recovery from Written-off A/cs	1	2	122.83
*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	4352	4773	9.67

SHARE CAPITAL

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

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

During the Financial Year ended on March 31, 2022, there was no change in the Equity Shareholding Pattern of the Company which remained as follows:

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

The Company's Capital Adequacy Ratio as on March 31, 2022 is as high as 34.74 % (As per Basel II norms) against 15% stipulated by the RBI.

THE COMPANIES ACT, 2013

As on March 31, 2022, the Company was compliant with all applicable provisions of the Companies Act, 2013 and the respective Rules and Secretarial Standards framed thereunder.

INTERNATIONAL ASSOCIATIONS

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

HUMAN RESOURCES

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

There are no cases filed in the Financial Year 2021-22, under the Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) for the Company.

As on 31st March, 2022, the staff strength of SBIGFL is 92, including 17 executives/employees on deputation from SBI.

INFORMATION TECHNOLOGY

Company has focused to automate all transactions by allowing employees to handle a more manageable workload by eliminating the need to manually match and balance transactions. To achieve this, the Company has established an Application Programming Interface (API) between various applications. APIs' core functionality is connectivity. They enable different systems, applications, and platforms to connect and share data with one another and perform varied types of functions.

With an API integration platform, departments are able to easily connect the best apps and tools available. API Integrations are the heavy lifters. They link the different parts of the tech stack together. They make them communicate with each other and pass data simply and quickly.

Loan Origination System: Company has decided to automate the lending processes by acquiring Loan Origination System (LOS), which covers the entire loan life cycle. Company has done integration with various platforms for KYC verification, risk assessment, decision-making and monitoring. With the help of this integration, Company will be able to-

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

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

Integration with Fintech: Company has done an integration with a Fintech in India for new initiatives, business etc. This integration is a seamless process of transferring data from approved buyers and sellers to Company's LMS application. This helped in-

- Streamlined processes
- End-to-End Visibility
- Real time reporting of data
- Eliminating error

TReDS platform – Company has also initiated the integration with all three TReDS platforms which facilitates the financing / discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers. This integration will help Company in optimizing the business processes, reduce cost and bottlenecks.

CREDIT RATING

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

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

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

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

NPA MANAGEMENT

The Financial Year 2021-22 began with the uncertainties about the after effects of COVID - 19 which had severely hit all the aspects of the economy and put nearly all the stakeholders under stress. However, with the onset of the new financial year, positive signs of recovery observed in majority of the sectors with trade transactions gradually coming back to track. While the key focus for the Company during the year remained the maintenance of asset quality and prevent fresh slippages, important decisions have been taken during the year to invest in technological front to structurally transform the business model through product innovation and digitalization of the credit processes to ensure quality business is booked by the Company.

There has been a considerable improvement in the recovery of overdues during the year, quarter on quarter basis as compared to instances of delay and non-payment of invoices observed in the previous year during the time of pandemic. Evidently, there was no SMA-2 account in the Company portfolio during the last two Quarters of the year. Legal cases which came to a standstill during the lockdown period due to non-functioning of Courts have also started progressing with the opening of all the forums of Civil & Criminal Courts, DRT and NCLT.

Twenty Six (26) accounts amounting to Rs. 79.20 Cr. came under SMA2 category during the year, however, with the Company's proactive measures viz. daily monitoring of overdues, follow up with Clients and Debtors and weekly review by top management for taking prompt and corrective actions in the accounts helped in recovering Twenty Two (22) SMAs amounting to Rs. 60.76 Cr. Four (4) SMA accounts amounting to Rs. 18.44 Cr. slipped to NPA during FY 2021-22, however, we have been able to recover the entire dues of Rs 17.54 Cr. in three (3) accounts. The one remaining account having principal outstanding of Rs 0.89 Cr. is expected to be closed with full recovery during FY 2022-23.

With the legal forums coming back to normalcy and regular hearings taking place, we could recover Rs 3.36 Cr. (Rs 1.96 Cr. through direct payment and Rs 1.40 Cr. in the form of NCD) in one of the NPA account upon successful completion of the NCLT proceedings during FY 2021-22. Few more accounts has been admitted under NCLT are expected to be closed in FY 2022-23. The Company recovered Rs 1.00 Cr. in one of the NPA accounts (TReDS Platform) through assignment of debt to NBFC/Asset Reconstruction Company during the year.

The Company through Compromise Settlement closed three (3) NPA accounts having principal outstanding of Rs 21.98 Cr. against which recovery of Rs 11.05 Cr. has been done during the year. NPA recovery during the year stood at Rs 39.24 Cr. (including recovery of Rs. 17.54 Cr. against current year NPA of FY 21-22) as against Rs.5.84 Cr. in FY 2020-21. Further an amount of Rs. 61.08 Cr. (including claim relinquished) was transferred to AUCA during FY 2021-22.

Recovery from AUCA remained at Rs. 2.04 Cr. as compared to previous year Rs. 0.92 Cr. The Company negotiated settlement in 4 old AUCA accounts during the year wherein part payments have been received. All the accounts are expected to be closed through full recovery in FY 2022-23.

TRANSFER TO RESERVE

The Company has transferred Rs. 5.05 Crores (viz., 20% of Rs.25.26 Crores) to Reserve Fund (created in accordance with provisions of Section 45IC of the Reserve Bank of India Act, 1934) in the Financial Year 2021-22, as the Company has made a profit of Rs. 25.26 Crores.

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

DIVIDEND

As a conservative measure, your Company do not propose payment of any Dividend to the Equity Shareholders for the Financial Year ended March 31, 2022.

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

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

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

MATERIAL CHANGES AND COMMITMENTS

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

INTERNAL AUDIT AND LIMITED REVIEW OF QUARTERLY ACCOUNTS

SBIGFL has appointed an independent firm of Chartered Accountants, M/s. S. Panse & Co. LLP (formerly S. Panse & Co.), as Internal and Concurrent Auditors. Internal Audit & Compliance is focused on independently evaluating the adequacy of internal controls, ensuring adherence to Operating Guidelines and Regulatory and Legal requirements and pro-actively recommending, by way of improvements in operational processes and service quality of various individual departments. The quarterly results are also subjected to a limited review by the Statutory Auditors.

DETAILS OF EMPLOYEES DRAWING SALARY ABOVE PRESCRIBED LIMITS

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

As on March 31, 2022, there are 92 employees in company (75 Direct Staff and 17 SBI deputees). The increment given to the direct staff including the Company Secretary (KMP) ranged from 5% to 10%. The percentage increase in the median remuneration of the employees in Financial year 2020-21 is 8.57 %. The remuneration paid to employee is as per the Remuneration policy of the Company. For SBI deputees, including Managing Director & C.E.O. Chief Financial Officer and CS (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.

ANNUAL RETURN

As per provision of Section 92(3) of the Companies Act, 2013, the Annual Return of the Company is available on the website of the Company and the same can be assessed at **www.sbiglobal.in.**

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals and the intervening gap between the Meetings during the year 2021-22 was within the period prescribed under the Companies Act, 2013. The notice of the Board Meeting was given well in advance to all Directors.

Seven Board Meetings and seven Audit Committee Meetings were held during the Financial Year. The Board met on April 29, 2021, June 30, 2021, July 22, 2021, September 03, 2021, October 25, 2021, January 15, 2022 and March 19, 2022.

The Audit Committee met on April 29, 2021, June 30, 2021, July 22, 2021, September 03, 2021, October 25, 2021, December 23, 2021 and January 15, 2022.

CORPORATE GOVERNANCE REPORT

The report on Corporate Governance is appended herewith.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

DIRECTORS

The Board of Directors of the Company at present consists of eight Directors including five Nominee Directors and three Independent Directors.

Changes in the Board of Directors since the previous year's Directors Report are as under:

Shri Vinay S. Hedaoo (Director Identification Number ('DIN'): 07916221) ceased as the Nominee Director of Small Industries Development Bank of India (SIDBI), on the Board of the Company with effect from September 09, 2021.

As nominated by Small Industries Development Bank of India (SIDBI) and duly considered and recommended by the Nomination and Remuneration Committee of the Board at its Meeting held on October 25, 2021 (prior to the Board Meeting) (after determining 'fit and proper' status/ suitability of the appointment in this regard), the Board of Directors of the Company, at its Meeting held on October 25, 2021, considered and appointed :

Shri Kailash Chand Vaid (General Manager, Small Industries Development Bank of India (SIDBI), Lucknow) (Director Identification Number (DIN) : 07339850) as a Nominee Director of Small Industries Development Bank of India (SIDBI) on the Board of Directors of the Company with effect from October 25, 2021.

CHANGE IN THE KEY MANAGERIAL PERSONNEL (KMP)

The Nomination and Remuneration Committee of the Board considered and approved the appointment of Smt. Aruna Nitin Dak as Company Secretary & Compliance Officer and Key Managerial Personnel ('KMP') of the Company with effect from September 09, 2021 (in place of Shri Nandan Nimbkar, since resigned with effect from the close of the business on September 08, 2021).

DECLARATION BY INDEPENDENT DIRECTORS

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

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

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

COMMENTS ON AUDITORS REPORT & SECRETARIAL AUDIT REPORT

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

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

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

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

As on March 31, 2022, the total outstanding of the Company's Tier II Bonds is at Rs. 100 Crores. The details of which are given in the below table:

Sr. No.	Particulars	Issue Date	Maturity Date	Rate	Amount (Rs. Cr)
1	Tier II Bond (NCD - Issue 10)	28-07-2021	28-07-2031	7.28%	100
				TOTAL	**100**

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

During the Financial Year ended March 31, 2022, 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 A"**. The Board has approved the Policy on the Related Party Transactions which has been uploaded on the Company's Website (**www.sbiglobal.in**).

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy duly approved by the Board. Accordingly, the Company manages the key risks critical to the Company's operations such as Credit Risk (Including Concentration and Country Risk), Operations Risk, Liquidity Risk, Market Risk (Interest Risk) and Compliance Risk (Including Legal Risk). IT Risk and HR 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. The Company has appointed Chief Risk and Regulatory Control Officer at a senior level.

AUDIT COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee is duly constituted and CSR Policy of the Company is periodically reviewed. The details of CSR activities during the year as per Corporate Social Responsibility Policy Rules, 2014 have been appended herewith as **"Annexure B"**. The Policy is also uploaded on the Website of the Company **(www.sbiglobal.in)**.

RISK MANAGEMENT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

VIGIL MECHANISM

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

ANNUAL EVALUATION BY THE BOARD

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

PUBLIC DEPOSITS

During the Financial Year ended March 31, 2022 , 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, 2022.

AUDITORS

Vyas & Vyas, Chartered Accountants, the present Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India ("C&AG of India"), will retire at the close of the 21st Annual General Meeting of the Company.

The Statutory Auditors of the Company for the Financial Year 2022-23 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 Rajkumar R. Tiwari, Practising Company Secretary, to conduct the Secretarial Audit for the Financial Year 2021-22. Report on Company's Secretarial Audit is appended to this Report as **"Annexure C"**.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
(b) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss of the Company for that period;
(c) the Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
(d) the Directors have prepared the Annual Accounts on a going concern basis;
(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable Laws and such systems are adequate and operating effectively.

CEO & CFO CERTIFICATE

A Certificate from Managing Director & C.E.O. and Chief Financial Officer of the Company, pursuant to the Listing Agreement of privately placed Debentures, for the Financial Year 2021-22 on Financial Statements and Compliances is annexed to the Report on Corporate Governance (Annexure I).

CODE OF CODUCT 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 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 : 28.06.2022

Ashwini Kumar Tewari
Chairman

ANNEXURE A 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. P. Hemant Kumar Pammi - MD & CEO - Key Managerial Personnel (w.e.f. 1st July 2020 till 30th June 2021)	Key Managerial Personnel	Appointment by SBI for 1 Year	Acting as MD & CEO of the company	On Deputation from SBI	W.E.F. 01/07/2020 to 30/06/2021	Nil	
2	Mr. Joydeb Mukherjee (w.e.f. 1st July 2021 to till date)	Key Managerial Personnel	Appointment by SBI for 2 Years	Acting as MD & CEO of the company	On Deputation from SBI	W.E.F. 01/07/2021	Nil	
3	Mr. Pankaj Gupta - SVP & CF&RO - Key Managerial Personnel (From 24th August, 2015 till 30th April 2021)	Key Managerial Personnel	Appointment by SBI	Acting as SVP & CF&RO of the company	On Deputation from SBI	W.E.F. 26/08/2015 to 30/04/2021	Nil	
4	Mr. Akash Damniwala - SVP & CFO - Key Managerial Personnel (From 8th June 2021 till date)	Key Managerial Personnel	Appointment by SBI	Acting as SVP & CFO of the company	On Deputation from SBI	W.E.F. 08/06/2021	Nil	
5	Mr. Nandan Nimbkar - Company Secretary - Key Managerial Personnel (From 01st December, 2019 till 8th Sept 2021)	Key Managerial Personnel	Appointment by Board of Directors	Acting as Company Secretary	Appointed as Company Secretary by the Board of Directors.	W.E.F. 01/12/2019 to 08/09/2021	Nil	

6	Mrs. Aruna Dak - Company Secretary - Key Managerial Personnel(w.e.f. 9th Sept 2021 till date)	Key Managerial Personnel	Appointment by Board of Directors	Acting as Company Secretary	Appointed as Company Secretary by the Board of Directors.	W.E.F. 09/09/2021	Nil	
7	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	
8	State Bank of India (SBI) - Holding Company	Manpower Support (officer on Deputation)	Appointment by SBI	Group Company	On Deputation from SBI		Nil	
9	SBI Capital Markets Ltd	Borrowing	Long Term	NCD Borrowed and transferred	NCD Borrowed and transferred		Nil	
10	SBI Capital Markets Ltd	Professional Fees	Short Term	Issue of Unsecured Debt	Issue of Unsecured Debt		Nil	
11	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	
12	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	
13	SBI General Life Insurance Ltd. - Fellow Subsidiary (Non Banking)	Burglary Policy Medical Insurance Policy Directors and Employee liability Insurance Policy	Yearly & Renewed every year	Insurance taken for Money in transit, Burglary , fire & Special Perils, Medical Insurance, Directors and Employees Liability	Normal General insurance transaction		Nil	
14	SBI Foundation	Investment	Long Term	Purchase of Equity	Investment for CSR Purpose		Nil	
15	Factors Association of India	Subscription / Membership	Yearly & Renewed every year	Subscription / Membership	Subscription / Membership		Nil	
16	SBI Global Factors Ltd. Staff gratuity fund	Income Tax paid of staff gratuity fund	Short Term	Income Tax paid of staff gratuity fund	Income Tax paid of staff gratuity fund		Nil	

[Annexure – B]

The Annual Report on CSR Activities (Financial Year ended on March 31, 2022)

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

2. **Composition of CSR Committee :**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Smt. Sudha Malhotra	Independent Director (from 29 April, 2021)	01	01
2	Shri Vijay Kumar Gupta	Independent Director	01	01
3	Shri Dinkar Baburao	Nominee Director (from 30 June, 2021)	01	01
4	Shri Joydeb Mukherjee	Managing Director & CEO (from 30 June, 2021)	01	01
5	Shri P Hemant Kumar Pammi	Managing Director & CEO (upto 30 June, 2021)	0	0
6	Shri Prashant R. Khatavar	Nominee Director (upto 25 May, 2021)	0	0

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company :

   (i) Web-link of CSR Committee :
   https://www.sbiglobal.in/board-level-committees.php
   (ii) Web-link of CSR Policy :
   https://www.sbiglobal.in/csr-policy.php
   (iii) Web-link of CSR projects approved by the Board :
   https://www.sbiglobal.in/csr-policy.php

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any **: Not Applicable**

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

6. Average net profit of the company as per Section 135(5) :

The Company had incurred an Average Loss of (Rs. 12,73,96,817.85) during three immediately preceding Financial Years in accordance with provisions of Section 198 of the Companies Act, 2013

(Note : Pursuant to an Explanation to Section 135(5) of the Companies Act, 2013, 'Net Profit' shall be calculated in accordance with provisions of Section 198 of the Companies Act, 2013)

7. 1. Two percent of average net profit of the company as per section 135(5) : **Average Net Loss of (Rs. 25,47,936.36)**
2. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Not Applicable**
3. Amount required to be set off for the financial year, if any: **Not Applicable**
(d) Total CSR obligation for the financial year (7a+7b-7c): **Not Applicable**

8. (a) CSR amount spent or unspent for the financial year :

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

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

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation – Direct (Yes/No).	Mode of implementation – Through implementing agency.	
				State	District			Name.	CSR registration number.
1.	procurement and donation of ICU, PICU beds and Medical equipment etc to the National Health Mission.	Health care	No	Government of Tripura	NA	Rs. 2,00,000/-	NO	SBI Foundation	CSR00001456

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

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

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

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

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

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

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

SBIGFL

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

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

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

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

For and on behalf of the Corporate Social Responsibility Committee

Managing Director & C.E.O. (Member)

Annexure: C

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(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, 2022** 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, 2022** according to the provisions of:

(i) The Companies Act, 2013 (the Act) including amendments thereof and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable during the Audit period)**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not Applicable during the Audit period)**;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not Applicable during the Audit period)**;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable during the Audit period)**;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not Applicable during the Audit period)**;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not Applicable during the Audit period)**;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable during the Audit period)**;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable during the Audit period)**; and

i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other laws applicable specifically to the company namely:

a) The Factoring Regulation Act, 2011 (No. 12 of 2012);

b) NBFC Directives of RBI (including directions issued by RBI for NBFC Factors);

c) Indian Stamp Act, 1899 and the States Stamp Acts;

d) Fair Practices Code for NBFC's, as per RBI Guidelines;

e) The company's Policy & Procedures on Know Your Customer (KYC)Guidelines, Anti Money Laundering (AML) Standards and Obligations under the Prevention of Money Laundering Act, 2002 guidelines issued by the Reserve Bank of India;

f) Master Direction – Information Technology Framework for the NBFC Sector issued by Reserve Bank of India vide Circular No. Master Direction DNBS.PPD. No. 04/66.15.001/2016-17 dt. June 08, 2017.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Debt Listing Agreements entered into by the Company with National Stock Exchange of India Limited;

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including the Appointment of Women Director u/s. 149(1) of the Act. The Appointment of Mr. Joydeb Mukherjee

(DIN: 09197677) as Managing Director & CEO in place of Prabhakar Hemant Kumar Pammi (DIN: 07969705) was approved by the Members in the Extra Ordinary General Meeting held on 28th July, 2021 w.e.f. 01.07.2021 to 31.03.2023. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

1) The Company has raised 7.28% Unsecured, Listed, Rated, Subordinated, Redeemable Non-Convertible Debenture 2021-22 (Series SBIGFL-10) on Private Placement basis on 28th July, 2021 of Rs. 1,00,00,00,000.

2) The Company has redeemed Non- Convertible Debentures (Series-SBIFL-9) ISIN – INE912E08AD9 Tier II/ Ninth Issue Bond of Rs. 1,00,00,00,000 @ 9.22 % by paying Principal amount of Rs. 1,00,00,00,000 and Interest amount of Rs.4,57,21,094 on 29th July, 2021.

3) The Company by passing special resolution in the 20th Annual General Meeting held on 30th September, 2021 appointed M/s. Vyas & Vyas, Chartered Accountants, Mumbai (Firm Registration No.FRN No 000590C) as Statutory Auditors for the financial year 2021-22 as advised by the Comptroller & Auditors General of India ("C&AG of India") pursuant to section 139 and other applicable provisions of the Companies Act, 2013.

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

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

Place: Mumbai
Date: 21st June, 2022

Signature:
CS Rajkumar R. Tiwari
Practising Company Secretary
FCS No. 4227 CP No. 2400
UDIN: F004227D000514330

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 **31st March, 2022** 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.

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

Place: Mumbai
Date: 21st June, 2022

Corporate Governance Report

1. Board of Directors (Board)

The Board is the core of Corporate Governance practices in the Company. The Board 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 2021-22, the Board comprised of eight (8) members, which consisted of four (4) Non-Executive Directors, three (3) Independent Directors and one (1) full-time Executive Director.

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

The particulars of Directors, their attendance during the financial year 2021 – 2022 and also other Directorships are as detailed in Table –I below:

Attendance Record of Directors at Board Meetings during 2021-22

Name and Designation of Director	Category of Director	No. of Board Meetings Attended/ Held	No. of Director -ships in other companies (Excl. Foreign Company(ies)
Shri Ashwini Kumar Tewari (Chairman) (w.e.f. April 19, 2021)	(Nominee-SBI) Non-Executive	7/7	13*
Smt. Sudha Malhotra (Director) (w.e.f. April 29, 2021)	(Independent) Non-Executive	6/6	0
Shri Vijay Kumar Gupta (Director)	(Independent) Non-Executive	7/7	0
Shri P Hemant Kumar Pammi (Managing Director & CEO) (w.e.f. July 01, 2020) (Up to June 30, 2021)	(Nominee –SBI) Full time Executive	2/2	Not applicable
Shri Joydeb Mukherjee (Managing Director & CEO) (w.e.f. July 01, 2021)	(Nominee –SBI) Full time Executive	4/5	01
Shri Vinay S Hedaoo (Director) (Up to September 09, 2021)	(Nominee – SIDBI) Non-Executive	3/4	Not applicable
Shri Kailash Chand Vaid (Director) (w.e.f. October 25, 2021)	(Nominee – SIDBI) Non-Executive	1/2	0
Shri Narayanan Raja (Director)	(Independent) Non-Executive	7/7	0
Shri Prashant Ramakant Khatavkar (Director) (w.e.f. October 23,2020) (Up to May 25, 2021)	(Nominee – Bank of Maharashtra) Non-Executive	1/1	Not Applicable
Shri Dinkar Baburao Sankpal (Director) (w.e.f. June 30, 2021)	(Nominee – Bank of Maharashtra) Non-Executive	4/5	0
Shri Chander Mohan Minocha (Director) (w.e.f. June 30, 2021)	(Nominee – Union Bank of India) Non-Executive	5/5	01

*Excluding SBI and Foreign Companies.

Meetings of the Board

During the Financial Year ended 31 March, 2022 Board met 7 (Seven) times on 29 April, 2021, 30 June, 2021, 22 July, 2021, 03 September, 2021, 25 October, 2021, 15 January, 2021 and 19 March, 2022.

2. Audit Committee

During the Financial Year ended on March 31, 2022 Shri Dinesh K. Khara (former Nominee Director of SBI) ceased as Member in Audit Committee of the Board of Directors with effect from 09 April, 2021. Shri Ashwini K. Tewari, Nominee Director of SBI was appointed as Member in Audit Committee of the Board of Directors with effect from 29 April, 2021 in place of Shri Dinesh K. Khara. Smt. Sudha Malhotra was appointed as Member in Audit Committee of the Board of Directors with effect from 29 April, 2021.

Pursuant to the provisions of Section 177 of the Companies Act, 2013, Members of the Audit Committee as on March 31, 2022 are as follows:

1. Shri Narayanan Raja – Independent Director
2. Shri Vijay Kumar Gupta – Independent Director
3. Smt. Sudha Malhotra – Independent Director
4. Shri Ashwini Kumar Tewari – Nominee Director of SBI.

During the Financial Year ended on March 31, 2022, the Audit Committee met (7) Seven times Viz., on 29 April, 2021, 30 June, 2021, 22 July, 2021, 03 September, 2021, 25 October, 2021, 23 December, 2021 and 15 January, 2022.

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

Name of the Member	No. of Audit Committee Meetings attended
Shri Narayanan Raja	7/7
Shri Vijay K. Gupta	7/7
Smt. Sudha Malhotra	6/6
Shri Dinesh K. Khara	0/0
Shri Ashwini K. Tewari	5/7

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, 2022,

1. Smt. Sudha Malhotra, Independent Director was appointed as Member in Executive Committee of Board of Directors with effect from 29 April, 2021.
2. Shri Joydeb Mukherjee, Nominee Director of SBI was appointed as Member in Executive Committee of Board of Directors with effect from 01 July, 2021.

3. Shri Chander Mohan Minocha, Nominee Director of Union Bank of India was appointed as Member in Executive Committee of Board of Directors with effect from 30 June, 2021.
4. Shri Kailash Chand Vaid, Nominee Director of SIDBI was appointed as Member in Executive Committee of Board of Directors with effect from 25 October, 2021.
5. Shri P. Hemant K. Pammi, Nominee Director of SBI ceased as a Member in Executive Committee of Board of Directors with effect from 30 June, 2021.
6. Shri Vinay S. Hedaoo, Nominee Director of SIDBI ceased as Member in Executive Committee of Board of Directors with effect from 03 September, 2021.

The Executive Committee of the Board as on March 31, 2022 consists of following Members:

1. Shri Vijay K. Gupta – Independent Director
2. Smt. Sudha Malhotra – Independent Director
3. Shri Chander Mohan Minocha – Nominee Director Union Bank of India
4. Shri Kailash Chand Vaid – Nominee Director of SIDBI
5. Shri Joydeb Mukherjee – Managing Director & C.E.O.

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, 2022:

1. Smt. Sudha Malhotra was appointed as Member in Risk Management Committee of the Board of Directors with effect from 29 April, 2021.
2. Shri Prashant R. Khatavkar, Nominee Director of Bank of Maharashtra ceased as Member in Risk Management Committee of the Board of Directors with effect from 25 May, 2021.
3. Shri Dinkar B. Sankpal, Nominee Director of Bank of Maharashtra, was appointed as Member in Risk Management Committee of the Board of Directors with effect from 30 June, 2021.

As on March 31, 2022, the composition of the Risk Management Committee of the Board consisted of following Members:

1. Shri Vijay Kumar Gupta (Independent Director),
2. Smt. Sudha Malhotra ((Independent Director)
3. Shri Narayanan Raja (Independent Director), and
4. Shri Dinkar B. Sankpal (Nominee Director of Bank of Maharashtra)

During the Financial Year ended on March 31, 2022, the Risk Management Committee of the Board met (5) Five times Viz., on 20 April, 2021, 25 June, 2021, 28 July, 2021, 22 October, 2021 and 13 January, 2022.

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 Meetings attended
Shri Vijay K. Gupta	5/5
Shri Narayanan Raja	5/5
Smt. Sudha Malhotra	4/4
Shri Prashant R. Khatavkar	0/1
Shri Dinkar B. Sankpal	3/3

5. Nomination and Remuneration Committee of the Board :

During the Financial Year ended on March 31, 2022, Shri Dinesh Kumar Khara, (Nominee Director, SBI) ceased to be a Member of the Nomination and Remuneration Committee of the Board of Directors with effect from the close of the business on 09 April, 2021. Shri Ashwini Kumar Tewari (Nominee Director of State Bank of India) was appointed as Member in Nomination and Remuneration Committee of the Board of Directors with effect from 29 April, 2021 and Smt. Sudha Malhotra, Independent Director appointed as Member in Nomination and Remuneration Committee of the Board of Directors with effect from 29 April, 2021.

The composition of the Nomination and Remuneration Committee of the Board as on March 31, 2022 consists of the following Members :

1. Shri Ashwini Kumar Tewari (Nominee Director of SBI)
2. Shri Vijay Kumar Gupta, (Independent Director)
3. Shri Narayanan Raja (Independent Director)
4. Smt. Sudha Malhotra (Independent Director)

During the Financial Year ended on March 31, 2022, the Nomination and Remuneration Committee of the Board met (4) Four times, on 29 April, 2021, 30 June, 2021, 03 September, 2021 and 25 October, 2021.

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

Name of the Member	No. of Nomination and Remuneration Committee Meetings attended
Shri Dinesh K. Khara	0/0
Shri Ashwini Kumar Tewari	4/4
Shri Narayanan Raja	4/4
Shri Vijay K. Gupta	4/4
Smt. Sudha Malhotra	3/3

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

During the Financial Year ended on 31 March, 2022, change in composition of CSR Committee is as under:

1. Smt. Sudha Malhotra, Independent Director was appointed as Member in Corporate Social Responsibility Committee of the Board with effect from 29 April, 2021.
2. Shri Prashant R. Khatavar, Nominee Director of Bank of Maharashtra ceased as Member in Social Responsibility Committee of the Board with effect from 25 May, 2021
3. Shri Dinkar B. Sankpal, Nominee Director was appointed as Member in Corporate Social Responsibility Committee of the Board with effect from 30 June, 2021 in place of Shri Prashant R. Khatavar.
4. Shri P Hemant Pammi, MD & CEO and Nominee Director of State Bank of India ceased as Member in Social Responsibility Committee of the Board with effect from 30 June, 2021
5. Shri Joydeb Mukherjee, MD & CEO and Nominee Director of State Bank of India appointed as Member in Corporate Social Responsibility Committee of the Board with effect from 01 July, 2021.

The composition of the CSR Committee of the Board of Directors as on March 31, 2022 is as under:

1. Shri Vijay Kumar Gupta (Independent Director),
2. Smt. Sudha Malhotra (Independent Director)
3. Shri Dinkar B. Sankpal (Nominee Director Bank of Maharashtra)
4. Shri Joydeb Mukherjee (Managing Director & C.E.O.)

During the Financial Year ended on March 31, 2022, Meeting of the CSR Committee of the Board was held on 10 March, 2022.

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

Name of the Member	No. of Corporate Social Responsibility (CSR) Committee Meetings attended
Shri Vijay Kumar Gupta (Independent Director)	1/1
Smt. Sudha Malhotra (Independent Director)	1/1
Shri Dinkar B. Sankpal (Nominee Director Bank of Maharashtra)	1/1
Shri Joydeb Mukherjee (Managing Director & C.E.O.)	1/1

7. IT Strategy Committee

During the Financial Year ended on March 31, 2022, Shri Joydeb Mukherjee, Nominee Director State Bank of India and the Managing Director & C.E.O. of the Company, was appointed as a Member of the IT Strategy Committee (in place of Shri P Hemant Pammi the former Managing Director & C.E.O. of the Company) with effect from July 01, 2021 and Shri Akash S. Damniwala SVP & Chief Financial Officer was appointed on July 22, 2021 in place of Shri Pankaj Gupta (former SVP & Chief Financial and Risk Officer).

The IT Strategy Committee as on March 31, 2022 comprises of following Members:

a) Shri Narayanan Raja, Independent Director
b) Shri Joydeb Mukherjee, Managing Director & C.E.O.
c) General Manager (IT – Core Operations), SBI, GITC, Belapur
d) Sr. Vice President – Business Development, Client Services and IT Functions
e) SVP and Chief Financial Officer (designated as the Chief Information Officer), and
f) Assistant Vice President (IT) (designated as the Chief Technology Officer).
With effect from 30th April 2022, the Chief Risk and Regulatory Control Officer is also inducted as a member in the IT Strategy Committee.

8. General Body Meetings:

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

AGM	Financial Year	Date of the AGM	Time	Venue
Eighteenth	2018-19	26/09/2019	04.30 p.m.	State Bank Bhavan, Corporate Centre, 10th Floor, 'Hoysala' Meeting Room, Madame Cama Road, Nariman Point, Mumbai – 400 021.
Nineteenth	2019-20	29/09/2020	04.00 p.m.	The Board Room, SBI Global Factors Limited, 06th Floor, The Metropolitan Building, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 (Meeting through Video Conferencing).
Twentieth	2020-21	30/09/2021	04.00 p.m.	The Board Room, SBI Global Factors Limited, 06th Floor, The Metropolitan Building, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 (Meeting through Video Conferencing).

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

AGM	DETAILS OF THE SPECIAL RESOLUTION(S)
Eighteenth	(i) Appointment of Statutory Auditors for the Financial Year 2019-20, as directed by the Comptroller & Auditor General of India (C&AG) and payment of Fees/ Remuneration to them. (ii) To consider and approve Borrowings by the Company in excess of the aggregate of the Paid-up Share Capital and free Reserves of the Company, pursuant to Section 179(3)(d) read with Section 180(1)(c), Section 180(2) and any other applicable provisions of the Companies Act, 2013.
Nineteenth	Appointment of Statutory Auditors for the Financial Year 2020-21, as directed by the Comptroller & Auditor General of India (C&AG) and payment of Fees/ Remuneration to them.
Twentieth	Appointment of Statutory Auditors for the Financial Year 2021-22, as directed by the Comptroller & Auditor General of India (C&AG) and payment of Fees/ Remuneration to them.

Extraordinary General Meetings held during the Financial Year 2021-22:

During the Financial Year 2021-22, One Extraordinary General Meeting of Equity Shareholders/ Members of the Company was held on July 28, 2021 to consider and approve the :

(i) Induction of Shri Joydeb Mukherjee (General Manager, Top Executive Grade Scale VII ("TEGS VII"), State Bank of India) (Director Identification Number : 09197677) as (i) the Managing Director & CEO (i.e. a Nominee Director of State Bank of India) on the Board of Directors of the Company and (ii) Key Managerial Personnel (KMP) of the Company pursuant to Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - from July 01, 2021 to March 31, 2023 (both days inclusive) or till further instructions of State Bank of India.

(ii) Appointment of Smt. Sudha Malhotra (Director Identification Number ('DIN'): 09147726) as Independent Director of the Company (not liable to retire by rotation) for a period of five years with effect from April 29, 2021.

9. General Shareholder Information:

Financial Year	April 01, 2021 to March 31, 2022
CIN	U65929MH2001PLC131203
Registration Date	13/03/2001
Name of the Company	SBI Global Factors Ltd
Address for correspondence	6th Floor, The Metropolitan, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
Category / Sub-Category of the Company	Public Company
Address of the Registered office and contact details	The Metropolitan, 6th Floor, Bandra Kurla Complex, Bandra(E), Mumbai-400 051. T.No. (022) 48890300
Whether listed company	Yes (Equity is not listed our Debentures are listed with NSE)
Name, Address and Contact details of Registrar and Transfer	Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited). Address: Plot No. B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai – 400 093. Contact No. : +91 22 66712011

Shareholding of Promoters

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

The Board of Directors
SBI Global Factors Limited
Mumbai

Annexure A

As required under the Listing Agreement we certify that:

(a) We have reviewed financial statements and the Cash Flow Statement for the year 2021-22 and that to the best of our knowledge and belief -
   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   ii] These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee -
   i) significant changes in internal control over financial reporting during the year;
   ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii) Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For SBI Global Factors Limited

Akash Damniwala
SVP and Chief Financial Officer

Joydeb Mukherjee
Managing Director & C.E.O.

Date: April 22, 2022

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, 2022** 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: 21 June, 2022

Signature
CS Rajkumar R. Tiwari
Practising Company Secretary
FCSNo.4227 CPNo.2400
UDIN: F004227D000514440

Management Discussion and Analysis

Global Economic Scenario

2022 - 2023 has started with crisis caused by Russia and Ukraine war. A drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spillovers through commodity markets, trade, and financial channels. War hits the growth hard and adds to inflation. Fuel and food prices have increased rapidly, with lower income group populations-particularly in low-income countries are most affected. Central Bank face dual problems: containing price pressures and safeguarding growth. Interest rates are expected to rise with Central Bank tightening Monetary Policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies. The invasion has contributed to economic fragmentation as a significant number of countries sever commercial ties with Russia and risks derailing the post-pandemic recovery.

Macro Economic Perspective :

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023 assuming that the conflict remains confined to Ukraine, further sanctions on Russia (exempt the energy sector) and the pandemic's health. Employment and output will typically remain below pre-pandemic trends. Effects are expected to be much larger in emerging market and developing economies than in advanced economies because of limited policy support and generally slower vaccination. Downside risks to the global outlook dominate including from a possible worsening of the war, escalation of sanctions on Russia, a sharper-than-anticipated deceleration in China as a strict zero-COVID strategy and a renewed flare-up of the pandemic should a new, more virulent virus strain emerge. Moreover, the war in Ukraine has increased the wider social tensions because of higher food and energy prices, which would further affect negatively. Inflation is expected to remain high due to war-induced commodity price increases. Conditions could significantly deteriorate due to worsening supply-demand gap including those coming from the war and further increases in commodity prices could lead to persistently high inflation, rising inflation expectations.

The Financial Markets and Liquidity Conditions:

The pandemic has delivered a life time crisis, with a health shock resulting into a macroeconomic and financial shock. The Reserve Bank of India undertook a slew of measures to deal with such an exceptional situation. So, borrowing costs fell to their lowest levels and spreads narrowed. Record levels of government securities, corporate bonds and debentures were issued. Corporate entities have been able to deleverage easily and reduce high-cost debt while improving profitability and retained earnings for future capex. Overall, the financial sector has remained fully functional and helped the process of recovery. The Reserve Bank of India has rebalanced liquidity on a dynamic basis, while maintaining adequate liquidity in support. This rebalancing has involved two-sided operations: first, rebalancing liquidity from the overnight fixed rate reverse repo towards the 14-day Variable Rate Reverse Repo (VRRR) auction as the main operation, and second, conducting repo auctions of 1-3 day maturities to meet transient liquidity mismatches and shortages. Overall system liquidity, however, remains in large surplus, the daily fixed repo rate and the four 14-day term repos within a reporting fortnight were withdrawn. In view of the pandemic and related work from home and social distancing protocols, the MSF and the fixed reverse repo rate windows were made operational throughout the day.

Excess Liquidity along with tense global geopolitical situation and high commodity prices created uncertainty to the domestic inflation outlook. The restrictions on wheat exports may improve the domestic supplies but the shortfall in the rabi production due to the heat wave may increase the problem. Edible oil prices remain under pressure on adverse global supply conditions. All those factors did lead to high inflation which will force RBI to increase rate.

Going Forward :

The global economy is fighting with high inflation for a longest period and slowing growth, persisting geopolitical tensions and sanctions, increased prices of crude oil and other commodities and COVID-19 related supply chain bottlenecks. Global financial markets are affected by turbulence and there is growing clamor of stagflation concerns. It may lead to a tightening of global financial conditions and risks to the growth outlook and financial stability. Inflation risks is getting bigger. Considerable uncertainty surrounds the inflation trajectory due to global growth risks and geopolitical tensions. The supply side measures taken by the government may help to fight Inflation. However, food inflation remains a concern. Accordingly, the RBI decided to increase the policy repo rate and by 40 basis points and 50 bps through May MPC and June MPC. Repo rate stands now 4.90 per cent. RBI also increased CRR by 50 basis points. The RBI also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth. Increase in the Repo rate will translate into higher cost of borrowing for the Company as it depends mainly market borrowing and Banks line of credit to fund the operations, we expect a possibility of adverse impact on NIM. However an uptick in economic activity in Apr/May'22 is evident in high frequency leading indicators. The percentage of indicators showing acceleration (% yoy growth) have risen to 88% and 95% in Apr and May, respectively in comparison to 55-65% range in Jan to Mar. Apart from other sectors, responding to the removal of restrictions, services sector retained momentum which was evident in high frequency leading indicators recording growth in most trade and transport sectors. Contact-intensive aviation and tourism sectors recorded sequential improvement. Further, with Capacity utilisation nearing 75% in Q4-FY22 coupled with increased investment activities driven by Government's capex push and deleveraged corporate balance sheets, it is expected the double-digit growth momentum to continue in FY23.

Independent Auditors' Report

To the Members of SBI GLOBAL FACTORS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **SBI Global Factors Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015,as amended,("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS Financial Statements for the financial year ended 31st March 2022. These matters were addressed in the context of our audit of the standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

	Key Audit Matters	How our audit addressed the key audit matter
1.	**Information Technology**	
	IT systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting	Our audit procedures to assess the IT system access management included the following: • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Evaluating the design, implementation and operating effectiveness of the significant accounts related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure - A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   A. As required by Section 143(3) of the Act, we report that:

   i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   iii. The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

iv. In our opinion, the aforesaid standalone financial statements comply with the Ind As specified under Section 133 of the Act.

v. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".

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

i. The Company has disclosed the impact of pending litigations as on 31st March, 2022 on its financial position in its standalone financial statements to the extent determinable/ ascertainable – Refer Note 27 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend has been paid by the Company during the year.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion, the managerial remuneration for the year ended 31 March 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

Directions of C&AG

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

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 30th April 2022
Place: Mumbai

(SHRADDHA AVINASH KHARE)
Partner
M. No. 123263
UDIN: 22123263AIEYVL1228

ANNEXURE – A to the Independent Auditor's Report of even date on the Standalone Financial Statements of SBI GLOBAL FACTORS LTD for the period ended 31st March 2022

Statement on the matters specified in paragraphs 3 and 4 of Companies (Auditor's Report) Order, 2020

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

i.

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has maintained proper records showing full particulars of intangible assets.

c. The Company has a regular program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the last physical verification of fixed assets was conducted on 31-Mar-2019. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

d. According to the information and explanations given to us, the title deeds of immovable properties are still held in the erstwhile name of the Company.

Particulars	Gross Value (Amt in lakhs)	Net Value (Amt in lakhs)	Remarks
Office Premises in Mumbai	797.25	533.23	In the erstwhile name of Global Trade Finance Limited
Office Premises in Delhi	146.72	106.37	In the erstwhile name of Global Trade Finance Limited
Flat in Mumbai	47.83	33.79	In the erstwhile name of SBI Factors and Commercial Services Private Limited.

e. The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.

f. As per information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.

a. 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.

b. As per information and explanations given to us the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. According to the information and explanations given to us, the Company has not invested, provided any guarantee or security or granted any loans, secured or unsecured to Companies,

firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
In view of the above, clause (iii) (a), (b) and (c) of the order are not applicable.

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

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, hence the directives issued by The Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable on the Company.

vi. According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 to the Company.

vii.

a. According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other material statutory dues applicable to it have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of outstanding statutory dues as aforesaid at 31st march 2022 for a period of more than six months from the date they become payable.

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

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

viii. As per information and explanations given to us there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, banks and Debenture holders.

b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
c. According to the information and explanations given to us, the Company has applied term loans for the purpose of which they were obtained during the year.
d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
f. On an overall examination of the financial statements of the Company, the Company has not taken and the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x.
a. 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.
b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi.
a. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
c. We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures

xii. The Company is not a Nidhi Company and accordingly this clause is not applicable to the Company. Accordingly, provision of clause 3(xii) of the order is not applicable.

xiii. According to the information and explanations given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board and Audit Committee, related party transactions during the financial year under review are in compliance with section 177 and 188 of the Companies Act, 2013 and details have been duly disclosed in the standalone financial statements as required by the applicable Ind AS.

xiv.
a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business;
b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the financial year under review; accordingly paragraph 3 (xv) of the order is not applicable.

xvi. a. 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. Hence, reporting under clause 3(xvi) (b) and (c) of the Order is not applicable

b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

a. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b. In respect of ongoing projects, the Company did not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the current and previous financial year, Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

xxi. As the report pertain to Standalone financial statements of the Company, Accordingly, provision of clause 3(xxi) of the order is not applicable

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 30th April 2022
Place: Mumbai

(SHRADDHA AVINASH KHARE)
Partner
M. No. 123263

Annexure – B to the Independent Auditor's Report of even date on the Standalone Financial Statements of SBI GLOBAL FACTORS LTD for the period ended 31st March 2022

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

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

We have audited the internal financial controls over financial reporting of **SBI GLOBAL FACTORS LIMITED**, ("the Company"), as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 30th April 2022
Place: Mumbai

(SHRADDHA AVINASH KHARE)
Partner
M. No. 123263

Annexure "C" to the Independent Auditor's Report of even date on the Standalone Financial Statements of SBI GLOBAL FACTORS LTD for the period ended 31st March 2022

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

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

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

S. No.	Direction	Reply
I.	As per circular dated 6th August, 2020, RBI provided a window under the prudential framework to implement a resolution plan to borrowers having a stress on account of Covid- 19, as per which the existing loans can be restructured without downgrading the asset classification. Are there any cases of restructuring involving the new provision and if so, are they in compliance with the RBI Circular?	According to the information and explanations given to us and based on information available, the company has implemented Resolution Plan as per RBI circular dated 06-Aug-20 in One account during the Financial Year 2021-22. In our opinion, the company is in compliance with the said RBI circular for this account. The detail of the account wherein RP has been invoked is as under Name of Borrower- Future Enterprises Limited Account Status as on 31.03.2022- Standard Amt O/s as 31.03.2022- Rs. 3.54 Crores

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

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

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 30th April 2022
Place: Mumbai

(SHRADDHA AVINASH KHARE)
Partner
M. No. 123263

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

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

Report on the Financial Statements

In addition to the report made under section 143 of the Companies Act, 2013 (**'the Act'**) on the financial statements of SBI Global Factors Limited (**'the Company'**) for the year ended 31st March, 2022 and as required by the Master Circular on Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 (**the 'Directions'**), we report as follows on the matters specified in paragraph 3 and 4 of the said Directions to the extent applicable.

Management's responsibility for the financial statements

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

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

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

Auditor's Responsibility

Pursuant to the requirement of the Directions, it is our responsibility to examine the audited books and records of the Company for the year ended 31st March, 2022 and report on the matters specified in the Directions to the extent applicable to the Company.

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

Opinion

Based on our examination of the audited financial statements for the year ended 31 March 2022, books of accounts and records of the Company as produced for our examination and according to the information and explanations given to us, we report that:

- The Company is engaged in the business of non-banking financial institution and it has obtained a certificate of registration (CoR) dated 23rd March 2015 from the bank's department of Non- Banking Supervision – Mumbai, Regional office;

- The Company is entitled to continue to hold such certificate of registration in terms of its principal business criteria as on 31st March, 2022;

- In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the criteria of net owned funds requirement as laid down in the Directions.

- The Board of Directors of the Company has passed a resolution in its meeting held on 30th April, 2022 for non-acceptance of any public deposits;

- The Company has not accepted any public deposits during the year ended 31st March 2022;

- In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Directions in the preparation of financial statements for the year ended 31 March 2022;

- The Statement of capital funds, risk assets/ exposures and risk asset ratio (DNBS-03) has been provisionally submitted to the Bank on 12-Apr-2022 and the final return was submitted on 11-May-2022. The Company has correctly arrived at Capital Adequacy Ratio (CRAR) which has been duly disclosed in the audited financial statements and such ratio is in compliance with the minimum CRAR ratio prescribed by the Bank.

- The Company is not a NBFC-MFI as defined in the Master Circular- Non-Banking Financial Company -- Micro Finance Institution ('NBFC-MFI') -- Directions, with reference to the business carried on by it during the year ended 31st March 2022.

Restriction on Use

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

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 02nd September, 2022
Place: Mumbai

(SHRADDHA AVINASH KHARE)
Partner
M. No. 123263
UDIN: 22123263AQPWOU9438

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 2022

The preparation of financial statements of SBI Global Factors Limited for the year ended 31 March 2022 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 30 April 2022.

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 2022 under section 143(6)(a) of the Act.

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

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

Place: Mumbai
Date : 22.08.2022

Balance Sheet

As at March 31, 2022

(₹ in Lakhs)

	Particulars	Note No.	March 31, 2022	March 31, 2021
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	2	2,717	972
(b)	Loans	3	111,781	122,572
(c)	Investments	4	0	0
(d)	Other Financial assets	5	250	1,717
			114,748	**125,261**
(2)	**Non-financial Assets**			
(a)	Current tax assets (Net)	6	721	504
(b)	Deferred tax Assets (Net)	7	2,794	4,616
(c)	Property, Plant and Equipment	8	992	1,099
(d)	Intangible assets under development	8	12	
(e)	Other Intangible assets	8	13	5
(f)	Other non-financial assets	9	219	283
			4,751	**6,508**
	Total Assets		**119,498**	**131,769**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Derivative financial instruments	9A	13	-
(b)	Debt Securities	10	25,904	57,675
(c)	Borrowings (Other than Debt Securities)	11	53,335	36,674
(d)	Other financial liabilities	12	1,549	1,231
			80,800	**95,580**
(2)	**Non-Financial Liabilities**			
(a)	Provisions	13	253	254
(b)	Other non-financial liabilities	14	806	852
			1,060	**1,106**
(3)	**EQUITY**			
(a)	Equity Share capital	15	15,989	15,989
(b)	Other Equity	16	21,650	19,094
			37,639	**35,082**
	Total Liabilities and Equity		**119,498**	**131,769**
	Significant accounting policies forming part of the financial statements	1		
	See accompanying notes forming part of the financial statements	2-54		

As per our report of even date

For Vyas & Vyas
Chartered Accountants
Firm Registration No. 000590C

Shraddha Avinash Khare
Partner
M.No. 123263
Place : Mumbai
Date : 30th April 2022

For and on behalf of the Board of Directors

Joydeb Mukherjee
Managing Director & CEO
DIN :- 09197677

Ashwini Kumar Tewari
Chairman
DIN :- 08797991

Akash Damniwala
Chief Financial Officer
Place : Mumbai
Date : 30th April 2022

Aruna Dak
Company Secretary

Statement of Profit and Loss

For the Year Ended March 31, 2022

(₹ in Lakhs)

	Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations :			
(i)	Interest income	17	9,011	9,827
(ii)	Fees and commission income	18	320	362
(iii)	Sale of services	19	559	476
(iv)	Others	20	204	92
(v)	Reversal of provision	21	6,319	2,799
(1)	**Total revenue from operations**		**16,413**	**13,556**
(2)	**Other income**		207	195
(3)	**Total income**		**16,620**	**13,751**
	Expenses :			
(i)	Finance costs	22	3,300	4,543
(ii)	Fees and commission expense	23	152	109
(iii)	Net loss on fair value changes	4	141	-
(iv)	Net loss on derecognition of financial instruments under amortised cost category	24	6,108	4,234
(v)	Employee benefits expenses	25	1,360	1,089
(vi)	Depreciation, amortization and impairment	8	221	232
(vii)	Others expenses	26	989	872
(4)	**Total expenses**		**12,271**	**11,079**
(5)	Profit / (loss) before exceptional items and tax		4,349	2,672
(6)	Exceptional items		-	-
(7)	**Profit/(loss) before tax**		4,349	2,672
(8)	**Tax Expense:**			
	Current Tax / Tax for previous year		-	7
	Deferred Tax		1,823	818
	MAT Credit		-	-
(9)	Profit/(loss) for the period from continuing operations		**2,526**	**1,847**
(10)	Profit/(loss) from discontinued operations		-	-
(11)	Tax Expense of discontinued operations		-	-
(12)	Profit/(loss) from discontinued operations(After tax)		-	-
(13)	Profit/(loss) for the year		**2,526**	**1,847**
(14)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		30	(13)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss		-	4
	Subtotal (A)		**30**	**(9)**
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		**30**	**(9)**
(15)	**Total Comprehensive Income for the year**		**2,556**	**1,838**
(16)	**Earnings per equity share (for continuing operations)**	31		
	Basic (In Rs.)		1.58	1.15
	Diluted (In Rs.)		1.58	1.15
Significant accounting policies forming part of the financial statements		1		
See accompanying notes forming part of the financial statements		2-54		

As per our report of even date

For Vyas & Vyas
Chartered Accountants
Firm Registration No. 000590C

Shraddha Avinash Khare
Partner
M.No. 123263
Place : Mumbai
Date : 30th April 2022

For and on behalf of the Board of Directors

Joydeb Mukherjee
Managing Director & CEO
DIN :- 09197677

Ashwini Kumar Tewari
Chairman
DIN :- 08797991

Akash Damniwala
Chief Financial Officer
Place : Mumbai
Date : 30th April 2022

Aruna Dak
Company Secretary

Statement of Changes in Equity for the Year Ended March 31, 2022

A. Equity Share Capital

₹ in Lakhs

As at 1st April, 2021	Movement during the Year	As at 31st March, 2022
15,989	-	15,989

B. Other Equity

₹ in Lakhs

Particulars	Reserves & Surplus							Other items of Other Comprehensive Income (Employee Benefit)	Total
	Capital Redemption Reserve	Reserve Fund*	Securities Premium Reserve	General Reserve	Retained Earnings	Transition reserve	Impairment Reserve #		
Balance as at 1st April, 2021	**1,000**	**7,186**	**21,693**	**10,569**	**(22,883)**	**(633)**	**2,196**	**(34)**	**19,094**
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	505	-	-	(505)		-	-	-
Dividend	-	-	-	-		-	-	-	-
Profit for the year	-	-	-	-	2,526		-	30	2,556
Balance as at 31st March, 2022	**1,000**	**7,691**	**21,693**	**10,569**	**(20,862)**	**(633)**	**2,196**	**(4)**	**21,650**

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

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

See accompanying notes to the financial statements

As per our report of even date

For Vyas & Vyas
Chartered Accountants
Firm Registration No. 000590C

Shraddha Avinash Khare
Partner
M.No. 123263
Place : Mumbai
Date : 30th April 2022

For and on behalf of the Board of Directors

Joydeb Mukherjee
Managing Director & CEO
DIN :- 09197677

Ashwini Kumar Tewari
Chairman
DIN :- 08797991

Akash Damniwala
Chief Financial Officer
Place : Mumbai
Date : 30th April 2022

Aruna Dak
Company Secretary

Cash Flow Statement

For the Year Ended March 31, 2022

(₹ in Lakhs)

	March 31, 2022		March 31, 2021	
Cash Flow from Operating Activities:				
Net Profit before Tax		4,349		2,672
Adjustments for:				
Depreciation / Amortisation	221		232	
Interest Cost	2,245		1,664	
Discount on issue of Commercial Paper	937		2,640	
Amortisation of Forward Premium	22		93	
Sundry Balance Written Off	0		(0)	
Foreign Exchange (Gain)/Loss (Net)	3		(2)	
(Profit) / Loss on Sale of Fixed Assets	(0)		(0)	
Liabilities no longer required Written Back	(15)		(8)	
Impairment of assets	(6,319)		(2,800)	
Bad Debts Written Off	6,108		4,234	
Provision for Leave Encashment	14		41	
Provision for Gratuity	16		27	
Profit on Sale of Current Investments	(80)		(59)	
OCI Impact	30		(13)	
		3,182		6,049
Operating profit before Working Capital changes		**7,531**		**8,721**
Increase / (Decrease) in Debt Securities	(63,448)		(4,931)	
Increase / (Decrease) in Borrowings (Other than Debt Securities)	3,658		(2,581)	
Increase / (Decrease) in Other Financial Liabilities	199		(611)	
Increase / (Decrease) in Derivative financial instruments	-		-	
Increase / (Decrease) in Provisions	(31)		(15)	
Increase / (Decrease) in Other Non Financial Liabilities	(31)		6	
(Increase)/Decrease in Investments				
(Increase)/Decrease in Other Non - Financial Assets	**54**		**63**	
(Increase)/Decrease in Other Financial Assets	1,467		1,284	
(Increase)/Decrease in Loans	**11,002**		**(10,049)**	
		(47,129)		(16,836)
Cash (used)/generated in and from Operating Activities		**(39,598)**		**(8,115)**
Direct Taxes paid (net)		(217)		332
Net Cash (used)/generated in and from Operating Activities (A)		**(39,815)**		**(7,783)**
Cash Flow from Investing Activities:				
Purchase of Fixed Assets		(46)		(33)
Sale of Fixed Assets		31		24
Purchase of Current Investments		(542,777)		(386,995)
Sale of Current Investments		542,857		387,054
Purchase of Fixed Deposit		(10,000)		-
Sale of Fixed Deposit		10,006		-
Net cash from Investing Activities (B)		**71**		**50**
Cash Flow from Financing Activities:				
Interest Cost		(2,567)		(1,779)
Discount on issue of Commercial Paper		(938)		(2,641)
Premium on Forward Contract		(6)		(93)
Repayment of Loans		(153,500)		(113,241)
Loan Taken		166,500		120,772
Commercial Paper Repaid		(45,000)		(150,000)
Commercial Paper Taken		77,000		155,500
Net Cash generated from Financing Activities (C)		**41,489**		**8,518**
Net increase in Cash and Cash Equivalents (A + B + C)		**1,745**		**785**
Cash and Cash Equivalents as at March-22/March- 21				
Cash in Hand		1		1
Cash & Bank Balances in Current Account with Banks		2,716		971
		2,717		**972**
Less: Cash and Cash Equivalents as at Mar-21/Mar-20		972		187
		1,745		**785**

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

See accompanying notes to the financial statements **2 - 54**

As per our report of even date

For Vyas & Vyas
Chartered Accountants
Firm Registration No. 000590C

Shraddha Avinash Khare
Partner
M.No. 123263
Place : Mumbai
Date : 30th April 2022

For and on behalf of the Board of Directors

Joydeb Mukherjee
Managing Director & CEO
DIN :- 09197677

Ashwini Kumar Tewari
Chairman
DIN :- 08797991

Akash Damniwala
Chief Financial Officer
Place : Mumbai
Date : 30th April 2022

Aruna Dak
Company Secretary

Note 1: Significant Accounting Policies

1.1 Corporate Information:

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

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

(A) Significant Accounting Policies:

i. Compliance with Ind-AS

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

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

ii. Presentation of financial statements

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

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

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

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

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

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

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

iv. Revenue Recognition:

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

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

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

Rendering of Services

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

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

New Sanction

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

Facility Continuation Fees(FCF):

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

Facility Set-Up fees on enhancement or adhoc limits:

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

Discount charges and interest on advances:

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

v. Functional currency

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The Company has accordingly assessed INR as its functional currency.

The transactions in currencies other than the entity's functional currency for the month are recorded at the exchange rates prevailing on the previous month end rate.

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

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

In case of assets and liabilities covered by forward contracts, the forward premium is recognized over the life of the Contract and the difference between the year-end rate and rate on date of contract is recognized as exchange difference. Exchange difference arising on monetary items are recognised in the statement of profit and loss in the year in which they arise.

vi. Borrowing Costs

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

vii. Employee Benefits

Retirement benefit costs and termination benefits

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

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

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

Short-term and other long-term employee benefits

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

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

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

viii. Taxes

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

Current Taxes

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

Deferred Taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized . Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

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

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

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

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

Current and Deferred tax for the year

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

ix. Property, plant and equipment

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

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

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

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

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

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

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

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

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

Lease Accounting as per Ind AS 116

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

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

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

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

x. Intangible Assets and amortization thereof:

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

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

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

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

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

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

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

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

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

xii. Provisions

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

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

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

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

Onerous contracts

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

xiii. Financial Instruments

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

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

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

A. Financial assets

a) Recognition and initial measurement

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

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

b) Classification of financial assets

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

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

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

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

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

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

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

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

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Business Model Test:

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

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

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

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

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

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

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

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

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

e) Derecognition of financial assets

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

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

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Modification of contractual cash flows

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

f) Impairment of financial assets

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

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

No ECL is recognized on equity investments.

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

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

Stage 1: 12-months ECL

The Company assesses ECL on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Company does not conduct an individual assessment of exposures in Stage 1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL - not credit impaired

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

Stage 3: Lifetime ECL - credit impaired

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

Determining the stage for impairment

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

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

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

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

Measurement of ECL

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

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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

Provision for impairment losses.

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

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

g) Effective interest method

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

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

h) Reclassification of financial assets

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

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

Financial liabilities and equity instruments

1) Classification as debt or equity

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

2) Equity instruments

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

3) Financial liabilities

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

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

A financial liability is classified as held for trading if:

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

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

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

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

4) Other financial liabilities:

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

5) Derecognition of financial liabilities:

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

xiv. Cash and Cash Equivalent:

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

xv. Earnings Per Share:

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

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

xvi. Statement of Cash Flow

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

xvii.Commitments

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

i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and

ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

xviii. Segment Reporting

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

1.3 Key Estimates and Judgements:

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

i. Determination of Expected Credit Loss ("ECL")

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

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

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

ii. Fair Value Measurements

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

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

iii. Income Taxes

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

iv. Evaluation of Business Model

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

v. Provisions and Liabilities

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

Notes forming part of the Financial Statements as at March 31, 2022

NOTE 2

Cash and cash equivalents		(₹ in Lakhs)
Particulars	As at	
	March 31, 2022	March 31, 2021
(i) Cash on hand	1	1
(ii) Balances with Banks (of the nature of cash and cash equivalents)	2,716	971
Total	**2,717**	**972**

NOTE 3

		(₹ in Lakhs)
Particulars	As at	
	March 31, 2022	March 31, 2021
(A)		
(i) Loans - at amortised cost		
- Factoring	117,977	137,598
Others		-
- Gold Pool	2,456	297
- WCTL	351	
Total - Gross (A)	**120,784**	**137,895**
Less: Impairment Loss Allowance (Expected Credit Loss)	(9,004)	(15,323)
Total - Net (A)	**111,781**	**122,572**
(B)		
(i) Secured by tangible assets	1,273	4,564
(ii) Secured by intangible assets	16,749	34,623
(iii) Unsecured	102,762	98,708
Total - Gross (B)	**120,784**	**137,895**
Less: Impairment Loss Allowance (Expected Credit Loss)	(9,004)	(15,323)
Total - Net (B)	**111,781**	**122,572**
(C)		
(i) Loans in India	120,784	137,895
Total - Gross (C) (i)	**120,784**	**137,895**
Less: Impairment Loss Allowance (Expected Credit Loss)	(9,004)	(15,323)
Total - Net (C) (i)	**111,781**	**122,572**
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
Total - Net (C) (ii)	**-**	**-**
Total (C) (i+ii)	**111,781**	**122,572**

No loans are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE 4

INVESTMENTS (₹ in Lakhs)

Investments	March 31, 2022				March 31, 2021			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Fixed Deposits		-		-				
Mutual Funds		-		-		-		-
Non Convertiable Debentures (ZCB of Fabtech Projects and Engineers Ltd 1.40 Cr @ Rs. 1 each valued @ Rs. 1/-)		141		141				
Equity Shares of SBI Foundation Fellow Subsidiary (1,000 Equity Shares @ Rs. 10/- each)		0		0		0		0
JMFARC - IRIS December 2016 - Trust (Security Receipt of JM Financial Asset Reconstruction Company Private Limited)		383		383		383		383
Total – Gross (A)		**523**		**523**		**383**		**383**
Impairment		**(383)**		**(383)**		**(383)**		**(383)**
Changes in the fair value of Asset		(141)		(141)				
Total - Net (A)		**0**	**-**	**0**	**-**	**0**	**-**	**0**
(i) Investments outside India		-		-		-		-
(ii) Investments in India		0		0		0		0
Total (B)		**0**		**0**		**0**		**0**

* The fair value of NCD's received from Fabtech Projects and Engineers Ltd cannot be determined being unquoted and unrated debentures as on 31st March 2022. Therefore, it has been valued @ Rs. 1/-

NOTE 5

Other Financial Assets (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	237	246
Collection Receivable From Muthoot	-	1,429
Other Receivable	14	42
Total	**250**	**1,717**

NOTE 6

Current Tax Assets (Net) (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax and tax deducted at source (Net of provision for tax)	721	504
Total	**721**	**504**

NOTE 7

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets	2,794	4,616
MAT credit entitlement	-	-
Total	**2,794**	**4,616**

Note 8 : Property Plant and Equipment And Intangible Assets

(₹ in Lakhs)

Description of Assets	Buildings	Right of use Building	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Tangibles Total	Intangibles Assets Software	"Intangibles Assets under development (Amount in CWIP for a period less than 1 year)"	Total assets
I. Gross Block										
Balance as at March 31, 2021	**740**	**658**	**66**	**16**	**13**	**7**	**1,498**	**20**	**-**	**1,519**
Additions	-	119	14	3	1	-	136	17	12	165
Other -Deductions/Adjustments	-	77	3	3	2	-	85	-	-	85
Balance as at March 31, 2022	**740**	**700**	**76**	**16**	**11**	**7**	**1,549**	**37**	**12**	**1,598**
II. Accumulated depreciation and impairment										
Balance as at March 31, 2021	**50**	**290**	**49**	**1**	**5**	**3**	**399**	**16**	**-**	**414**
Depreciation expense for the period	17	180	8	5	2	1	212	9	-	221
Other -Deductions/Adjustments	-	46	3	3	2	-	54	-	-	54
Balance as at March 31, 2022	**66**	**425**	**54**	**3**	**5**	**5**	**557**	**24**	**-**	**581**
"Carrying Value As at March 31, 2022"	**673**	**275**	**22**	**13**	**6**	**2**	**992**	**13**	**12**	**1,017**
At March 31, 2021	690	367	16	15	8	3	1,100	5	-	1,104

Title deeds of Immovable Pronerttes not held in name of the Company (Additional Disclosure) (Rs. in Lakhs)

Relevant line item in the Balance sheet	Description of item of property	Gross value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	property held since whyich date	Reason for not being held in the name of company**
Plant property & Equipment						
Office Premises in Mumbai	Building	797.25	In the erstwhile name of Global Trade Finance Limited	No	Prior to Merger of FTFL & SBI Factors	Under Process - Not in Dispute
Office Premises in Delhi	Building	146.72	In the erstwhile name of Global Trade Finance Limited	No		
Flat in Mumbai	Building	47.83	In the erstwhile name of Global Trade Finance Limited	No		

NOTE 9

Other Non-Financial Assets		(₹ in Lakhs)
Particulars	As at	
	March 31, 2022	March 31, 2021
Indirect Tax Credit	63	86
Pre-paid expenses	16	47
Advance paid to CERSAI	1	0
Advance to employees	9	9
Others*	114	141
Deferred Forward Premium	16	-
Total	**219**	**283**

NOTE 9A

Derivative financial instruments		(₹ in Lakhs)
Particulars	As at	
	March 31, 2022	March 31, 2021
Amount Payable to Bank	3,044	-
Less:Foreign Currency Receivable	(3,032)	-
Total	**13**	**-**

NOTE 10

Debt Securities		(₹ in Lakhs)
Particulars	As at	
	March 31, 2022	March 31, 2021
- At Amortised Cost		
(1) UNSECURED:		
Non Convertible Debentures - Listed*	9,985	9,998
(2) UNSECURED:		
Commercial Papers #	15,919	47,677
Total (A) (1+2)	**25,904**	**57,675**
Debt securities in India	25,904	57,675
Debt securities outside India	-	
Total (B)	**25,904**	**57,675**

* Includes issue expenses amortised as per EIR
Non-convertible debentures and any other borrowings are not guaranteed by any of directors and/or others.

Maturity Profile of Non-Convertible Debentures		(₹ in Lakhs)
Description	Date of Maturity	As at March 31, 2022
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2021-22 (Series - SBIGFL - 10) of Rs. 10 Lakhs each	July 27, 2031	10,000
Adjustments on account of effective rate of interest		(15)
Total		**9,985**

Maturity Profile of Non-Convertible Debentures		(₹ in Lakhs)
Description	Date of Maturity	As at March 31, 2021
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2011-12 (Series - SBIGFL - 09) of Rs. 10 Lakhs each	July 29, 2021	10,000
Adjustments on account of effective rate of interest		(2)
Total		**9,998**

# The Details of Commercial Papers are as under		(₹ in Lakhs)
Particulars	Date of Maturity	As at March 31, 2022
ICICI Prudential Mutual Fund - CP	April 06, 2022	7,000
HDFC Mutual Fund - CP	June 20, 2022	5,000
HDFC Mutual Fund - CP	May 23, 2022	4,000
Adjustments on account of effective rate of interest		(81)
Total		**15,919**

		(₹ in Lakhs)
Particulars	Date of Maturity	As at March 31, 2021
ICICI Prudential Mutual Fund - CP	June 17, 2021	5,000
HDFC Mutual Fund - CP	May 06, 2021	10,000
HDFC Mutual Fund - CP	June 24, 2021	11,000
HDFC Mutual Fund - CP	June 29, 2021	9,000
IL&SF Mutual Fund - CP	April 26, 2021	5,000
IL&SF Mutual Fund - CP	April 15, 2021	5,000
Invesco Mutual Fund - CP	April 15, 2021	3,000
Adjustments on account of effective rate of interest		(323)
Total		**47,677**

NOTE 11

Borrowings (Other than Debt Securities)		(₹ in Lakhs)
Particulars	As at	
	March 31, 2022	March 31, 2021
- At Amortised Cost		
UNSECURED		
(a) Term Loans		
(i) from Banks	-	-
(b) Loans from Related Party #	53,335	36,674
Total (A)	**53,335**	**36,674**
Borrowings in India	45,000	32,060
Borrowings outside India	8,335	4,614
Total (B)	**53,335**	**36,674**

Includes Loan (Foreign Currency Cash Credit, Working Capital Demand Loan, Short term loan Facility) taken from Parent Company - State Bank of India (SBI)

		(₹ in Lakhs)
Descriuption	Date of Maturity	As at March 31, 2022
Working Capital Demand Loan from SBI	Wed, April 06, 2022	2,500
Working Capital Demand Loan from SBI	Fri, April 29, 2022	7,000
Working Capital Demand Loan from SBI	Mon, May 23, 2022	8,000
Working Capital Demand Loan from SBI	Fri, June 10, 2022	13,000
Working Capital Demand Loan from SBI	Fri, June 17, 2022	6,000
Working Capital Demand Loan from SBI	Mon, June 27, 2022	8,500
Bank Overdraft facility from SBI	-	-
Foreign Currency Cash Credit Loan		
(USD 84.00 lakhs ,GBP 3.56 lakhs, EUR 19.17 lakhs)	-	8,335
Total		**53,335**

		(₹ in Lakhs)
Description	**Date of Maturity**	**As at March 31, 2021**
Working Capital Demand Loan from SBI	May 13, 2021	5,000
Working Capital Demand Loan from SBI	May 24, 2021	5,000
Working Capital Demand Loan from SBI	May 27, 2021	10,000
Working Capital Demand Loan from SBI	June 11, 2021	12,000
Bank Overdraft facility from SBI	-	60
Foreign Currency Cash Credit Loan		
(USD 29.29 lakhs ,GBP 6.24 lakhs, EUR 21.49 lakhs)	-	4,614
Total		**36,674**
- No term loans, external commercial borrowings, commercial paper and any other borrowing is guaranteed by directors and / or others		

NOTE 12

Other Financial Liabilities :		(₹ in Lakhs)
Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
(a) Interest accrued but not due;	529	252
(b) Oustanding Expenses	336	289
(c) Others (specify nature)		
Lease Liability	389	549
Book overdraft	-	-
Liability against collection of factoring receivables	295	141
Total	**1,549**	**1,231**

NOTE 13

Provisions		(₹ in Lakhs)
Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
(a) Provision for employee benefits; and	163	163
(b) Others		
Ex Gratia Payable	90	70
Provision for GST	-	21
Total	**253**	**254**

NOTE 14

Other Non-financial liabilities		(₹ in Lakhs)
Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
(a) Revenue received in advance;	759	813
(b) Others		
Statutory liability	46	39
Liability for stale cheque	1	1
Total	**806**	**852**

NOTE 15

Equity		(₹ in Lakhs)
Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
(a) Authorised share capital:		
880,000,000 (Previous Year 180,000,000) Equity Shares of Rs.10 each	88,000	88,000
120,000,000 (Previous Year 120,000,000) Preference Shares of Rs.10 each	12,000	12,000
	100,000	**100,000**
Issued, Subscribed and Paid-up		
159,885,365 (Previous Year 159,885,365) Equity Shares of Rs. 10 each, fully paid-up	15,989	15,989
	15,989	**15,989**
a. Includes 15,625,000 shares issued on Right issue of capital in FY 2010-11		
b. 13,77,86,585 (Previous Year 13,77,86,585) shares are held by the Holding Company, State Bank of India and its Nominees.		
Disclosure with respect to Shareholding in excess of 5%		
Name of the Equity Shareholder	**% of Issued, Subscribied, and Paid up Equity Share Capital**	**No. of shares held as on 31.03.2021**
1) State Bank of India	86.18 (86.18)	**137,786,585**
2) Small Industries Development Bank of India (SIDBI)	6.53 (6.53)	10,444,172

Reconciliation of Shares		(₹ in Lakhs)
Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Number of shares at the beginning	159,885,365	159,885,365
Number of shares at the end	159,885,365	159,885,365

Rights, Preferences and Ristrictions 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.In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

NOTE 16

Other Equity	(₹ in Lakhs)	
Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
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	7,186	6,816
Add: Transfer from Statement of Profit and Loss	505	370
Closing Balance	**7,691**	**7,186**
Impairement Reserve @ #		
Opening Balance	2,196	2,196
Add: Transfer from Statement of Profit and Loss	-	-
Add: Transfer from General Reserve	-	-
Closing Balance	**2,196**	**2,196**
@ Reviewed on half yearly basis		
General Reserve		
Opening Balance	10,569	10,569
Add: Transfer from contingency reserve	-	-
Less: Transfer to Impairement Reserve	-	-
Closing Balance	**10,569**	**10,569**
Surplus in the Statement of Profit and Loss		
Opening Balance	(23,550)	(25,018)
Ind AS 116 Impact on opening reserves as on 01.04.2019	-	-
Add: Total Comprehensive Income for the year	2,556	1,838
	(20,993)	**(23,180)**
Less :-		
Transfer to Reserve Fund*	505	370
Transfer to Impairement Reserve	-	-
Closing Balance	**(21,498)**	**(23,550)**
Total	**21,650**	**19,094**

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

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

NOTE 17

Interest Income (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Discount charges	9,011	9,827
Total	**9,011**	**9,827**

NOTE 18

Fees & Commission Income (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Processing Charges	320	362
Total	**320**	**362**

NOTE 19

Sale of Service (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Factoring Charges	559	476
Total	**559**	**476**

NOTE 20

Others (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Bad Debts Recovery in Written off Accounts	204	92
Total	**204**	**92**

NOTE 21

Reversal of provision on Financial Instruments (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loans	6,319	2,799
Total	**6,319**	**2,799**

NOTE 22

Finance Cost (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expenses on debts classified as amortised category		
Non-Convertible Redeemable Debentures	796	1,103
Short Term Loans (including Cash Credit & Overdraft)	1,405	509
Discount on Issue of Commercial Papers	937	2,640
Interest on Financial Asset Sold	-	-
Interest Expense on Lease Liability	43	52
Other Borrowing Costs		
Bank Charges	26	45
Credit Rating Fees and Other Charges	40	96
Other Finance Cost	6	5
Forward Premium	22	93
Foreign Exchange Gain / Loss	24	-
Total	**3,300**	**4,543**

Note 23

Fees and Commission Expense (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Import Factor Commission	152	109
Total	**152**	**109**

Note 24

Net loss on derecognition of financial instruments under amortised cost category (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loss on Derecognition of Financial Instruments	6,108	4,234
Total	**6,108**	**4,234**

NOTE 25

Employee Benefits Expenses (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and Wages	1,280	1,025
Contribution to Provident and Other Funds	43	41
Staff Welfare Expenses	37	24
Total	**1,360**	**1,090**

NOTE 26

Other Expenses (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent, Rates and Taxes	32	48
Repairs and Maintenance - Building	23	23
Repairs and Maintenance - Others	87	125
Travelling and Conveyance	80	62
Directors Sitting Fees	32	31
Advertisement & Publicity Expenses	2	1
Communication expense	30	47
Printing and Stationery	10	9
Legal and Professional Charges	305	197
Royalty paid to SBI	37	-
Auditor's fees and expenses	23	23
Electricity Expenses	40	40
Membership and subscription	10	9
Outsourcing Costs	51	50
Security Charges	18	18
Contribution towards CSR activites	2	2
Goods and Services Tax	150	132
Miscellaneous Expenses	58	55
Total	**989**	**872**

27 Contingent Liabilities :

₹ in Lakhs

	Particulars	March 31, 2022	March 31, 2021
i.	Claims against the Company not acknowledged as debts (to the extent ascertained from the available records)	-	-
ii	Service Tax matters (under dispute)	57	57
iii	Direct Tax matters - Income Tax	48	48
iv	Direct Tax matters - Tax Deducted at Source	0	0
		105	**105**

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

"There is no claim or proceedings which are pending against the Company which has any financial obligations against the Company. The cases filed against the Company are appeals, either civil or criminal, filed by the Clients arising out of any civil decree or conviction in Section 138 proceedings. The Company reviews all its cases periodically. No decree or order has been passed against the Company which has any financial implication. Since, there is no contingent liability, there is no provision is required. Since all the civil as well as criminal proceedings are filed by the Company for recovery of its outstanding dues, the outcome of these pending proceedings will not have any materially adverse effect on the Company."

The Company has assessed all long term contracts for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts has been made in the books of account

28 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.

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
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

MSME categorization is done based on self declaration made by the parties and no separate confirmation is sought by the Company in this regards.

29 Leases

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

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	March 31, 2022	March 31, 2021
	₹ in Lakhs	
Right to use assets		
Buildings	275	367
Lease liabilities		
Lease liabilities	389	549

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

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

Depreciation charge of right-of-use assets

Buildings	180	186
Interest expense (included in finance cost)	43	52
"Expense relating to short-term leases (included in cost of goods sold and administrative expenses)"	8	26
"Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)"	4	3
"Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)"	-	-
The total cash outflow for leases during the period	301	303

30 **Financial Impact of COVID – 19 on the Company**

a) The Company has made an additional provision of 0.25% (Rs.2.30 cr) on the Unsecured Standard Assets as on 31.03.22

b) The management feels that the provisions made is adequate to cover the losses on impact of Covid-19 on the Loans and Advances.

c) The Company does not foresee any other impact on the financial performance due to Covid-19 for the future.

d) Based on current indicators of future economic conditions, the Company notes that for the period ended 31st March, 2022, it expects to recover the carrying amount of its current and non-current assets and does not anticipate any impairment.

31A 1) Earnings Per Share:			
		March 31, 2022	March 31, 2021
Net Profit attributable to ordinary equity holders (₹ in Lakhs)		2,526	1,847
Profit available to Equity Shareholders (₹ in Lakhs)	(A)	2,526	1,847
Adjusted Net Profit for Diluted Earnings Per Share (₹ in Lakhs)	(B)	2,526	1,847
Weighted average number of Equity Shares outstanding during the year	(C)	159,885,365	159,885,365
Weighted average number of Diluted Equity Shares outstanding during the year	(D)	159,885,365	159,885,365
Nominal Value of Equity Shares (Rs.)		10	10
Basic Earnings Per Share (Rs.)	(A) / (C)	1.58	1.15
Diluted Earnings Per Share (Rs.)	(B) / (D)	1.58	1.15

ii Disclosures in compliance with Regulations 52(4) of the SEBI (Listing obligations and Disclosure Requirements) regulations, 2015 for the year ended 31st March 2022

		March 31, 2022	March 31,2021
(a)	Omited	-	-
(b)	Omited	-	-
(c)	Debt-Equity ratio;	2.86	3.67
(d)	Omited	-	-
(e)	Omited	-	-
(f)	Debt Service Ratio;	NA	NA
(g)	Interest Service Coverage Ratio;	NA	NA
(h)	Outstanding Redeemable Preference share	NA	NA
(i)	Capital Redemption Reserve / Debenture Redemption Reserve;	1,000	1,000
(j)	Net Worth;	37,639	35,082
(k)	Net Profit After Tax;	2,526	1,847
(l)	Earnings Per Share:	1.58	1.15
(m)	Current Ratio	1.61	1.46
(n)	Long Term Debt to Working Capital	0.23	0.28
(o)	Bad Debt to Account Receivable Ratio	0.05	0.03
(p)	Current Liability Ratio	0.87	0.89
(q)	Total Debt to Total Assets	0.66	0.72
(r)	Debtors Turnover	NA	NA
(s)	Inventory Turnover	NA	NA
(t)	Operating Margin (%)	26%	30%
(u)	Net Profit Margin (%)	15%	14%
(v)	Sector Specific Ratio		
	(i) PCR (%) (Provision Coverage Ratio) (Total provisions/ Gross NPAs)	94%	78%

31(B) (i) 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, 2022 are as follows:			
		Currency	**Amount**
	Currency	**₹ in Lakhs**	**₹ in Lakhs**
(a) Assets (Receivables)			
	USD	43	3,284
		-	-
	EUR	19	1,642
		-	-
	GBP	4	386
		-	-
(b) Liability (Payables)			
	USD	0	18
		-	-
	EUR	0	4
		-	-
	GBP	0	1
		-	-
(c) Loans Payable			
	USD	44	3,323
		-	-
	EUR	19	1,615
		-	-
	GBP	4	354
		-	-
As the Company has Foreign Currency outstanding Receivables & Payables which offset each other, the net foreign currency exposure is minimal.			

ii Disclosure of Hedged Contracts

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

Particulars	**Currency**	**Outstanding amounts of exposure hedged (In Lakhs FC)**		**Outstanding amounts of exposure hedged (Rs. In Lakhs)**	
		March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31,2021**
Short Term Borrowings	USD	40	-	3,044	-

31C. Segment Reporting

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

31D Related Party Disclosures

Name of Related Party	Relationship
a) Enterprise where control Exits	
i) Holding Company	
State Bank of India (SBI)	Holding Company
ii Fellow Subsidiary Company with whom transactions have taken place during the year	
SBI Foundation	Fellow Subsidiary (Non Banking)
SBI Mutual Fund Trustee Company Limited	Fellow Subsidiary (Non Banking)
SBI Life Insurance Company Ltd. (SBI LIFE)	Fellow Subsidiary (Non Banking)
SBI General Insurance Ltd.	Fellow Subsidiary (Non Banking)
SBICAP Securities Ltd	Step down Subsidiary
SBICAP Trustee Company Limited	Step down Subsidiary
b Other related parties with whom transactions have taken place during the year	
i Associates/Group Enterprises	
Bank of Maharashtra	Associate Bank
Union Bank of India	Associate Bank
Small Industries Development Bank of India	Associate Bank
State Bank of Mysore (SBM)	Associate Bank
State Bank of Patiala (SBP)	Associate Bank
c Key Management Personnel/Relatives of Key Management Personnel	
Mr. Hemant Pammi (w.e.f. 1st July 2020 to 30th June 2021)	MD & CEO
Mr. Joydeb Mukherjee (w.e.f. 1st July 2021 to till date)	MD & CEO
Mr. Pankaj Gupta (upto 30th April 2021)	SVP & CF&RO
Mr. Akash Damniwala (w.e.f. 8th June 2021 to till date)	SVP & CFO
Mr. Nandan Nimbkar (w.e.f. 1st December 2019 till 8th Sept 2021)	Company Secretary
Mrs. Aruna Dak (w.e.f. 9th Sept 2021 till date)	Company Secretary
d Enterprises over which Key Management Personnel (KMP) & his relatives can exercise significant influence	
Mr. Hemant Pammi (w.e.f. 1st July 2020 to 30th June 2021)	Factors Association of India
Mr. Joydeb Mukherjee (w.e.f. 1st July 2021 to till date)	Factors Association of India
Mr. Pankaj Gupta (upto 30th April 2021)	Factors Association of India
Mr. Akash Damniwala (w.e.f. 8th June 2021 to till date)	Factors Association of India
Factors Association of India	
SBI Global Factors Ltd. Staff gratuity fund	SBI Global Factors Limited Staff Gratuity Fund

d) The Company's related party transactions are herein disclosed below:

(Rs. ₹ in Lakhs)

Sr. No	Nature of transaction	Holding @	Fellow Subsidiar-ies	Associates / Group Enterprises	Key Man-agement Personnel / Relatives	Enterprises over which Key Man-agement Personal (KMP) and his relatives can exercise significant influence	Grand Total
1	**EXPENSES**						
	Remuneration to MD and CEO *	-	-	-	66	-	66
	Previous Year	**-**	**-**	**-**	**(46)**	**-**	**(46)**
	Remuneration to SVP & CFO*	-	-	-	49	-	49
	Previous Year	**-**	**-**	**-**	**(54)**	**-**	**(54)**
	Remuneration to Company Secretary*				39	-	39
	Previous Year				**(14)**	**-**	**(14)**
	Salary (Including Perquisite) paid to Deputed Staff**	843		-	-	-	843
	Previous Year	**(589)**	**(0)**	**-**	**-**	**-**	**(589)**
	Other Receiving of Services/ Reimbursement of Expenses	1,353	33	-	-	-	1,386
	Previous Year	**(557)**	**(16)**	**-**	**-**	**-**	**(573)**
	Interest on Financial assets sold	-	-	-	-	-	-
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**
	Stamp Duty on sale of TREDS to SBI	**-**	**-**	**-**	**-**	**-**	**-**
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**
	Stamp duty on Investment in MF	-	3	-	-	-	3
	Previous Year	**-**	**(5)**	**-**	**-**	**-**	**(5)**
	Professional fees	0	-	-	-	-	0
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**
	Subscription / Membership fees	-	-	-	-	-	-
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**
	Total - Current Year	**2,196**	**35**	**-**	**154**	**-**	**2,386**
	Total - Previous Year	**(1,146)**	**(21)**	**-**	**(114)**	**-**	**(1,281)**
2	**INCOME**						
	Rendering of Services/ Reimbursement of Expenses	-	-	-	-	-	-
	Previous Year	**-**	**-**	**-**	**(0)**	**-**	**(0)**
	Rental Income	5	-	-	-	-	5
	Previous Year	**(5)**	**-**	**-**	**-**	**-**	**(5)**
	Profit on sale of Units of Mutual fund	-	9	-	-	-	9
	Previous Year	-	(10)	-	-	-	(10)
	Total - Current Year	**5**	**9**	**-**	**-**	**-**	**14**
	Total - Previous Year	**(5)**	**(10)**	**-**	**(0)**	**-**	**(15)**
3	**SHARE CAPITAL**						
	Equity Share Capital	13,779	-	-	-	-	13,779
	Previous Year	**(13,779)**	**-**	**-**	**-**	**-**	**(13,779)**
	Share Premium	16,437	-	-	-	-	16,437
	Previous Year	**(16,437)**	**-**	**-**	**-**	**-**	**(16,437)**
	Total - Current Year	**30,216**	**-**	**-**	**-**	**-**	**30,216**
	Total - Previous Year	**(30,216)**	**-**	**-**	**-**	**-**	**(30,216)**

4	**ASSETS**					
	Amounts Receivable / Advance	1	8	-	-	-	9
	Previous Year	**(3)**	**(5)**	**-**	**-**	**-**	**(8)**
	Bank Balances	2,464	-	-	-	-	2,464
	Previous Year	**(797)**	**-**	**-**	**-**	**-**	**(797)**
	Rent receivable from SBI - Borivali Flat Tenants	1.68	-	-	-	-	2
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**
	Unexpired Amount of CP	-	-	-	-	-	-
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**
	Total - Current Year	**2,466**	**8**	**-**	**-**	**-**	**2,474**
	Total - Previous Year	**(800)**	**(5)**	**-**	**-**	**-**	**(805)**
5	**INVESTMENTS :**						
	Investments in Equity shares		0				0
	Previous Year		(0)				(0)
6	**LIABILITY**						
	Unsecured Loans	53,335	-	-	-	-	53,335
	Previous Year	**(36,674)**	**-**	**-**	**-**	**-**	**(36,674)**
	Salary Payable / Amounts Payable / Interest Payable	229	-	-	-	-	229
	Previous Year	**(233)**	**-**	**-**	**(3)**	**-**	**(236)**
	Total - Current Year	**53,564**	**-**	**-**	**-**	**-**	**53,564**
	Total - Previous Year	**(36,907)**	**-**	**-**	**(3)**	**-**	**(36,910)**
6	**TRANSACTIONS**						
	Sale of Fixed Assets	-	-	-	-	-	-
	Previous Year	**(1)**	**-**	**-**	**-**	**-**	**(1)**
	Loan Taken	180,428	-	-	-	-	180,428
	Previous Year	**(1,292,367)**	**-**	**-**	**-**	**-**	**(1,292,367)**
	Repayment of Loan	163,706	-	-	-	-	163,706
	Previous Year	**(1,287,419)**	**-**	**-**	**-**	**-**	**(1,287,419)**
	Investment in Schemes of Mutual Fund	-	57,697	-	-	-	57,697
	Previous Year	**-**	**(44,099)**	**-**	**-**	**-**	**(44,099)**
	Redemption of Schemes of Mutual Fund	-	57,706	-	-	-	57,706
	Previous Year	**-**	**(44,109)**	**-**	**-**	**-**	**(44,109)**
	Investment in Fixed Deposit	10,028	-	-	-	-	10,028
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**
	Fixed Deposit Matured	10,034	-	-	-	-	10,034
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**
	Non - Convertible Debentures borrowed	-	10,000	-	-	-	10,000
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**
	Repayment of Non - Convertible Debentures	-	10,000	-	-	-	10,000
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**
	Refund of Security Deposit	**-**	**-**	**-**	**-**	**-**	**-**
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**

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

33 Auditors' Remuneration:

₹ in Lakhs

	March 31, 2022	March 31, 2021
For Statutory Audit	12	10
For Limited Review	6	5
For Tax Audit	3	3
For Other Services (Including certification)	5	5
For Out of pocket expenses	-	-
TOTAL	**25**	**23**

34 Expenditure in Foreign Currency (On Accrual basis)

₹ in Lakhs

	March 31, 2022	March 31, 2021
Correspondent Fees	150	109
Membership and Subscription	7	7
Interest on Short Term Loans	54	111
Others	11	10
TOTAL	**222**	**237**

35 Earnings in Foreign Currency:

₹ in Lakhs

	March 31, 2022	March 31, 2021
Income from Factoring :		
Interest	112	134
Factoring Charges	227	174
Processing Charges	29	44
Miscellanous Income	0	-
TOTAL	**368**	**352**

36 Book value of Investments in Security Receipt

₹ in Lakhs

Particulars	Backed by NPAs sold by the Company as underlying		Backed by NPAs sold by the other banks/FI/ NBFC as underlying		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Book value of Investments in security receipt	383	383	-	-	383	383
Less: Provision	383	383	-	-	383	383
Net Value of investments in security receipt	-	-	-	-	-	-

* 100% Provision is held against Investment in Security Receipts

37 Investments in security receipts

₹ in Lakhs

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

38 Taxes on Income:

Income Tax

The components of income tax expense for the year ended 31st March 2022 and year ended 31st March 2021 are:

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
Current Tax		
In respect of Current Year	-	-
In respect of prior years	-	7
Deferred Tax		
In respect to of Current Year	1,823	818
Total Income Tax expense recognised in statement of profit and loss	**1,823**	**825**
OCI Section		
Remeasurement of the defined benefit liabilities	-	4
Income tax charges to OCI	-	4

Reconciliation of the total charge:

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2022 and year ended 31st March 2021 is as follows

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
Accounting profit before tax	4,349	2,672
Income tax expense calculated at 29.12% (Previous Year 29.12%)	1,266	778
Adjustments in respect of current income tax of previous year	-	7
Deferred tax assets on losses not recognised	274	36
Others	-	4
Income tax expense recognised in statement of profit and loss	**1,823**	**825**

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

Movement in Deferred Tax (Assets) / Liabilities

Particulars	March 31, 2022			
	(DTA) / DTL As at April 01, 2021	Statement of Profit and Loss	OCI	(DTA) / DTL As at March 31, 2022
				₹ in Lakhs
Fixed Asset: temporary difference on account of Depreciation and Amortisation	83	7		90
Bonus Disallowed due to non-payment	(20)	(6)		(26)
Provision for Gratuity	(26)	(0)		(26)
Provision for Leave Encashment	(21)	(0)		(21)
Provision for Expenses	(2)	(0)		(2)
Provision for doubtful debts on Non Performing Investments	(111)	(41)		(152)
Impairement allowances of Financial Assets	(4,462)	1,840		(2,622)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(3)	3		-
Leases	(53)	20		(33)
Others - OCI	-	-	-	-
Total	**(4,617)**	**1,823**	**-**	**(2,794)**

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

39 Retirement Benefit Plan

In accordance with the Indian Accounting Standard on (IND AS-19) - "Employee Benefits" the following disclosures have been made:

Defined Contribution Scheme

₹ in Lakhs

Description	March 31, 2022	March 31, 2021
Employer's Contribution to Provident Fund	15	12
Employer's Contribution to Pension Fund	12	13
Total	**27**	**25**

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, 2022	March 31, 2021
Discount Rate	7.35%	6.92%
Future Salary Increases	10.00%	10.00%
Retirement Age	60 Years	60 Years
Mortality Rate	(as % of IALM (2012-14) Ult. Mortality Table)	(as % of IALM (2012-14) Ult. Mortality Table)
Method	Projected Unit Credit Method	Projected Unit Credit Method

b) Changes in Present Value of Obligation

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
a) Present Value of obligation at the beginning of the year	171	141
b) Interest Cost	12	9
c) Past Service Cost	-	-
d) Current Service Cost	11	12
e) Benefits Paid	(9)	(4)
f) Actuarial (gain) / loss on Obligation	(17)	12
g) Present Value of obligation at the end of the year	167	171

c) Changes in Fair Value of Plan Assets

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
a) Fair value of plan assets at the beginning of the year	82	79
b) Expected Return	5	5
c) Past Service Cost	-	-
d) Contributions	-	-
e) Benefits Paid	(9)	(4)
f) Actuarial gain / (Loss) on Plan Assets	(1)	2
g) Fair value of plan assets at the end of the year	78	82
h) Funded Status	(90)	(89)

d) Acturial gain/loss recognized		
		₹ in Lakhs
Particulars	**March 31, 2022**	**March 31, 2021**
a) Actuarial (gain) / loss for the year - Obligation	(17)	12
b) Actuarial (gain) / loss for the year - Plan Assets	(1)	2
c) Actuarial (gain) / loss recognized in the year	(16)	11

e) Amounts to be recognized in the Balance Sheet:		
		₹ in Lakhs
Particulars	**March 31, 2022**	**March 31, 2021**
a) Present Value of obligation at the end of the year	167	171
b) Fair value of plan assets at the end of the year	78	82
c) Funded Status	(90)	(89)
d) Net liability recognized in the Balance Sheet	90	89

f) Expenses reognized in the Statement of Profit & Loss:		
		₹ in Lakhs
Particulars	**March 31, 2022**	**March 31, 2021**
a) Current Service Cost	11	12
b) Past Service Cost	-	-
c) Interest Cost	12	9
d) Return on plan assets	(5)	(5)
e) Net Actuarial (gain) / loss recognized in the year	(16)	11
f) Interest on Fund Balance not recognised earler	-	-
g) Expenses/(Income) recognized in the Statement of Profit & Loss	0	27

g) Investment Details of Plan Assets		
		₹ in Lakhs
Particulars	**March 31, 2022**	**March 31, 2021**
Assets managed by insurance scheme (100%)	78	82

h) Balance Sheet Reconciliation		
		₹ in Lakhs
Particulars	**March 31, 2022**	**March 31, 2021**
Opening Net Liability	(90)	(63)
Expenses as above	0	27
Employers Contribution	-	-
Amount Recognised in Balance sheet	(90)	(90)

I) Amount Recognised in current year and previous two years			
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
Defined Benefit Obligation	167	171	141
Plan Assets	78	82	79
(Surplus)/Deficit	90	89	63
Experience adjustments on plan liabilities Loss/ (Gain)	(17)	12	18
Experience adjustments on plan Assets (Loss)/Gain	(1)	2	(16)

J) Maturity Analysis of Projected Benefit Obligation: From the Fund		
	March 31, 2022	**March 31, 2021**
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	14	6
2nd Following Year	12	8
3rd Following Year	12	6
4th Following Year	20	7
5th Following Year	23	16
Sum of Years 6 To 10	71	67

K) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2022		**March 31, 2021**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	155	181	154	191
Withdrawal Rate (1% movement)	166	169	168	174
Future salary growth (1% movement)	178	157	187	156

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, 2022	**March 31, 2021**
Privileged Leave	73	73

Notes:
The Company expects to contribute Rs. 90 Lakhs to Gratuity fund in 2021-22.

40. Maturity Analysis of Assets and Liabilities:

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

₹ in Lakhs

Particulars	March 31, 2022			March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and Cash Equivalents	2,717	-	2,717	972	-	972
Loans*	111,781	-	111,781	122,572	-	122,572
Investments	-	0	0	-	0	0
Other Financial Assets	-	250	250	1,476	241	1,717
Non-Financial Assets						
Current Tax Assets (Net)	-	721	721	-	504	504
Deferred Tax Assets (Net)	-	2,794	2,794	-	4,616	4,616
Property, Plant and Equipment		992	992	-	1,099	1,099
Other Intangible Assets	-	13	13	-	5	5
Other Non-Financial Assets	219	-	219	283		283
Total Assets	**114,716**	**4,782**	**119,498**	**125,303**	**6,466**	**131,769**
Liabilities						
Financial Liabilities						
Debt Securities	15,919	9,985	25,904	57,675	-	57,675
Borrowings (Other than Debt Securities)	53,335	-	53,335	36,674	-	36,674
Other Financial Liabilities	1,160	389	1,549	682	549	1,231
Non-Financial Liabilities			-			-
Provisions	90	163	253	70	184	254
Other Non-Financial Liabilities	806	-	806	852	-	852
Total Liabilities	**71,322**	**10,538**	**81,860**	**95,953**	**733**	**96,686**
Net			**37,639**			**35,082**

* Represents Loans net of provision

41 Capital

i Capital Management

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

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

Regulatory Capital	As at March 31, 2022	As at March 31, 2021
Tier I Capital	32,620	28,218
Tier II Capital	10,000	-
Total Capital	**42,620**	**28,218**
Risk Weighted Assets	122,683	133,954
CRAR		
Tier I Capital (%)	26.59%	21.07%
Tier II Capital (%)	8.15%	0.00%

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

ii ICAAP Document & Stress Scenarios:

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

"Likely stress scenarios which are built and discussed in ICAAP are

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

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

(i) MAT - Increase in average Cost of Funds by 100 Basis Points since last revision in Interest Rate matrix – Review of Interest Rate Matrix by ALCO.
ii) New frauds exceeding 2% of FIU as at the beginning of the Financial Year – Review by CCC-I

iii) MAT - Fresh NPAs in any quarter exceeding 5% of Gross NPA as at the end of previous quarter – Review by CCC-I”

“The Corrective Action (‘CA’) is initiated as per the need.
The ICAAP Document is to be reviewed annually based on the actual performance of the Company in the previous year, Business Plan for the current year, Capital requirement to grow, and after factoring in the Stress Scenarios based on the past data. The Annual ICAAP document is to be placed before the Board for approval through RMCB.”.

iii Categories of Financial Instruments:

(Rs. In Lakhs)

Particulars	As at March 31, 2022			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	2,717			2,717
Loans	111,781			111,781
Investments		0		0
Other Financial Assets	250			250
Total	**114,748**	**0**	**-**	**114,748**
Financial Liabilities				
Debt Securities	25,904			25,904
Borrowings (Other than Debt Securities)	53,335			53,335
Other Financial Liabilities	1,549			1,549
Total	**80,788**	**-**	**-**	**80,788**
Particulars	**As at March 31, 2021**			
	Amortised cost	**At Fair Value Through profit or loss**	**At Deemed Cost**	**Total**
Financial Assets				
Cash and Cash Equivalents	972			972
Loans	122,572			122,572
Investments		0		0
Other Financial Assets	1,717			1,717
Total	**125,261**	**0**	**-**	**125,261**
Financial Liabilities				
Debt Securities	57,675			57,675
Borrowings (Other than Debt Securities)	36,674			36,674
Other Financial Liabilities	1,231			1,231
Total	**95,580**	**-**	**-**	**95,580**

42 Fair Value Measurement

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

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

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

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

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

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

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

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

				As at March 31, 2022
Particluars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investments	0	-	-	0

Fair value technique
Investment at fair value through profit and loss

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

Other Financial Assets and Liabilities

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

43 Financial Risk Management

1 Introduction

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

2 Risk Management Framework

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

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

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

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

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

- Compliance Policy – Compliance Risk
- Fraud Risk Management Policy –Fraud Risk
- Risk Management Policy
- KRIs, RCSA Template, RCSA Manual, Loss Data Manual, KRI Manual & OR
- Policy on outsourcing of financial services for NBFC
- Sale of NPAs to ARC
- Cyber Security Manual
- Policy on Preservation of Documents"

3 The Company ensures identification, measurement and control of risks affecting the business through the following Committees:

(i) The Board of Directors (BOD)

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

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

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

The role of the Committee is as follows-:

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

(b) Executive Committee of the Board (ECB)

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

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

(c) Audit Committee of the Board (ACB)

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

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

(a) Asset-Liability Committee (ALCO)

Roles and Responsiibilities
The Asset Liability Management (ALM) Committee presents the Structural and Dynamic Liquidity Report to the Risk Management Committee on a quarterly basis and meetings are held every month. The ALM Committee formulates the ALM Policy which is reviewed at least once a year. If any change is required, then, the revised policy along with desired change and rationale for the same shall be put up to the ECB. Consequent to the recommendation of the ECB, the reviewed policy would be put up to the Board for its approval.

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

"ALCO normally meets at monthly intervals to discuss and take a view on the following:
- Cost of funds – Considering the prevailing liquidity position and future scenario
- Benchmark Rates, after factoring in the Cost of funds and future liquidity scenario.
- Asset – Liability position of the Company.
- Interest rate scenario
- Country Risk Exposure Review

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

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

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

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

- **Client wise Exposure Limit:**

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

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

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

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

Debtor Rating	Amount of Exposure(Rs. in crs)
A	80
B	40
C	10

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

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

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

"The operational risks relating to the specific business profile of the Company involve
i) Fraudulent Transactions
ii) Diversion of Funds
iii) Disruption of business"

Operational Risk Mitigation measures

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

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

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

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

“C) Market Risk“

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

Interest Rate Risk

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

Market Risk Mitigation measures

The Majority of the Company’s advances and Borrowings of the Company are short term in nature (upto 90 days). In case of any adverse movement in Interest Rate, the Company can easily pass on the increased cost of funds to the Clients.
Further, due to 100% backup lines of credit, in case of sharp increase in CP borrowing rates, Company can switch over to banks’ lines of credit.

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

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

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

“D) Liquidity Risk“

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

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

“The Company has following sources of funds:

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

To mitigate the liquidity risk, Company has a policy that the total of:
“i) Undrawn, committed rupee facilities.
ii) Investments in liquid instruments, should always exceed aggregate of short term dated loans with no surety of roll over, and CP’s falling due within the next one week.“

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

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

E) Compliance Risk

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

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

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

Maturity Pattern Assets and liabilities as on 31st March 2022

Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Cash and cash equivalents	2,717	-	-	-	-	-	-	-	2,717
Loans	84,243	25,408	2,615	-	8,519	-	-	-	120,784
Investments*	-	-	-	-	141	383	-	0	524
Other Financial assets	-	-	-	-	14	237	-	-	250
Total	**86,960**	**25,408**	**2,615**	**-**	**8,673**	**620**	**-**	**0**	**124,275**
Debt Securities	6,996	3,974	4,949		-	-	-	9,985	25,904
Borrowings (other than Debt Securities)	11,679	13,221	28,435	-	-	-	-	-	53,335
Other Financials liabilities	1,160	-	-	-		389			1,549
Total	**19,834**	**17,195**	**33,384**	**-**	**-**	**389**	**-**	**9,985**	**80,788**

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

Maturity Pattern Assets and liabilities as on 31st March 2021

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

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

44 Segment Reporting

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

45 Leases

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

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

		₹ in Lakhs
	March 31, 2022	**April 1, 2021**
Right to use assets		
Buildings	275	367
Lease liabilities		
Lease liabilities	389	549

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

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

Depreciation charge of right-of-use assets		
Buildings	180	186
Interest expense (included in finance cost)	43	52
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	8	26
Expense relating to leases of low-value assets that are not shown above	4	3
Expense relating to variable lease payments not included in lease	-	-
The total cash outflow for leases during the year	301	303

46 Expected Credit Losses

Impairment Assessment

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

The Company applies General approach to provide for credit losses prescribed by IND AS 109, which provides to recognised 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognised lifetime expected credit losses for financial instruments for which there have been significant increase in credit risk since initial recognition considering all reasonable and supportable information, including that of forward looking.

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

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

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

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

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

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

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

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

The exposure is secured by the Payment Under Guarantee (PUG) cover given by the overseas Import factor. Therefore, additional 0.50 % provided towards future default seems adequate and thus total 1.15% of on the entire portfolio of Export factoring portfolio is provided.

Credit Quality Analysis –

₹ in Lakhs

Particulars	Stage 1		Stage 2		Stage 3		Total
	Out-standing Loan	Impair-ment Losses	Out-standing Loan	Impair-ment Losses	Out-standing Loan	Impair-ment Losses	Impairment Losses
As at March 2022	109,651	510	2,615	462	8,519	8,032	9,004
As at March 2021	117,941	1,977	2,892	14	17,062	13,331	15,323

Write off policy

"The NPA accounts where despite best efforts recovery is not forthcoming. Such accounts are critically examined on case to case basis and are recommended for write off to Executive Committee of the Board.

Executive Committee of the Board has full powers for write off of NPAs and no authority below that has been vested with any power in this regard."

Measures taken to mitigate the impact of on going Covid-19 pandemic

a) The Company has made an additional provision of 0.25% (Rs.230 lakhs) on the Unsecured Standard Assets as on 31.03.22

b) The management feels that the provisions made is adequate to cover the losses on impact of Covid-19 on the Loans and Advances.

c) The Company does not foresee any other impact on the financial performance due to Covid-19 for the future

d) Based on current indicators of future economic conditions, the Company notes that for the period ended 31st March, 2022, it expects to recover the carrying amount of its current and non-current assets and does not anticipate any impairment.

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

	LIABILITIES SIDE :	March 31, 2022		March 31, 2021	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
		Rs. in lakhs		Rs. in lakhs	
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
	(a) Debentures :				
	Secured	-	-	-	-
	Unsecured (other than falling within the meaning of public deposits*)	10,479	-	10,155	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	15,919	-	47,677	-
	(f) Other Loans (specify nature)				-
	- Cash Credit	8,335	-	4,614	-
	- Working Capital Demand Loan	45,000	-	32,000	-
	- Short Term Loan Facility	-	-	-	-
	- Bank Overdraft	-		60	-

		ASSETS SIDE :	Amount Outstanding	
			March 31, 2022 Rupees in Lakhs	March 31, 2021 Rupees in Lakhs
2		Break-up of Loans and Advances including bills receivables [other than those included in (3) below:		
		(a) Secured	18,022	39,187
		(b)Unsecured	102,762	98,708
		(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	141	-
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	Long Term investments :				
	1	Quoted :			
		(i)	Shares : (a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	2	Unquoted :			
		(i)	Shares : (a) Equity	0	0
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
			- Investment in Security Receipt (SR)	383	383

5	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:				
	Category		**Amount net of provisions**		
			Secured	**Unsecured**	**Total**
	1	Related Parties			
		(a) Subsidiaries			
		(b) Companies in the same group			
		(c) Other related parties	-	-	-
	2	Other than related parties	18,022	102,762	120,784
		(Previous Year)	39,187	98,708	137,895
		Total (Current year)	18,022	102,762	120,784
		Total (Previous year)	39,187	98,708	137,895

6	Investor group-wise classification of all investments (current and long term) (both quoted and unquoted):					
	Category		March 31, 2022		March 31, 2021	
			Market Value/ Break-up or fair value or NAV	Book value (net of provisions)	Market Value/ Break-up or fair value or NAV	Book value (net of provisions)
	1	Related Parties				
		(a) Subsidiaries	-	-	-	-
		(b) Companies in the same group *	-	0	-	0
		(c) Other related parties	-	-	-	-
	2	Other than related parties @	574	-	574	-
		Total	574	0	574	0
		* Disclosed as zero as amount is less than lakhs				
		@ 100% Provision is held in books against Investment, therefore book value is zero				

7	Other Information			₹ in Lakhs
	Particulars		March 31, 2022	March 31, 2021
	(i)	Gross Non Performing Assets		
		(a) Related Party	-	-
		(b) Other than Related Parties	8,519	17,062
	(ii)	Net Non-Performing Assets		
		(a) Related Party		
		(B) Other than Related Parties	487	3,730
	(iii)	Assets acquired in satisfaction of debts	-	-

48. (i) Disclosures as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 dated 2nd September, 2015 and Circular No.CIR/IMD/DF/18/2013 dated October 29,2013, relating to contact details of Debenture Trustees

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.
Tel: 022 - 4080 7000 Fax: 022 - 6631 1776 / 4080 7080

(ii)	March 31, 2022	March 31, 2021
(a) Credit rating and change in credit rating (if any);	No	No
(b) Debt-Equity ratio;	2.86	3.67
(c) (i) Previous due date for the payment of interest		
- 7.28% Tier II Bonds (10 Years)	-	-
- 9.22% Tier II Bonds (10 Years)		29.01.2021
(ii) Repayment of principal of non convertible debt securities	29.07.2021	25.08.2020
(d) (i) Next due date for the payment of Interest		
- 7-28% Tier II Bonds (10 Year)	28.07.2022	-
- 9.22% Tier II Bonds (10 Years)		29.07.2021
(ii) Principal along with the amount of interest		
- 7.28% Tier II Bonds (10 Year)	28.07.2031	-
- 9.22% Tier II Bonds (10 Years)	-	29.07.2021
(e) Capital redemption reserve / Debenture redemption reserve;	1,000	1,000
(f) Net Worth;	37,639	35,083
(g) Net Profit After Tax;	2,526	1,847
(h) Earnings Per Share:	1.58	1.15

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

A. Capital to Risk (weighted) Assets Ratio

₹ in Lakhs

Sr No.	Particulars	March 31, 2022	March 31, 2021
i.	CRAR (%)	34.74	21.07
ii	CRAR - Tier I Capital (%)	26.59	21.07
iii	CRAR - Tier II Capital (%)	8.15	-
iv	Amount of Subordinated debt as Tier II Capital (Rs In Lakhs)	10,000	
v	Amount raised by issue of Perpetual Debt Instruments	-	-

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

B Investments

₹ in Lakhs

Sr No.	Particulars	March 31, 2022	March 31, 2021
1	**Value of Investments**	-	-
i	Gross Value of Investments	-	-
	a) In India	523	383
	b) Outside India	-	-
ii	Provisions for Depreciation		
	a) In India	523	383
	b) Outside India	-	-
iii	Net Value of Investments		
	a) In India	0	0
	b) Outside India	-	-
2	**Movement of provisions held towards depreciation on investments**		
i	Opening balance	383	383
ii	Add: Provisions made during the year	141	-
iii	Less: Write-off / write-back of excess provisions during the year	-	-
iv	Closing balance	523	383

C. Derivatives - Forward Contract

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

₹ in Lakhs

Sr No.	Particulars	March 31, 2022	March 31, 2021
i	Derivatives - Forward Contract	30.44	-
	For hedging	30.44	-

E. Disclosure relating to Securitisation

1. Details of Financial Assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction.

₹ in Lakhs

Sr No.	Particulars	March 31, 2022	March 31, 2021
(i)	No. of Accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC. *	-	-
(iii)	Aggregate consideration @	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years.	-	-
(v)	Aggregate gain/loss over net book value.	-	-

2 Details of Assignment transactions undertaken by NBFCs

₹ in Lakhs

Sr No.	Particulars	March 31, 2022	March 31, 2021
(i)	No. of Accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

₹ in Lakhs

Sr No.	Particulars	March 31, 2022	March 31, 2021
(i)	No. of Accounts	1	3
(ii)	Aggregate value (net of provisions) of accounts purchased	2,457	30,000
(iii)	Aggregate consideration	2,457	30,000
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

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

A. Details of Non-Perforimg Assets purchased

₹ in Lakhs

Sr No.	Particulars	March 31, 2022	March 31, 2021
(i)	(a) No. of Accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructed during the year	-	-
	(b) Aggregate outstanding	-	-

B. Details of Non-Performing Financial Assets sold.

₹ in Lakhs

Sr No.	Particulars	March 31, 2022	March 31, 2021
(i)	No. of accounts sold	1	-
(ii)	Aggregate outstanding	298	-
(iii)	Aggregate Consideration received	100	-

F. Asset Liability Maturity Pattern of certain items of Assets and liabilities

Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans	84,243	25,408	2,615	-	8,519	-	-	-	120,784
Investments	-	-	-	-	-	-	-	0	0
Borrowing									
- Bank Overdraft	-	-	-	-	-	-	-	-	-
- CC Facility $	2,179	5,221	935	-	-	-	-	-	8,335
- WCDL	9,500	8,000	27,500	-	-	-	-	-	45,000
- Commercial Papers	6,996	3,974	4,949	-	-	-	-	-	15,919
Debentures	-	-	-	-	-	-	-	9,985	9,985
Interest on Debentures	494	-	-	-	-	-	-	-	494
Foreign Currency assets				-					
- Bank Accounts	394	-	-	-	-	-	-	-	394
Foreign Currency liability									
- Import Factoring Commission	22	-	-	-	-	-	-	-	22
- Interest Payable on Loan	1	-	-	-	-	-	-	-	1

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

a) Exposure to Real Estate Sector *

₹ in Lakhs

	Category	March 31, 2022	March 31, 2021
Direct Exposure			
(i)	Residential Mortgages -		
(i)	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	1,666
(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	1,273	2,918
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(iii)	a. Residential		
(iii)	b. Commercial Real Estate		
	Total Exposure to Real Estate Sector @	**1,273**	**4,584**

* Above amounts reflects exposure towards collateral secuirty accepted against the Factoring facility (Receivable financing) provided to the clients.
@ Out of the above exposure, an amout of Rs.280 Lakhs (Previous Year 4,584 Lakhs) is security relating to Non Performing Assets

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

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

d) Details of Single Borrower limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC - The list of clients with limits exceeding Rs. 3500 lakhs is given below - NIL

e) Unsecured Advances		
		₹ in Lakhs
Type of Security	**March 31, 2022**	**March 31, 2021**
Insured through overseas Import Factor	5,110	4,458
Secured by way of Assignment of Receivables and through Residual / Subservient Charge	46,458	51,568
Fully Unsecured	51,194	42,675
Total	**102,762**	**98,700**

Miscelleneous

a) Registration obtained from other financial sector regulators - Not Applicable
b) Disclosure of Penalties imposed by RBI and other regulators - Not Applicable
c) Related Party Transactions - Disclosed in Note 31
d) Ratings assigned by credit rating agencies and migration of ratings during the year

Sr. No.	Rating Agency	Rating	Amount in Lakhs	"Instrument / Facility"	Validity Period **	
					From	To
i)	ICRA	[ICRA]AAA (Stable)	15980	Subordinated Debt Programme	June 30,2021	June 29,2022
ii)	ICRA	[ICRA]AAA (Stable)	20000	Subordinated Debt Programme	June 30,2021	June 29,2022
iii)	ICRA	[ICRA]AAA (Stable)	100000	Long-Term Bank Lines	June 30,2021	June 29,2022
iv)	ICRA	[ICRA]A1+	100000	Short-Term Bank Lines	June 30,2021	June 29,2022
v)	ICRA	[ICRA]A1+	200000	Short-Term Debt Programme (Commercial Paper)	June 30,2021	June 29,2022
vi)	ICRA	CRISIL AAA/Stable	10000	Non-Convertible Debentures	July 09,2021	July 08,2022
vii)	CRISIL	CRISIL AAA/Stable	20000	Subordinated Debt	July 09,2021	July 08,2022
	CRISIL	CRISIL A1+	150000	Commercial Paper	July 09,2021	July 08,2022

** The rating agency can review the rating once in previous 15 months

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

e) Prior Period Items - An amount of Rs. NIL (Previous Year NIL).

f) Revenue Recognition - There are no such significant uncertainties where Revenue Recognition is postponed.

g) Consolidated Financial Statements - Not Applicable

ix Additional Disclosure
a) Concentration of Deposits, Advances, Exposures and NPAs

		₹ in Lakhs
i) Concentration of Deposits	**March 31, 2022**	**March 31, 2021**
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-
		₹ in Lakhs
ii) Concentration of Advances	**March 31, 2022**	**March 31, 2021**
Total Advances of twenty largest borrowers	33,316	48,352
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	27.58	35.06
		₹ in Lakhs
iii) Concentration of Exposures (i + ii)	**March 31, 2022**	**March 31, 2021**
Total Exposure to twenty largest borrowers /customers	33,316	48,352
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of NBFC on borrowers / customers	27.58	35.06

		₹ in Lakhs
iv) Concentration of NPAs	**March 31, 2022**	**March 31, 2021**
Total Exposure to top four NPA Accounts	6,033	7,355

b) Sector-wise NPAs			**₹ in Lakhs**
	Sector	**Percentage of NPAs to Total Advances in that sector**	
		March 31, 2022	**March 31, 2021**
1	Agriculture & allied activities	-	
2	MSME	1%	2%
3	Corporate Borrowers	10%	16%
4	Services	-	4%
5	Unsecured Personal Loan	-	
6	Auto Loans	-	
7	Other personal Loans	-	

c) Movements of NPAs		₹ in Lakhs	
	Particulars	March 31, 2022	March 31, 2021
i	Net NPAs to Net Advance (%)	0.43%	2.99%
ii	Movement of NPAs (Gross)		
	(a) Opening Balance	17,062	20,638
	(b) Additions during the year	1,844	1,242
	(c) Reductions during the year	10,387	4,818
	(d) Closing balance	8,519	17,062
iii	Movement of Net NPAs		
	(a) Opening Balance	3,730	3,427
	(b) Additions during the year	648	300
	(c) Reductions during the year	3,892	(3)
	(d) Closing balance	487	3,730
iv	Movement of Provisions of NPAs (Excluding Provision on Standard Assets)		
	(a) Opening Balance	13,331	17,211
	(b) Provision made during the year	1,196	941
	(c) Write off / write back of excess provisions	6,495	4,821
	(d) Closing Balance	8,032	13,331

d) Overseas Asset (for those with joint ventures and subsidiaries abroad) - Not Applicable

g) Off Balance Sheet SPVs sponsored - Not Applicable

h) Disclosure of Complaints

Customer Complaint		₹ in Lakhs	
	Particulars	March 31, 2022	March 31, 2021
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	-	-

I) Information as required by Reserve Bank of India under Resolution framework for COVID related stress as per circular dated 06 August 2020

Disclosures to be made in the half year ended March 31, 2022 **(in lakhs)**

	Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the 30th Sept 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
a)	Personal Loans	0	0	0	-	-
b)	Corporate persons*	354	0	0	-	354.00
c)	of which, MSMEs	0	0	0	-	-
d)	Others	0	0	0	-	-

J) Information as required by Reserve Bank of India Circular on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021 is attached as Annexure III.

Disclosures to be made in the quarters ending March 31, 2022 **(in lakhs)**

Sr No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process	-	-	-
(B)	"Number of accounts where resolution plan has been implemented under this window"	-	-	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	-	-	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	"Additional funding sanctioned, if any, including between invocation of the plan and implementation"	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	-	-	-

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

51 The Companies net profit for previous financial year was more than Rs. 5 crs and hence provision for CSR was applicable. As per provisions of the Companies Act, 2013, the Company was required to spend Rs. Nil (Previous Year Rs. Nil) on CSR activities for the year ended 31st March, 2021. The Company has during the year incurred expenditure relating to CSR activities amounting to Rs.2.00 Lakh (Previous Year Rs. 1.25 Lakh) and the same is reflected in Note 26 under Other Expenses.

52. Input Tax Credit under Goods and Services Tax

The company is eligible to claim 50% of ITC only in view of speciifc provision of GST law. Therefore, 50% of ITC is always expensed off in books. Remaining 50% is allowed subject to confirmation by vendors on GST portal. Similarly, in case of locations registered as ISD under GST, 50% ITC is reversed as mandated by GST law.

53.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IndAS 109 provisions and IRACP norms
(-1)	(-2)	(-3)	(-4)	(5)=(3)-(4)	(-6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	109,651	510	109,141	666	(157)
	Stage 2	2,615	462	2,153	13	449
Subtotal		112,266	972	111,294	680	292
Non-Performing Assets (NPA)						
Substandard	Stage 3	88	61	27	22	39
Doubtful - up to 1 year	Stage 3			-		-
1 to 3 years	Stage 3	3,783	3,324	459	3,783	(459)
More than 3 years	Stage 3	2,430	2,430	0	2,430	(0)
Subtotal for doubtful		6,213	5,754	459	6,213	(459)
Loss	Stage 3	2,217	2,217	-	2,217	-
Subtotal for NPA		8,519	8,032	487	8,452	(420)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	109,651	510	109,141	666	(157)
	Stage 2	2,615	462	2,153	13	449
	Stage 3	8,519	8,032	487	8,452	(420)
	Total	**120,784**	**9,004**	**111,781**	**9,132**	**(128)**

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

Public Disclosure on liquidity risk

(These details are pertaining to year ended March, 2022.)

(i) Funding concentration based on significant counterparty (Both deposits and borrowings)

as on 31st March 2022

Sr. No.	Number of Significant Counterparties *	Amount	% of Total deposits	% of Total Liabilities
Total	11	76,235	NA	93

as on 31st March 2021

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

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

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

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

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

as on 31st March 2022

Sr. No.	Particulars of Lenders	March 31, 2022	% of Total Borrowings
	Total	**76,235**	**96%**

as on 31st March 2021

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

(iv) Funding concentration based on significant instrument/product

as on 31st March 2022

Sr. No	Number of Instrument/product	Amount	% of Total Liabilities
1	Commercial Papers	16000	20
2	TIER II Bonds	10000	12
3	Bank Lines (INR+FOREX)	53335	65
	Total	**79,335**	**97**

as on 31st March 2021

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

(V) Stock Ratios: As per Ind AS			
Sr. No.	**Ratios**	**March 31, 2022**	**March 31, 2021**
a)	Commercial paper as a % of Total Public Funds	NA	NA
	Commercial paper as a % of Total Liabilities	19	49
	Commercial paper as a % of Total Assets	13	36
b)	Non-convertible debentures(Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA	NA
c)	Other Short-term liabilities as a % of Total Public Funds	NA	NA
	Other Short-term liabilities as a % of Total Liabilities	68	50
	Other Short-term liabilities as a % of Total Assets	46	37

(VI) Institutional set-up of liquidity risk management

I. Introduction

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

(1) The cash and / or cash equivalent is not adequate to meet the obligations to the lenders and other counter parties.

(2) Sale of liquid assets will yield less than their fair value, or

(3) Liquid assets cannot be sold at the desired time due to lack of buyers.

II. Identification

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

a) Delays in repayment of loans by the debtors / clients.

b) Inability to raise money from the overnight market.

III. Treatment / Handling of Liquidity Risk

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

a) Undrawn, committed rupee facilities;
SBIGFL has backup lines of Credit from Banks to meet 100% of the other short term/volatile resources and mitigate liquidity risks at any point of time.

b) Investments in liquid instruments, should always exceed aggregate of short term dated loans with no surety of rollover, and CP's falling due within the next one week and

c) A Contingency Funding Plan (CFP) has also been approved by ECB & the Board for inclusion in the Asset Liability Management Policy, which is being reviewed annually.

As per our report of even date	For and on behalf of the Board of Directors	
For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C	**Joydeb Mukherjee** Managing Director & CEO DIN :- 09197677	**Ashwini Kumar Tewari** Chairman DIN :- 08797991
Shraddha Avinash Khare Partner **M.No. 123263** Place : Mumbai Date : 30th April 2022	**Akash Damniwala** Chief Financial Officer Place : Mumbai Date : 30th April 2022	**Aruna Dak** Company Secretary

Balance Sheet

As at March 31, 2022

			(in US $)
	Particulars	**March 31, 2022 ***	**March 31, 2021 ****
	ASSETS		
(1)	**Financial Assets**		
(a)	Cash and cash equivalents	3,584,733	1,329,573
(b)	Loans	147,482,617	167,654,078
(c)	Investments	132	137
(d)	Other Financial assets	330,012	2,348,719
		151,397,494	**171,332,507**
(2)	**Non-financial Assets**		
(a)	Current tax assets (Net)	951,157	689,329
(b)	Deferred tax Assets (Net)	3,686,304	6,314,440
(c)	Property, Plant and Equipment	1,309,396	1,503,935
(d)	PIntangible assets under development	15,797	-
(e)	Other Intangible assets	16,572	6,439
(f)	Other non-financial assets	288,871	387,161
		6,268,096	**8,901,304**
	Total Assets	**157,665,590**	**180,233,811**
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	**Financial Liabilities**		
(a)	Debt Securities	16,492	-
(b)	Debt Securities	34,177,050	78,887,947
(c)	Borrowings (Other than Debt Securities)	70,369,893	50,162,355
(d)	Other financial liabilities	2,043,693	1,684,293
		106,607,129	**130,734,595**
(2)	**Non-Financial Liabilities**		
(a)	Provisions	334,108	347,148
(b)	Other non-financial liabilities	1,064,021	1,166,299
		1,398,129	**1,513,447**
(3)	**EQUITY**		
(a)	Equity Share capital	21,095,143	21,869,151
(b)	Other Equity	28,565,189	26,116,618
		49,660,332	**47,985,769**
	Total Liabilities and Equity	**157,665,590**	**180,233,811**

* 1 US $ = 75.7925 ** 1 US $ = 73.1100

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

Statement of Profit and Loss

Statement of Profit & Loss for the year ended 31st March, 2022

			(in US $)
	Particulars	**Year ended March 31, 2022 ***	**Year ended March 31, 2021 ****
	Revenue from operations :		
(i)	Interest income	11,889,174	13,441,593
(ii)	Fees and commission income	422,053	494,656
(iii)	Sale of services	737,758	651,086
(iv)	Others	269,156	125,223
(v)	Reversal of provision	8,337,466	3,829,130
(1)	**Total revenue from operations**	**21,655,608**	**18,541,687**
(2)	**Other income**	272,481	267,560
(3)	**Total income**	**21,928,090**	**18,809,247**
	Expenses :		
(i)	Finance costs	4,354,169	6,213,593
(ii)	Fees and commission expense	200,160	148,967
(iii)	Fees and commission expense	185,742	-
(iv)	Net loss on derecognition of financial instruments under amortised cost category	8,059,342	5,791,082
(v)	Employee benefits expenses	1,794,599	1,490,426
(vi)	Depreciation, amortization and impairment	291,819	317,282
(vii)	Others expenses	1,304,488	1,192,813
(4)	**Total expenses**	**16,190,320**	**15,154,162**
(5)	Profit / (loss) before exceptional items and tax	5,737,770	3,655,085
(6)	Exceptional items	-	-
(7)	**Profit/(loss) before tax**	**5,737,770**	**3,655,085**
(8)	**Tax Expense:**		
	Current Tax / Tax for previous year	-	9,569
	Deferred Tax	2,404,651	1,119,425
	MAT Credit	-	-
(9)	Profit / (loss) for the period from continuing operations	**3,333,118**	**2,526,092**
(10)	Profit/(loss) from discontinued operations	-	-
(11)	Tax Expense of discontinued operations	-	-
(12)	Profit/(loss) from discontinued operations(After tax)	-	-
(13)	Profit/(loss) for the year	**3,333,118**	**2,526,092**
(14)	**Other Comprehensive Income**		
	(i) Items that will not be reclassified to profit or loss	39,697	(18,118)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	5,276
	Subtotal (A)	**39,697**	**(12,842)**
	(i) Items that will be reclassified to profit or loss	-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-
	Subtotal (B)	**-**	**-**
	Other Comprehensive Income (A + B)	**39,697**	**(12,842)**
(15)	**Total Comprehensive Income for the year**	**3,372,816**	**2,513,249**

* 1 US $= 75.7925 ** 1 US $ = 73.1100

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

Registered Office

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

BRANCHES:

Mumbai
6th floor, The Metropolitan Building,
Bandra Kurla complex,
Bandra (East), Mumbai – 400 051.
Tel. No. : 022 48890300

Bengaluru
S-G14, Ground Floor, South Block,
Manipal Centre, #47 Dickenson Road,
Bengaluru - 560 042
Tel. No. : 080 46177277
Fax No. : 080 40923761

Chennai
G-5 Ground Floor, Karumuthu Centre,
634-Anna Salai, Nandanam, Chennai - 600 035
Tel. No. : 044 24341201/2/3
Fax No. : 044 24312190

Coimbatore
4th Floor, Jaya Enclave, No. 1057, Avinashi Road,
Coimbatore - 641018
Tel. No. : 0422-2240772
Fax No. : 0422-2240676

Hyderabad
S-2, ANR Centre, Road # 1,
Banjara Hills, Hyderabad - 500 034
Tel. No. : 040 40246572/74

Jaipur
1st Floor, Silver Square, C-18, Bhagwan Das Road,
C-Scheme, Jaipur - 302 001
Tel. No. : 0141 4002178/79/80

Kolkata
Sukhsagar Building,Flat no. 6-B, 6th floor,
2/5A, Sarat Bose Road, Kolkata - 700 020
Tel. No. : 033 24756366/67
Fax No. : 033 24756383

Ludhiana
B-XXI – 14627, Gandhi Nagar, 1st floor,
G T Road, Near Dholewal chowk,
Ludhiana - 141 003
Tel. No. : 0161 2545626
Fax No. : 0161 2545626

New Delhi
906-907 Narain Manzil,
Barakhamba Road, Connaught Place,
New Delhi - 110001
Tel. No. : 011 4039 1655 / 656

Pune
107 & 108, City Square Apt. Plot no 29/2,
City Survey no 1723, K M Gandhi Path,
Shivaji Nagar (Bhamburde), Pune - 411005
Tel. No. : 020 25536700/01

BANKERS

State Bank of India,
HDFC Bank,
Standard Chartered Bank

SOLICITORS

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

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

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

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

AUDITORS

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

SBIGFL - DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg,Ballard Estate,
Mumbai – 400 001.
Contact Person: Ms.Sheetal Mehta
Tel : +91 22 40807001
Mob : +91 8097474623
Mail id : sheetal@idbitrustee.com
Website : www.idbitrustee.com

SBIGFL

SBI Global Factors Ltd.

CIN U65929MH2001PLC131203

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

Tel.: 91 22 48890300 Fax: 91 22 26572719 Email: contact@sbiglobal.in