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# List of Directors

Name	Designation
Smt. Arundhati Bhattacharya	Chairman (upto 06.10.2017)
Shri B. Sriram	Chairman (from 01-02-2018 to 29-06-2018)
Shri Dinesh Kumar Khara	Director
Smt. Bharati Rao	Independent Director
Dr. B.K. Vatsaraj	Independent Director
Shri Narayanan Raja	Independent Director
Shri Krishna Iyer Mani	Director (upto 24-04-2018)
Shri Vinay S. Hedao	Director (w.e.f. 24-04-2018)
Shri R.B. Kshirsagar	Director
Shri Pranab Kumar Saha	Director (upto 31-01-2018)
Shri Nitesh Ranjan	Director (w.e.f. 24-04-2018)
Shri Tushar Buch	Managing Director & CEO (upto 30-06-2018)
Shri M N Aravind Kumar	Managing Director & CEO (w.e.f. 01-07-2018)

## Our Vision

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

# Board of Directors



**Shri B. Sriram**  
**Chairman**  
(from 01.02.2018 to 29.06.2018)



**Shri Dinesh Kumar Khara**  
**Director**



**Smt. Bharati Rao**  
**Director**



**Dr. B. K. Vatsaraj**  
**Director**



**Shri Narayanan Raja**  
**Director**



**Shri R. B. Kshirsagar**  
**Director**



**Shri Krishna Iyer Mani**  
**Director (upto 24-04-2018)**



**Shri Nitesh Ranjan**  
**Director**  
(w.e.f. 24.04.2018)



**Shri Vinay S. Hedao**  
**Director**  
(w.e.f. 24-04-2018)



**Shri Tushar Buch**  
**Managing Director & CEO**  
(upto 30-06-2018)



**Shri M N Aravind Kumar**  
**Managing Director & CEO**  
(w.e.f. 01-07-2018)

# Directors' Report

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report of SBI Global Factors Limited ('SBI GFL') along with the audited Balance Sheet as at March 31, 2018 and Profit & Loss Account for the year 2017-18.

### FINANCIAL PERFORMANCE

- (i) During the year, the Company continued to manage its operations on profitable lines despite the prevailing economic downturn, and achieved an Operating Profit of Rs. 33 Crores, by a conscious strategy to:
- grow the portfolio selectively, especially by tapping opportunities in Services Sector (logistic, fleet transport, ITeS etc.)
  - de-risk Balance Sheet by exiting from riskier assets,
  - minimise slippages in Asset Quality, and
  - improve profitability by concentrating on recovery / upgradation of AUCA/ NPA Accounts
  - Exploring new opportunities for without recourse Factoring on TRedS (Trade Receivables Discounting System)

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

(Rs. in cr.)

Key Parameters	2016-2017	2017-2018	YOY % Growth
- Turnover (Revenue from Operations) *	92	94	3.18%
FIU	1060	1276	20.47%
Gross NPAs	283	274	(3.14%)
Net NPAs	28	22	(20.47%)
Operating Profit	34	33	(2.87%)
PBT	3	2	(36.17%)*
PAT	1	(3)	-ve
Recovery from Written-off A/cs	2	6	176.64%
*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	3,047	3,555	16.67%

\*Based on actual PBT and PAT figures without rounding off to nearest Crore

## SHARE CAPITAL

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

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

During the Financial Year ended on March 31, 2018, there was no change in the Equity Shareholding Pattern of the Company which remained as follows :

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

As a result of the de-growth as mentioned above, Company's Capital Adequacy Ratio as on March 31, 2018 is as high as 29.82 % ( As per Basel II norms) against 15 % stipulated by the RBI.

## THE COMPANIES ACT, 2013

As on March 31, 2018, the Company was compliant with all applicable provisions of the Companies Act, 2013 and the respective Rules and Secretarial Standard framed thereunder. The Companies (Amendment) Act 2017 which was passed by the Lok Sabha on July 27, 2017 and by the Rajya Sabha on December 19, 2017, has received the assent of the President of India on January 03, 2018 and has been notified in the official Gazette of the same date to be an Amendment to the 2013 Act (the 2017 Amendment Act). Ministry has notified 43 sections of Amendment Act 2017 w.e.f. February 09, 2018.

## 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 80% of the world's International factoring volumes.

During the year, Shri Tushar Buch, the Managing Director & C.E.O. of the Company became the Board Member of Factors Chain International with effect from June 14, 2017.

## HUMAN RESOURCES

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

There are no cases filed in the Financial Year 2017 -18, under the Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) for the Company.

As on 31st March, 2018, the staff strength of SBIGFL is 91, including 14 executives/employees on deputation from SBI.

## INFORMATION TECHNOLOGY

1. The new Goods and Service Tax policy (GST) was implemented by Government of India in 2017-18 to remove Tax barrier between States and to create a nation-wide single market.

In order to make accounting and reporting system of SBI Global Factors Limited GST compliant, IT team of the Company along with the Accounts team rolled out a project to incorporate GST in all the factoring and expense related transactions. The project not only included record creation of GST, but also reporting of the same on GSTN portal. This project was completed in a record time of one month in consultation with the company’s GST consultant, M/s MGB & Co LLP and the company was GST compliant before GST launch date of 1<sup>st</sup> July, 2017.

2. To comply with the direction given by Reserve Bank of India, Company has formed an IT Strategy Committee. The Chairman of this Committee is an Independent Director. First Meeting of this Committee was held on March 06, 2018.

Some of the roles and responsibilities include:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning and process in place
  - Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business
  - Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable
  - Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources
  - Ensuring proper balance of IT investments for sustaining NBFC’s growth and becoming aware about exposure towards IT risks and controls.
3. Company has also prepared “Cyber Security Policy” in line with Cyber Security Policy of State Bank of India version 2.0 to help Company combat cyber threats and list out inter alia, procedure to escalate event of threats to cyber security to appropriate level in the hierarchy, for expeditious response and action.

## CREDIT RATING

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

RATING AGENCY	RATING	AMOUNT	INSTRUMENT/FACILITY
ICRA	[ICRA]AAA (stable)	Rs. 1000 Crs.	Long Term Bank Lines
ICRA	[ICRA]AAA (stable)	Rs. 159.80 Crs.	Subordinated Debt Programme
ICRA	[ICRA]A1+	Rs. 1000 Crs.	Short Term Bank Lines
ICRA	[ICRA]A1+	Rs. 2000 Crs.	Short Term Debt Programme (Commercial Paper)
CRISIL	CRISIL A1+	Rs. 1000 Crs.	Commercial Paper Programme
CRISIL	CRISIL AAA/ Stable (Outlook revised from 'Negative')	Rs. 150 Crs.	Non-Convertible Debentures Programme (Long Term)

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

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

## NPA MANAGEMENT

Company's NPA Management efforts got an additional enabler in the year under review after being designated as a 'Financial Institution' under SARFAESI Act and initiation of NCLT Courts under the Insolvency and Bankruptcy Code 2016.

Company initiated action in 17 accounts where collateral security was available under Section 13/2 of SARFAESI Act. As a result, Company was able to resolve one NPA account. Significant progress has been achieved in other cases too and Company expects to recover dues from at least 5-6 accounts during FY 2018-19.

During the year, the Company referred one of its NPAs, Sanaa Syntex Ltd, to the NCLT wherein the Corporate Insolvency & Resolution process is at completion stage and the resolution is expected in FY 2018-19.

Despite close follow up and preventive measures, 4 accounts amounting to Rs.34.18Cr eventually slipped into NPA category during the first 3 quarters of FY 2017-18.



During the year, 5 hardcore NPA accounts with Principal outstanding of Rs.32.44 Cr have been taken off from the Balance sheet. These advances under collection accounts are being followed up for recovery.

In one of the Civil Proceedings, filed in respect of an AUC Account, we have received 25% proceeds from sale under a private treaty. Balance Rs.1.86 Cr was received in April 2018 and would be accounted for during FY 2018-19.

The Company made an AUCA recovery of Rs.7.04 cr (Incl INCA) as against Rs. 2.30 cr last year. The recovery resulted in settlement and closure of 2 old accounts during the year.

The NPA level is at Rs.274 Cr at the end of FY 2017-18 as against the target of Rs.245 Cr set at the beginning of the year. However, the NPA has consistently reduced from Rs.297 Cr in March 2016 to Rs.283 Crore in March 2017 and now Rs.274 Cr in March, 2018. The percentage of NPA to the total FIU outstanding (net of INCA) is also gradually reducing from 29% in 2016 to 27% in 2017 and now 21% in 2018. The net NPAs of Rs.21.98 Crores constitute 1.72% of the total assets as against 2.61% in the previous year.

With most Civil Suits now at advance stage and further enablers available under SARFAESI Act, Factoring Regulation Act 2011 and the NCLT. Company expects that NPA recovery would contribute even more to the bottom line of the Company, going forward.

#### **TRANSFER TO RESERVE**

The Company has not transferred any amount to General Reserve and Specific Reserve (as per Reserve Bank of India Guidelines) in the Financial Year 2017-18, as the Company has incurred a loss of Rs. 3.24 Crore.

#### **DIVIDEND**

In view of a after tax loss of Rs. 3.24 Crores for the Financial Year 2017-18, the Directors do not propose payment of any Dividend to the Equity Shareholders for the Financial Year ended March 31, 2018.

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

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

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

#### **INTERNAL AUDIT AND LIMITED REVIEW OF QUARTERLY ACCOUNTS**

SBIGFL has appointed an independent firm of Chartered Accountants, M/s., Shah Gupta & Co., as Internal and Concurrent Auditors. Internal Audit & Compliance is focused on independently evaluating the adequacy of internal controls, ensuring adherence to operating guidelines and Regulatory and Legal requirements and pro-actively recommending, by way of improvements



in operational processes and service quality of various individual departments. The quarterly results are also subjected to a limited review by the Statutory Auditors.

#### **DETAILS OF EMPLOYEES DRAWING SALARY ABOVE PRESCRIBED LIMITS**

Since no employee of the Company is drawing a Salary of Rupees Five Lakh or more per Month, a Statement of such Employees is not required.

As on March 31, 2018, there are 91 employees in company ( 77 Direct Staff and 14 SBI deputees). The increment given to the direct staff including the Company Secretary (KMP) ranged from 5% to 7.5%. The percentage increase in the median remuneration of the employees in Financial year 2017-18 is 6.99 %. The remuneration paid to employee is as per the Remuneration policy of the Company. For SBI deputees, including Managing Director & CEO and Chief Financial Officer (KMPs), the Remuneration increased as applicable to their pay scales in SBI.

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

#### **EXTRACT OF ANNUAL RETURN**

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

#### **NUMBER OF MEETINGS OF THE BOARD**

The Board meets at regular intervals and the intervening gap between the Meetings during the year 2017-18 was within the period prescribed under the Companies Act, 2013. The notice of the Board Meeting was given well in advance to all Directors.

Four Board Meetings and Four Audit Committee Meetings were held during the Financial Year. The Board met on April 20 2017, July 20, 2017, October 17, 2017, and February 01, 2018. The Audit Committee met on April 20, 2017, July 20, 2017, October 17, 2017 and February 01, 2018.

#### **CORPORATE GOVERNANCE REPORT**

The report on Corporate Governance is appended herewith.

#### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

#### **DIRECTORS**

The Board of Directors of the Company at present consists of Nine Directors including six Nominee Directors and three Independent Directors. During the Financial Year ended on 31<sup>st</sup> March, 2018 :

- (i) Shri Pranab Kumar Saha, then General Manager, Treasury, Union Bank of India (Director Identification Number : 07516922) was appointed as the Nominee Director of Union Bank of India, on the Board of the Company, in place of Shri Gajanan Ramakant Padalkar (formerly the General Manager, DFB & IBD and Treasury, Union Bank of India, Central Office, Mumbai) (DIN : 07516922), with effect from July 20, 2017.
- (ii) Smt. Arundhati Bhattacharya (Director Identification Number 02011213) ceased as the Director and the Chairman of the Board of Directors of the Company consequent upon her demitting the Office of the Chairman, State Bank of India upon the expiry of her tenure with effect from the close of business on October 06, 2017
- (iii) As nominated by State Bank of India, Shri Balasubramanyam Sriram, the Managing Director (Corporate and Global Banking), State Bank of India (Director Identification Number 02993708), was appointed as the Nominee Director of State Bank of India as well as the Chairman of the Board of Directors of the Company (whose office shall not be liable to retire by rotation) until further orders, with effect from February 01, 2018,
- (iv) Equity Shareholders of the Company, at their Extraordinary General Meeting held on March 15, 2018, considered and appointed Smt. Bharati Rao (DIN : 01892516) (who had submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment), was re-appointed as an Independent Director of the Company (not liable to retire by rotation), for a period of three years with effect from March 30, 2018.

After determining the 'fit and proper' status/ suitability of the appointment of Shri Nitesh Ranjan (General Manager, Treasury, Union Bank of India) (DIN : 08101030), as duly considered and recommended by the Nomination and Remuneration Committee of the Board at its Meeting held on April 24, 2018, Shri Nitesh Ranjan was inducted as a Nominee Director of Union Bank of India, on the Board of the Company with effect from April 24, 2018 (in place of Shri Pranab Kumar Saha (formerly the General Manager, Treasury, Union Bank of India, Central Office, Mumbai)) (DIN : 07693818).

After determining the 'fit and proper' status/suitability of the appointment of Shri Vinay S. Hedao (the Chief General Manager, Small Industries Development Bank of India (SIDBI)) (DIN : 07916221), as duly considered and recommended by the Nomination and Remuneration Committee of the Board at its Meeting held on April 24, 2018, Shri Vinay S. Hedao was inducted as a Nominee Director of SIDBI, on the Board of the Company with effect from April 24, 2018 (in place of Shri Krishna Iyer Mani (the Chief General Manager, SIDBI) (DIN : 03063000)).

The Board places on record, its deep appreciation for the contribution made by Smt. Arundhati Bhattacharya to the Company's turnaround and the services rendered by her as the Chairman through her active participation in the deliberations and discussions of the Board.

The Board also places on record, its deep appreciation for the services rendered by Shri Pranab Kumar Saha & Shri Krishna Iyer Mani to the deliberations and discussions of the Board.

#### **CHANGE IN KEY MANAGERIAL PERSONNEL (KMPs)**

There is no change in the appointment of Key Managerial Personnel during the year 2017-18.

## **DECLARATION BY INDEPENDENT DIRECTORS**

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

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

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

## **COMMENTS ON AUDITORS REPORT & SECRETARIAL AUDIT REPORT**

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

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 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, 2018, the total outstanding of the Company's Tier II Bonds is at Rs.150 Crores.

The last such tranche of Rs. 100 Crores was raised in July, 2011. Since then, the Company has not considered it necessary to raise any such fresh issues as its CAR as per BASEL II norms stands at 29.82 %, as against the regulatory requirement of 15 %.

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

During the Financial Year ended March 31, 2018, there are no material transactions with Related Parties. The particulars of contracts or arrangements with Related Parties referred to in Section 188(1), as prescribed in Form AOC-2 of the Rule 8 of the Companies (Accounts) Rules, 2014 is appended as "Annexure B". The Board has approved the Policy on the Related Party Transactions which has been uploaded on the Company's Website ([www.sbiglobal.in](http://www.sbiglobal.in)).

## **RISK MANAGEMENT POLICY**

The Company has adopted a Risk Management Policy duly approved by the Board. Accordingly, the Company manages the key risks critical to the Company's operations such as Credit Risk

(including Concentration and Country Risk), Operations Risk, Liquidity Risk, Market Risk (Interest Risk) and Compliance Risk (Including Legal Risk). Major Risks identified are systematically addressed through mitigating actions on a continuing basis. These are also discussed at the Meetings of the Risk Management Committee of the Board at regular intervals.

#### **AUDIT COMMITTEE**

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

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Corporate Social Responsibility (CSR) Committee of the Board, at present, consists of 3 members, of which one is an Independent Director and two are Nominee Directors (i.e. one Nominee Director of State Bank of India and Bank of Maharashtra each). The CSR Policy of the Company was approved by the Board in its meeting held on October 20, 2014. The details of CSR activities during the year as per Corporate Social Responsibility Policy Rules, 2014 have been appended herewith as “Annexure C”. The Policy is also uploaded on the Website of the Company ([www.sbiglobal.in](http://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](http://www.sbiglobal.in))

#### **ANNUAL EVALUATION BY THE BOARD**

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

## **PUBLIC DEPOSITS**

During the Financial Year ended March 31, 2018, 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, 2018.

## **AUDITORS**

Mukund M. Chitale & Co., Chartered Accountants, the present Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India (“C&AG of India”), will retire at the close of the 17<sup>th</sup> Annual General Meeting of the Company.

The Statutory Auditors of the Company for the Financial Year 2018-19 would be appointed as and when directed/ informed to the Company by the C&AG, pursuant to Section 139 and other applicable provisions of the Companies Act, 2013.

## **SECRETARIAL AUDIT REPORT**

The Board of Directors of the Company had appointed Mr. Rajkumar R. Tiwari, Practising Company Secretary, to conduct the Secretarial Audit for the Financial Year 2017-18 and his Report on Company’s Secretarial Audit is appended to this Report as “Annexure D”.

## **DIRECTORS’ RESPONSIBILITY STATEMENT**

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

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

## **CEO & CFO CERTIFICATE**

A Certificate from Managing Director & CEO and Chief Financial & Risk Officer of the Company, pursuant to the Listing Agreement of privately placed Debentures, for the Financial Year 2017-18 on Financial Statements and Compliances is annexed to the Report on Corporate Governance. (Annexure I)

## **CODE OF CONDUCT OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL**

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

## **COMPLIANCE CERTIFICATE REGARDING CORPORATE GOVERNANCE**

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

## **ACKNOWLEDGEMENTS**

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

**For and on behalf of the Board of Directors**

**Place : Mumbai**  
**Date : April 24, 2018**

**B.Sriram**  
**Chairman**

**ANNEXURE - A**

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31<sup>st</sup> March, 2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	<b>U65929MH2001PLC131203</b>
Registration Date	13/03/2001
Name of the Company	SBI Global Factors Ltd
Category / Sub-Category of the Company	Public Company
Address of the Registered office and contact details	The Metropolitan, 6th Floor, Bandra Kurla Complex, Bandra(E), Mumbai-400051 T.No. (022) 48890300
Whether listed company	Yes (Equity is not listed but our Debentures are listed with NSE)
Name, Address and Contact details of Registrar and Transfer	N.A

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

<b>Sl. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/service</b>	<b>% to total turnover of the company (100% )</b>
1	Core Factoring		69.97 % (Rs. 66,11,68,923.44)
2	LC Discounting		30.03 % (Rs. 28,37,04,465.25)

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

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



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

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

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

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

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

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

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

\* A Nominee Shareholder of State Bank of India

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	5,78,73,12,650		
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-	4,33,42,070		
<b>Total (i+ii+iii)</b>	-	<b>5,83,06,54,720</b>		
Change in Indebtedness during the financial year	-			
Net Change	-	2,28,91,16,099		
Indebtedness at the end of the financial year	-			
i) Principal Amount	--	8,07,64,28,749		
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-	4,87,15,062		
<b>Total (i+ii+iii)</b>		<b>8,12,51,43,811</b>		

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:						
Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Tushar Buch, Managing Director & CEO	----	----	----	
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	25,76,776	-			25,76,776
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,50,199	-			4,50,199
	(c) Profits in lieu of Salary under section 17(3) Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of Profit					
	- Others, Specify..					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

**B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		B.K.Vatsaraj	Bharati Rao	Narayanan Raja	
<b>3</b>	<b>Independent Directors</b>				
	Fees for attending Board & Committee Meetings	4,60,000.00	5,40,000.00	2,80,000	<b>12,80,000.00</b>
	Commission				
	Others, please				
	<b>Total (1)</b>	<b>4,60,000.00</b>	<b>5,40,000.00</b>	<b>2,80,000</b>	<b>12,80,000.00</b>

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		SIDBI (Nominee Director Krishna Iyer Mani)	Bank of Maharashtra (Nominee Director R.B.Kshirsagar)	Union Bank of India (Nominee Director – G.R.Padalkar / Pranab Kumar Saha)	
<b>4</b>	<b>Other Non-Executive Directors</b>				
	Fees for attending Board & Committee Meetings	1,25,000.00	90,000.00	90,000.00	<b>3,05,000.00</b>
	Commission				
	Others, please				
	<b>Total (2)</b>	<b>1,25,000.00</b>	<b>90,000.00</b>	<b>90,000.00</b>	<b>3,05,000.00</b>

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary	-			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	16,85,096.00	25,96,850	35,50,403.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		6,53,553	6,53,553
	(c) Profits in lieu of Salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of Profit	-	-	-	-
	- Others, Specify..	-	-	-	-
5	Others, please specify	-	-	-	-

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

ANNEXURE B								
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)
1	Mr. Tushar Buch - MD & CEO - Key Managerial Personnel	Key Managerial Personnel	Appointment by SBI for 2 Years	Acting as MD & CEO of the company	On Deputation from SBI	W.E.F. 01/07/2016	Nil	08.09.2016
2	Mr. Pankaj Gupta - SVP & CF&RO - Key Managerial Personnel (From 24th August, 2015)	Key Managerial Personnel	Appointment by SBI	Acting as SVP & CF&RO of the company	On Deputation from SBI	W.E.F. 26/08/2015	Nil	
3	Ms. Amita Joshi - Company Secretary - Key Managerial Personnel	Key Managerial Personnel	Appointment by Board of Directors of SBIGFL	Acting as Company Secretary	Appointed as Company Secretary by the Board of Directors.		Nil	
4	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	
5	State Bank of India (SBI) - Holding Company	Manpower Support (officer on Deputation)	Appointment by SBI	Group Company	On Deputation from SBI		Nil	
6	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	
7	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	
8	SBI General Insurance Ltd. - Fellow Subsidiary (Non Banking)	Car Insurance	Yearly & Renewed every year	Insurance taken for company's car	Normal General insurance transaction		Nil	
9	SBI Foundation	Investment	Long term	Purchase of Equity	Investment for CSR Purpose		Nil	



## **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

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

1. At present Company's CSR Committee consist of 3 members of which one is Independent. The following are the members:
  - Shri Tushar Buch (Managing Director & CEO- Nominee Director, SBI)
  - Dr. B.K. Vatsaraj – Independent Director
  - Shri R.B. Kshirsagar- Nominee Director, Bank of Maharashtra
2. The Company had a marginal profit of Rs. 1.01 Crores during the preceding year 2016-17 while in the Financial year 2017-18, Company has recorded a Loss of Rs. 3.24 Crore, it did not have any compulsion to incur any CSR expenditure. However, the Corporate Social Responsibility (CSR) Committee, at its Meeting held on March 15, 2018, considered and approved :
  - (i) spending an amount of upto Rs. 50,000/- (Rupees Fifty Thousand Only) on CSR activity(ies) by the Company for the Financial Year 2017-18, pursuant to Section 135(3)(c) read with Schedule VII of the Companies Act, 2013,

The Committee further directed that in keeping with the spirit of the relative provisions in the Companies Act, 2013, the Company needs to explore the possibility to incur some expenditure on CSR activity(ies) during the Financial Year 2017-18 also.

1. Accordingly the Company has undertaken following activities for better Corporate Governance:
  - Incurred an expenditure of Rs.47,614/- (Rupees Fourty Seven Thousand Six Hundred Fourteen Only) (including Tax) (i.e. Rs. 42,380/- (Rupees Fourty Two Thousand Three Hundred Eighty Only) (net of Tax) was duly spent by the Company as a part of the Corporate Social Responsibility ('CSR') Activity during the Financial Year 2017-18 (i.e. on March 26, 2018) as a good Corporate Governance practice, towards the donation of seven nos. Sewing Machines and four nos. Office Computers to the Institute for mentally deficient Children under the umbrella of Children's Aid Society at Mankhurd.

**For and on behalf of the Corporate Social Responsibility Committee**

**Managing Director & C.E.O.**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st March, 2018**  
(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, 2018 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, 2018 according to the provisions of:

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

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the Audit period)**;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable during the Audit period)**; and
  - i) The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.
- (vi) Other laws applicable specifically to the company namely:
- a) The Factoring Regulation Act, 2011 (No. 12 of 2012);
  - b) NBFC Directives of RBI (including directions issued by RBI for NBFC Factors);
  - c) Indian Stamp Act, 1899 and the States Stamp Acts;
  - d) Fair Practices Code;
  - 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. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**I further report** that, during the audit period the members at the 16th Annual General Meeting held on 22nd August, 2017 have approved the following Special Resolution:

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

**I further report** that the Members at the Extra- Ordinary General Meeting held on 15th March, 2018 approved the re-appointment of Smt. Bharti Rao (DIN: 01892516) as Independent Director of the Company, for a period of three years with effect from 30th March, 2018 by passing the Special Resolution.

**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: 10th April, 2018

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

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

## ANNEXURE - A

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

My report of even date for the financial year ended 31.03.2018 is to be read along with this letter.

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

Place: Mumbai  
Date: 10th April, 2018

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

# Corporate Governance Report

## 1. Board of Directors (Board)

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

At the end of Financial Year 2017-18, the Board comprised of nine (9) members, which consisted of five (5) Non-Executive Directors, three (3) Independent Directors, and one (1) full-time Executive Director.

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

The particulars of Directors, their attendance during the financial year 2017 – 2018 and also other Directorships are as detailed in Table –I below :

**Table I: Attendance Record of Directors at Board Meetings during 2017-18**

Name and Designation of Director	Category of Director	No. of Board Meetings Attended	No. of Directorships in other companies (Excluding Foreign Company(ies))
Shri B. Sriram (Chairman) (From February 01, 2018)	(Nominee-SBI) Non-Executive	1	1*
Smt. Arundhati Bhattacharya (Chairman) (Upto 06.10.2017)	(Nominee-SBI) Non-Executive	1	08**
Shri Dinesh Kumar Khara (Director)	(Nominee-SBI) Non-Executive	4	12***
Smt. Bharati Rao (Director)	(Independent) Non-Executive	4	09****
Shri Tushar Kishorechandra Buch (Managing Director & C.E.O.)	(Nominee-SBI) Full-time Executive	4	01
Dr. B.K. Vatsaraj Director	(Independent) Non- Executive	4	01
Shri Krishna Iyer Mani (Director)	(Nominee – SIDBI) Non-Executive	1	Nil
Shri Narayanan Raja (Director)	(Independent) Non-Executive	4	04
Shri Ramesh Bansidhar Kshirsagar (Director)	(Nominee – Bank of Ma- harashtra) Non-Executive	2	Nil
Shri Pranab Kumar Saha (Director) (w.e.f. 20.07.2017) (Upto 01.02.2018)	(Nominee – Union Bank of India) Non-Executive	2	Nil
Shri Gajanan Ramakant Padalkar (Director) (Upto 20.07.2017)	(Nominee – Union Bank of India) Non-Executive	1	Nil

\*Excluding SBI

\*\* Excluding SBI, Association(s), Institute(s), Committee(s), Council(s), Forum(s), Board(s) of Trade etc.

\*\*\* Excluding SBI and Foreign Companies

\*\*\*\* Excluding a Bank and a Foreign Company

## Meetings of the Board

During the Financial Year ended on 31<sup>st</sup> March, 2018, 4 (four) Board Meetings were held on April 20, 2017, July 20, 2017, October 17, 2017, and February 01, 2018.

### 2. Audit Committee

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

- |    |                         |          |
|----|-------------------------|----------|
| 1. | Dr. B.K. Vatsaraj       | Chairman |
| 2. | Shri Dinesh Kumar Khara | Member   |
| 3. | Smt. Bharati Rao        | Member   |

During the Financial Year ended on March 31, 2018, the Audit Committee met 4 times Viz., on 20/04/2017, 20/07/2017, 17/10/2017, and 01/02/2018.

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

Name of the Member	No. of Audit Committee Meetings attended
Dr. B.K. Vatsaraj (Chairman)	4
Shri Dinesh Kumar Khara	0
Smt. Bharati Rao	4

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

### 3. Executive Committee of the Board:

The Company has an Executive Committee of the Board which, inter alia, approves the Credit proposals beyond a threshold limit (currently Rs.15 Crores). It supplements the right insight and business perspective in order to aid the Company's Management in achieving its goals and mission.

- (a) With effect from July 20, 2017, Shri Pranab Kumar Saha (then General Manager, Treasury, Union Bank of India) (Director Identification Number (DIN) : 07693818) was appointed as a Member of the Executive Committee of the Board, in the place of Shri G. R. Padalkar (then General Manager, DFB & IBD and Treasury, Union Bank of India, Central Office Mumbai) (Director Identification Number (DIN) : 07516922), who relinquished the office of Director w.e.f. July 20, 2017 on account of his transfer out of Mumbai for new assignment.
- (b) With effect from April 24, 2018, Shri Nitesh Ranjan (General Manager, Treasury, Union Bank of India) (Director Identification Number (DIN) : 08101030) was appointed as a Member of the Executive Committee of the Board, in the place of Shri Pranab Kumar Saha (then General Manager, Treasury, Union Bank of India, Central Office Mumbai) (Director Identification Number (DIN) : 07693818), consequent upon the retirement of Shri Saha on superannuation from the services of Union Bank of India as at the close of the business on January 31, 2018.



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

1. Smt. Bharati Rao (Independent Director),
2. Shri Tushar Kishorechandra Buch  
(Managing Director & C.E.O.) (Nominee Director, SBI)
3. Dr. B.K. Vatsaraj (Independent Director),
4. Shri Krishna Iyer Mani (Nominee Director of Small Industries Development Bank of India), and
5. Shri Nitesh Ranjan (Nominee Director of Union Bank of India w.e.f. April 24, 2018).

#### **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.

An Audit of the Company was conducted by the Reserve Bank of India in March, 2017 pursuant to Section 45N of the Reserve Bank of India Act, 1934, with reference to the Company's financial position as on March 31, 2016. The Audit Report had, inter alia observed that the Risk Management Committee of the Company consists of four Members, Viz., all the three Independent Directors, and the Managing Director & C.E.O. of the Company. It was observed that the Managing Director & C.E.O. of the Company was also a Member of the Executive Committee of the Board and the Corporate Credit Committee – I (both Committees taking credit decisions). Hence, the Risk Management function in the Company was not independent of the credit decision making process in the Company. Thus, for better Corporate Governance as also to adequately satisfy an audit observation, the Company re-constituted the Risk Management Committee of the Board w.e.f. July 20, 2017.

Accordingly, with effect from July 20, 2017, Shri Ramesh Bansidhar Kshirsagar (Head Treasury, Bank of Maharashtra) (Director Identification Number (DIN) : 07116343) was appointed as a Member of the Risk Management Committee of the Board, in the place of Shri Tushar Kishorechandra Buch (Managing Director & C.E.O. of the Company, i.e. the Nominee Director of State bank of India) (Director Identification Number (DIN) : 07566371).

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

1. Dr. B.K. Vatsaraj (Independent Director)
2. Smt. Bharati Rao (Independent Director), and
3. Shri Narayanan Raja (Independent Director),
4. Shri R. B. Kshirsagar (Nominee Director, Bank of Maharashtra)

During the Financial Year ended on March 31, 2017, the Risk Management Committee of the Board met 4 times Viz., on 20/04/2017, 20/07/2017, 17/10/2017, and 01/02/2018.

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

Name of the Member	No. of Risk Management Committee Meetings attended
Smt. Bharati Rao	4
Dr. B.K. Vatsaraj	3
Shri Narayanan Raja	4
Shri Tushar Kishorechandra Buch (Upto 20.07.2017)	2
Shri R.B. Kshirsagar (w.e.f. 20.07.2017)	2

#### 5. Nomination and Remuneration Committee of the Board :

There was no change in the composition of the Nomination and Remuneration Committee of the Board during the Financial Year ended on March 31, 2018.

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

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

During the Financial Year ended on March 31, 2018, the Nomination and Remuneration Committee of the Board met 3 times Viz., on 20/04/2017, 20/07/2017 and 01/02/2018.

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

Name of the Member	No. of Nomination and Remuneration Committee Meetings attended
Shri Dinesh Kumar Khara	0
Smt. Bharati Rao	3
Dr. B.K. Vatsaraj	3
Shri Narayanan Raja	3

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

There was no change in the composition of the Corporate Social Responsibility (CSR) Committee of the Board during the Financial Year ended on March 31, 2018.

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

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

During the Financial Year ended on March 31, 2018, the CSR Committee of the Board met 1 time Viz., on 15/03/2018.

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

**Name of the Member**

Shri Tushar Kishorechandra Buch  
Dr. B.K. Vatsaraj

**7. IT Strategy Committee**

During the Financial Year ended March 31, 2018, on July 20, 2017, pursuant to para 1.1 of the Notification RBI/DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17 dated June 08, 2017 issued by the Reserve Bank of India, an IT Strategy Committee was constituted comprising of following Members :

1. Shri Narayanan Raja, Independent Director
2. Shri Tushar Buch, Managing Director & C.E.O.
3. Shri Devi Shankar Mishra, General Manager (IT – Tech, Planning & Application Development), SBI, GITC, Belapur
4. Shri Digvijay Pratap Singh, SVP & Chief Credit Officer
5. Shri Pankaj Gupta, SVP and Chief Financial & Risk Officer, who is also designated as the Chief Information Officer, and
6. Shri Kunal Rumade, Assistant Vice President (IT) who is also designated as the Chief Technology Officer.

**8. General Body Meetings:**

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

AGM	Financial Year	Date of the AGM	Time	Venue
Fourteenth	2014-15	22/09/2015	11.30 a.m.	State Bank Bhavan, Corporate Centre, 03 <sup>rd</sup> Floor, Madame Cama Road, Nariman Point, Mumbai – 400 021
Fifteenth	2015-16	08/09/2016	04.00 p.m.	State Bank Bhavan, Corporate Centre, 15 <sup>th</sup> Floor, Madame Cama Road, Nariman Point, Mumbai – 400 021
Sixteenth	2016-17	22/08/2017	04.30 p.m.	State Bank Bhavan, Corporate Centre, 15 <sup>th</sup> Floor, Madame Cama Road, Nariman Point, Mumbai – 400 021

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

AGM	DETAILS OF THE SPECIAL RESOLUTION(S)
Fourteenth	i) Appointment of Statutory Auditors for the Financial Year 2015-16, as directed by the Comptroller & Auditor General of India (C&AG), and payment of Fees/ Remuneration to them ii) To consider and approve the revised Articles of Association of the Company iii) To consider and approve availing Borrowing facilities from State Bank of India (being a related party) exceeding 10% of the Net Worth of the Company
Fifteenth	Appointment of Statutory Auditors for the Financial Year 2016-17, as directed by the Comptroller & Auditor General of India (C&AG), and payment of Fees/ Remuneration to them
Sixteenth	(i) Appointment of Statutory Auditors for the Financial Year 2017-18, as directed by the Comptroller & Auditor General of India (C&AG), and payment of Fees/ Remuneration to them. (ii) To consider and approve amendments in the Articles of Association of the Company

**Extraordinary General Meetings held during the Financial Year 2017-18 :**

During the Financial Year 2017-18, one Extraordinary General Meeting of Equity Shareholders/ Members of SBI Global Factors Limited was held on March 15, 2018 to consider and re-appoint Smt. Bharati Rao (Director Identification Number ('DIN') : 01892516) as an Independent Director of the Company for a further period of three years with effect from March 30, 2018.

**9. General Shareholder Information:**

Financial Year	April 01, 2017 to March 31, 2018
Registrar and Transfer Agents	Datamatics Financial Services Limited
Address for correspondence	6 <sup>th</sup> Floor, "The Metropolitan" Bandra-Kurla Complex Bandra (East) Mumbai – 400 051

The Board of Directors  
SBI Global Factors Limited  
Mumbai

As required under the Listing Agreement we certify that:

- (a) We have reviewed financial statements and the Cash Flow Statement for the year 2017-18 and that to the best of our knowledge and belief –
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee –
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For SBI Global Factors Limited**

**Pankaj Gupta**  
**SVP and Chief Financial & Risk Officer**

**Tushar Buch**  
**Managing Director & C.E.O.**

Date : April 09, 2018

## **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, 2018 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: 10th April, 2018

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

# Management Discussion and Analysis

## Global Economic Scenario

Global trade has expanded, buoyed by gradually improving global demand and especially, the revival of investment activity in advanced economies (AEs). Crude prices have firmed up on strong demand and geo-political concerns, necessitating the drawdown of inventories even as production cuts by the Organisation of the Petroleum Exporting Countries (OPEC) restrain supply. Metal prices have risen, fuelled by demand supply imbalances and resurgent demand as economic prospects improve. Inflation has remained below target levels in most AEs despite the pick-up in aggregate demand and rise in some commodity prices, while it remains subdued in most emerging market economies (EMEs).

Although forecast for growth of world trade volumes for 2017 was revised by the World Trade Organisation (WTO) to 3.6 % during September 2017(as against actual growth rate of only 1.3% in 2016), towards the year end there were renewed fears of protectionism, retaliatory actions and trade wars that pose a major challenge to the global economy. Impediments to free cross border trade would naturally have implications for emerging market economies (EMEs), including India, that are participating in open international trade and relying on foreign capital flows to realise their developmental aspirations.

## Macroeconomic Perspective

After languishing for five consecutive quarters, economic activity in India is quickening, as estimates as well as survey-based indicators etch out for the second half of 2017-18. Growth is strengthening and several elements are coming together to nurture this nascent acceleration: expectations of a record foodgrains output; strong sales growth by corporations; depleting finished goods inventories; and, restart of investment in fixed assets by corporations pointing to renewal of the capex cycle. Several services sectors, including the information technology sector in terms of its international competitiveness, have shown resilience. These are some of the developments that support brighter prospects for the Indian economy in 2018-19. A significant development has been that this time around, the step-up in growth is propelled by a revival of investment on the demand side and manufacturing on the supply side. This outlook will be lifted by tailwinds from remonetisation and implementation of Goods and Services Tax (GST).

Going forward, economic activity is expected to gather pace in 2018-19, benefitting from a conducive domestic and global environment. First, the teething troubles relating to implementation of the GST are receding. Second, credit off-take has improved in the recent period and is becoming increasingly broadbased, which portends well for the manufacturing sector and new investment activity. Third, large resource mobilisation from the primary market could strengthen investment activity further in the period ahead. Fourth, the process of recapitalisation of public sector banks and resolution of distressed assets under the Insolvency and Bankruptcy Code (IBC) may improve the business and investment environment. Fifth, global trade growth has accelerated, which should encourage exports. Sixth, the thrust on rural and infrastructure sectors in the Union Budget could rejuvenate rural demand and also crowd in private investment.

Aggregate demand is expected to improve in 2018-19, supported, inter alia, by the improving GST implementation, the recapitalization of public sector banks and the resolution of distressed assets under the IBC. Rural and infrastructure sectors are identified as thrust areas in the Union



Budget, which could energise aggregate demand. With the acceleration in global trade, the Indian economy could benefit from buoyant external demand. In addition to the usual monsoon related uncertainty, inflation faces upside risks from a variety of other sources, especially due to the oil prices, the fiscal slippage, and the expected increases in HRAs by the state governments.

### **Financial Markets and Liquidity Conditions**

Interest rates on Treasury bills (T-Bills) and discount rates on commercial papers (CPs) are hardening as markets sense that liquidity conditions are balancing out. In bond markets, long-term yields rose unrelentingly from August on apprehensions of excessive issuances, reactions to fiscal slippages following the announcement of the Union Budget for 2018-19, and rising inflation expectations peaking in early March. A spike in international crude price and rise in global interest rates contributed to the hardening of yields. Thereafter, yields declined sharply on favourable inflation print for February 2018 and in response to the lower than expected borrowings indicated by the Government in the issuance calendar for H1:2018-19.

Until the Budget announcement, equity markets scaled new peaks, riding on aggressive buying by domestic mutual funds and foreign portfolio investors. Thereafter, corrections are occurring with bearish sentiment being more freely expressed in the equity market. The Union Budget proposal to levy long-term capital gains tax (LTCG) of 10 per cent on gains exceeding Rs.1 lakh from sale of equity shares, sharp increase in US bond yields, the announcement of protectionist tariffs by the US and revelations of fraud in some domestic banks have impacted equity markets adversely since the beginning of February. The foreign exchange segment has moved in tandem; while the rupee had gained against the US dollar on the back of sustained portfolio inflows with the ebullience in equity markets, sentiment had reversed after the Budget announcement and portfolio outflows picked up from mid-February as global cues weighed on the rupee.

### **Some Recent Developments relating to Factoring Industry:**

- i) During FY 2017-18, the following three entities approved by RBI under the Payment and Settlement System (PSS) Act 2007 started operating the Trade Receivables Discounting System (TReDS) -
  - a) Receivables Exchange of India Ltd (RXIL) promoted by NSE Strategic Investment Corporation Limited (NSICL) and Small Industries Development Bank of India (SIDBI), Mumbai.
  - b) A. Treds Ltd promoted by Axis Bank Limited, Mumbai.
  - c) Mynd Online National Exchange (M1) promoted by Mynd Solutions Pvt. Ltd., Gurgaon, Haryana.

Trade Receivables Discounting System “TReDS”, is an online exchange to facilitate discounting of invoices and Bills of Exchange on a PAN India basis. Its key participants are Micro, Small and Medium Enterprises “MSMEs” (“the Seller”), large Corporates including PSUs and Govt. Departments (“the Buyer”) and Banks/NBFCs (“the Financier”). RBI has launched this initiative to provide MSMEs working capital at competitive rates through an open bid process by multiple financiers. The financing is “Without Recourse” to the MSME supplier.

- ii) An International Factoring Summit under the aegis of FCI, a global association of factors, was organized by Factors Association of India and SME Chambers of India in Mumbai on 17th January 2018. The Conference was structured to discuss and appreciate the role of the factoring as a preferred alternative for SME finance. The summit was graced by the presence of Deputy Managing Director, International Business, State Bank of India, Chief

General Manager SME Business Unit SBI and the Chief General Manager, Department of Non-banking Supervision, Reserve Bank of India. The Conference was addressed by eminent speakers from the fields of Factoring, Banking, Economics and SME. Key note address was delivered by Mr Peter Mulroy, Secretary General, FCI. SBI Global Factors Ltd had taken the initiative to organize this promotion event.

- iii) Fintechs have now been brought under RBI regulation. This opens a window for partnership for using their services in e-commerce factoring as well as may help in regulating the potential market disruption by unregulated Fintechs.

### **Factoring – The way to go forward for Inclusive growth**

Since factoring seeks to transfer the risk (of non-payment) from a relatively weaker seller of goods/supplier of services to a financially stronger buyer, being a large corporate, it is ideally suited for an inclusive growth to power our nation's economy. Although, MSMEs are recognized universally as a very significant part of our economy – whether in terms of contribution to GDP, employment or earners of foreign exchange as exporters; according to a study by the MSME Ministry, there is an INR 27 trn. financing gap in MSME sector which needs to be addressed. Due to their inability to prove their credit worthiness, MSME finance needs are only marginally met by the banking sector. As a result they either get financed by smaller (and rather expensive) lenders; or worse still, they end up self-financing, which limits their ability to grow altogether. NBFCs in general and factors in particular have thus huge opportunities within the Account Payables and Account Receivables space of MSME funding.

Company thus sees a very important role for itself in spurring this inclusive growth, going forward. Having said that, Company is also keenly aware that it is currently in a very niche segment within the universe of financial sector – and therefore remains vulnerable to various risks despite having a very robust risk management culture in a Board driven policy framework.

Company, therefore, uses various fora to articulate the needs for various enablers to improve prospects of growth of factoring from time to time. Trade Credit Insurance; recognition of factoring as a necessary and complementary financial service to banking; and acceptance of assignment of receivables (thereby recognition of factors as a legitimate financial partner especially for MSMEs) are some of the urgent issues advocated by the Company.

### **Growth Avenues for the Company**

The commencement of TReDS was an important event during the year under review. While it provided a new avenue for lending which the Company used well to capture an estimated one third of the market share of value of invoices put through to emerge as a major 'financier', the platforms are also expected to usher in a culture of large buyers getting amenable to acceptance of assignment of receivables; a development which would prove to be a boon, going forward.

Company takes pride in continuing to increase its share in Export Factoring (2Factor Model) in its total turnover. During the year the turnover under this product increased to Rs. 452.23 cr. (PY 306.58 cr.) which is equivalent to EUR 59.15 mio (PY EUR 41.91mio).

Besides, Company expects to continue to explore opportunities in the services sector (ITES, Logistics, Fleet Transport and Housekeeping) to register about 20% growth in aggregate turnover during 2018-19 as it had in the previous year.

# Independent Auditors' Report

**To the Members of SBI GLOBAL FACTORS LIMITED**

## **Report on the Financial Statements**

1. We have audited the accompanying Financial Statements of SBI Global Factors Limited (the Company), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

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

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

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

## **Opinion**

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2018;
  - b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

5. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, and on the basis of such verification of the books and records as considered appropriate and available and according to the information and explanations given to us, we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- 6. As required by Section 143(3) of the Act, we report that:**
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from directors as on 31st March 2018 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2018 from being appointed as director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements to the extent determinable/ascertainable. – Refer Note 25 to the financial statements.
    - ii) The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
7. As per the Directions of the Comptroller & Auditor General of India in accordance with Sec 143(5) of the Companies Act, 2013 and on the basis of such verification of the books and records as considered appropriate and available and according to the information and explanations given to us and as per the declarations given by the Company, we enclose in Annexure 'C' a statement on the matters specified in directions issued by The Comptroller and Auditor General of India.

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

**(S. M. Chitale)**  
Partner  
M. No. 11183

Place: Mumbai  
Date: 24.04.2018

**Annexure 'A' to the Auditors' Report –  
Statement on the matters specified in paragraphs 3 and 4 of  
Companies (Auditor's Report) Order, 2016  
(Referred to in paragraph 5 of our Audit Report of even date)**

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b) According to information and explanations given to us, fixed assets of the Company are being physically verified according to a phased programme of verification so as to verify all assets within a period of three years. In accordance with this programme, the physical verification of fixed assets has been completed by the management and discrepancies have been reconciled with the books of accounts.

In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets

- c) According to the information and explanations given to us, the title deeds of immovable properties are in the name of the erstwhile name of the Company and we understand that the Company is in the process of updating the documents in the present name of the Company.

Particulars	Gross Value Amt in Lakhs	Net Value Amt in Lakhs	Remarks
Office Premises in Mumbai	797.25	586.68	In the erstwhile name of Global Trade Finance Limited
Office Premises in Delhi	146.72	116.19	In the erstwhile name of Global Trade Finance Limited
Flat in Mumbai	47.83	36.99	In the erstwhile name of SBI Factors and Commercial Services Private Limited

- ii) The Company is involved in factoring business and thus it does not hold any physical inventory. Accordingly provisions of clause (ii) of the Order are not applicable.
- iii) a) According to the information and explanations provided to us, the Company has not given any loan, secured or unsecured, to companies, firms or other parties as covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause (iii) (a) to (c) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations provided to us, the Company has not given any loans and provided any guarantees and security as specified in Section 185 and 186 of the Companies Act, 2016 and accordingly provisions of section 185 and 186 relating to loans are not applicable. The Company has invested amounts in one of the fellow subsidiary company and provisions of section 186 have been complied with.
- v) As informed, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
- vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act to the Company.

- vii) a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it as per the available records as far as ascertained by us on our verification.
- a) According to the information and explanations given to us, there were no undisputed amounts payable in respect of outstanding statutory dues as aforesaid as at 31st March 2018 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, dues in respect of Sales tax, Income tax, Custom duty, Service tax, Excise duty, and Cess that have not been deposited with the appropriate authorities on account of any dispute are as under:

Name of the Statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax, Interest and Penalty	Rs. 47.49	For the Assessment year 2013-14	CIT (Appeals)
Income Tax Act, 1961	Tax deducted at source	Rs. 7.00	For the Assessment year 2009-2010 to 2012-13	TDS CPC
Service Tax	Service Tax and Penalty	Rs.233.05	For financial year 2004-05 to 2010-11.	Commissioner of Service Tax

- viii) According to information and explanations given to us and based on our audit procedures, the Company has not defaulted in repayment of dues of loans taken from Banks, Financial Institutions and Debenture holders.
- ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer (including debt instruments) and term loans during the year.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees, has been noticed and reported during the year, nor have we been informed of such case by the management.
- xi) During the course of our examination and as far as records/details made available and verified by us and according to the information and explanations given to us, the managerial remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013
- xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, provision of clause 3 (xii) of the order is not applicable.
- xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board and Audit Committee, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by applicable accounting standard.
- xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly or fully convertible debentures during the year, therefore reporting under clause 3(xiv) is not applicable.



- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has received registration certificate dated 23rd March, 2015 from Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934 and is permitted to carry on the business as NBFC- Factors in accordance with the Factoring Regulation Act, 2011.

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

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

Place: Mumbai  
Date: 24.04.2018

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

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

1. We have audited the internal financial controls over financial reporting of SBI Global Factors Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India” (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.



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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

- 6 In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Mumbai  
Date: 24.04.2018

**Annexure 'C' to the Auditors' Report –  
Statement on the matters specified in directions issued by the Comptroller and Auditor General of  
India in accordance with Section 143 (5) of the Companies Act, 2013**

**(Referred to in paragraph 7 of our Audit Report of even date)**

- a) According to the information and explanations given to us and based on the information available, the company does not hold any freehold land and leasehold land as at the year end.
- b) According to the information and explanations given to us and based on the information available, and as per the declarations given by the Company, the cases of waiver / write off of debts / loans / interest etc. as approved by the Board of directors during the year ended 31st March, 2018 are as follows:

No of Cases	Nature of Waiver	Reason of Waiver	Amount of Waiver Rs. in lakhs
2	Balance Principal	To Facilitate recovery in write off Account	1,414.15
1	Balance Principal	Compromise settlement in NPA Account	31.65
5	Reversal of Fees	Waiver of revalidation charges	0.72

- c) According to the information and explanations give to us and based on the information available, the Company does not have inventory lying with the Third Parties and no assets have been received as gifts from the Government and other authorities.

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

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

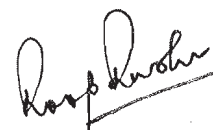
Place: Mumbai  
Date: 24.04.2018

# 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 2018

The preparation of financial statements of SBI Global Factors Limited for the year ended 31 March 2018 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 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 24 April 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of SBI Global Factors Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

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



(Roop Rashi)

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

Place : Mumbai

Date : 01 August 2018

# Balance Sheet

As at March 31, 2018

Particulars	Note	(Rs. in lakhs)	
		March 31, 2018	March 31, 2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	15,989	15,989
(b) Reserves and Surplus	3	16,069	16,393
		<b>32,058</b>	<b>32,382</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	15,000	15,000
(b) Long Term Provisions	5	26,009	26,200
		<b>41,009</b>	<b>41,200</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	6	65,764	42,873
(b) Other Current Liabilities	7	1,920	1,459
(c) Short Term Provisions	8	13	26
		<b>67,697</b>	<b>44,358</b>
<b>Total</b>		<b>140,764</b>	<b>117,940</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Asset	9		
Tangible Asset		804	813
Intangible Asset		0	11
Capital Work In Progress		6	-
(b) Non-Current Investments	10	383	383
(c) Deferred Tax Assets (Net)	11	7,525	8,057
(d) Long Term Loans and Advances	12	1,717	1,770
		<b>10,435</b>	<b>11,034</b>
<b>(2) Current Assets</b>			
(a) Current investments	13	1,000	-
(b) Debts Factored	14	127,710	106,052
(c) Cash and Cash Equivalents	15	1,421	633
(d) Short Term Loans and Advances	16	178	112
(e) Other Current Assets	17	20	109
		<b>130,329</b>	<b>106,906</b>
<b>Total</b>		<b>140,764</b>	<b>117,940</b>
<b>The Notes to Account forms integral part of Financial Statements</b>	<b>1 to 46</b>		

As per our report of even date  
**For Mukund M. Chitale & Co.**  
Chartered Accountants  
Firm Registration No. 106655W  
**Saurabh M. Chitale**  
Partner  
M.No. 111383  
Place : Mumbai  
Date : 24th April, 2018

For and on behalf of the Board of Directors  
**B. Sriram**  
Chairman  
DIN :- 02993708  
**Pankaj Gupta**  
Chief Financial & Risk Officer  
Place : Mumbai  
Date : 24th April, 2018  
**Tushar Buch**  
Managing Director & CEO  
DIN :- 07566371  
**Amita Joshi**  
Company Secretary

# Statement of Profit and Loss

For the Year Ended March 31, 2018

(Rs. in lakhs)			
Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Operations	18	9,449	9,157
Other Income	19	637	1,817
<b>Total Revenue</b>		<b>10,086</b>	<b>10,974</b>
<b>Expenses</b>			
Employee Benefit Expense	20	839	826
Finance Cost	21	4,258	4,322
Depreciation and Amortization Expense	9	60	74
Operating, Administrative and Other Expenses	22	1,317	1,167
Bad Debts Written Off		3,275	3,819
Provision for Bad and Doubtful on Non Performing Investments	23	-	383
Provision against Standard Assets	28	129	58
<b>Total Expenses</b>		<b>9,878</b>	<b>10,649</b>
<b>Profit/(Loss) before Tax</b>		<b>208</b>	<b>325</b>
Less :- Tax Expense:			
Current Tax		-	-
Deferred Tax		532	224
<b>Profit/(Loss) after Tax</b>		<b>(324)</b>	<b>101</b>
<b>Earning Per Share (In Rupees) (Par Value Rs. 10/-)</b>			
Basic		(0.20)	0.06
Diluted		(0.20)	0.06
Number of shares used in computing Earnings Per Share			
Basic		159,885,365	159,885,365
Diluted		159,885,365	159,885,365
<b>The Notes to Account forms integral part of Financial Statements</b>	<b>1 to 46</b>		

As per our report of even date  
**For Mukund M. Chitale & Co.**  
Chartered Accountants  
Firm Registration No. 106655W  
**Saurabh M. Chitale**  
Partner  
M.No. 111383  
Place : Mumbai  
Date : 24th April, 2018

For and on behalf of the Board of Directors  
**B. Sriram**  
Chairman  
DIN :- 02993708  
**Pankaj Gupta**  
Chief Financial & Risk Officer  
Place : Mumbai  
Date : 24th April, 2018  
**Tushar Buch**  
Managing Director & CEO  
DIN :- 07566371  
**Amita Joshi**  
Company Secretary

# Cash Flow Statement

For the Year Ended March 31, 2018

	(Rs in lakhs)	
	March 31, 2018	March 31, 2017
<b>Cash Flow from Operating Activities:</b>		
Net Profit before Tax	208	325
Adjustments for:		
Depreciation / Amortisation	60	74
Interest Cost	1,733	1,602
Discount on issue of Commercial Paper	2,344	2,592
Amortisation of Forward Premium	47	-
Sundry Balance Written Off	1	0
Foreign Exchange (Gain)/Loss (Net)	(0)	0
(Profit) / Loss on Sale of Fixed Assets	(1)	6
Liabilities no longer required Written Back	(9)	(16)
Provision for Doubtful Debts & Advances	(323)	(1,198)
Provision on Standard Assets	129	58
Provision for Bad and Doubtful Debts on Non Performing Investments	-	383
Bad Debts Written Off	3,275	3,819
Provision for Leave Encashment	(3)	9
Provision for Gratuity	9	9
Profit on Sale of Current Investments	(66)	(72)
	7,196	7,266
<b>Operating profit before Working Capital changes</b>	<b>7,404</b>	<b>7,591</b>
Increase / (Decrease) in Short Term Borrowings	5,869	1,634
Increase / (Decrease) in Long Term Borrowings	-	-
(Increase) / Decrease in Other Current Assets	85	(109)
Increase / (Decrease) in Long Term Provisions	6	0
Increase / (Decrease) in Other Current Liabilities	415	175
Increase / (Decrease) in Short Term Provisions	(21)	0
(Increase)/Decrease in Long Term Loans and Advances	24	(11)
(Increase)/Decrease in Debts Factored	(24,933)	(9,077)
(Increase)/Decrease in Short Term Loans and Advances	(66)	(28)
	(18,621)	(7,416)
<b>Cash (used)/generated in and from Operating Activities</b>	<b>(11,217)</b>	<b>175</b>
Direct Taxes paid (net)	29	2,368
<b>Net Cash (used)/generated in and from Operating Activities (A)</b>	<b>(11,188)</b>	<b>2,543</b>
<b>Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(53)	(23)
Sale of Fixed Assets	8	10
Purchase of Non-Current Investments	-	(383)
Purchase of Current Investments	(258,900)	(254,750)
Sale of Current Investments	257,966	254,822
<b>Net cash from Investing Activities (B)</b>	<b>(979)</b>	<b>(324)</b>
<b>Cash Flow from Financing Activities:</b>		
Interest Cost	(1,679)	(1,627)
Discount on issue of Commercial Paper	(2,344)	(2,592)
Premium on Forward Contract	(43)	-
Repayment of Debentures	-	(980)
Repayment of Loans	(63,330)	(58,750)
Loan Taken	94,352	46,872
Commercial Paper Repaid	(205,000)	(165,500)
Commercial Paper Taken	191,000	179,500
<b>Net Cash generated from Financing Activities (C)</b>	<b>12,956</b>	<b>(3,077)</b>
<b>Net increase in Cash and Cash Equivalents (A + B + C)</b>	<b>788</b>	<b>(858)</b>
<b>Cash and Cash Equivalents as at March -18 / March -17</b>		
Cash in Hand	1	1
Stamp in Hand	1	1
Cash & Bank Balances in Current Account with Banks	1,419	631
	1,421	633
Less: Cash and Cash Equivalents as at Mar-17/Mar-16	633	1,491
	<b>788</b>	<b>(858)</b>

Note :

- Cash Flow Statement has been reported using the Indirect Method.
- Previous Year figures have been regrouped / reclassified / rearranged wherever necessary.

The Notes to Account forms integral part of Financial Statements (Note 1 to Note 46)

<p>As per our report of even date</p> <p><b>For Mukund M. Chitale &amp; Co.</b> Chartered Accountants Firm Registration No. 106655W</p> <p><b>Saurabh M. Chitale</b> Partner M.No. 111383</p> <p>Place : Mumbai Date : 24th April, 2018</p>	<p>For and on behalf of the Board of Directors</p> <p><b>B. Sriram</b> Chairman DIN :- 02993708</p> <p><b>Pankaj Gupta</b> Chief Financial &amp; Risk Officer</p> <p><b>Tushar Buch</b> Managing Director &amp; CEO DIN :- 07566371</p> <p><b>Amita Joshi</b> Company Secretary</p> <p>Place : Mumbai Date : 24th April, 2018</p>
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## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 1 Significant Accounting Policies

#### 1.1 Basis of preparation of Financial Statements

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

#### 1.2 Use of Estimates

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

#### 1.3 Fixed Assets/Capital Work in Progress

##### a Tangible Assets

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

##### b Intangible Assets

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

#### 1.4 Depreciation / Amortisation

##### a Tangible Assets

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

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

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

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

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

### 1.5 Impairment of Fixed Assets

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

### 1.6 Asset Classification and Provisions: Reserve Bank of India Prudential Norms

#### a Classification of Non-performing Asset:

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

Category	Criteria
Sub-Standard Assets	Principal and/or Interest overdue for 3 months or more
Doubtful Assets	Principal and/or Interest overdue for 15 months or more
Loss Assets	"1. An asset which has been identified as loss asset by the company or its internal or external auditor or by the Reserve Bank of India during the inspection of the company, to the extent it is not written off by the company; and 2. An asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower"

#### b Provisioning for Non-performing Asset:

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

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

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

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

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

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

d As per RBI Guidelines, provision @ 0.40% is made on standard assets.

### 1.7 Provisioning Norms for Sale of Non Performing Assets

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

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



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

## **1.8 Investments**

### **a Long Term Investments**

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

### **b Current Investments**

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

## **1.9 Foreign Currency Transactions**

Foreign currency transactions for the month are recorded at the exchange rates prevailing on the previous month end rate. Monetary assets and liabilities as at the Balance Sheet date, are translated at the rates of exchange prevailing as on that date.

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

## **1.10 Revenue Recognition**

Revenue is recognised as per Accounting Standard - 9 “Revenue Recognition”.

- a Discount charges and interest on advances are accrued on time basis on the balances in the prepayment accounts at the applicable discount/ interest rates.
- b Factoring charges are accrued on factoring of debts at the applicable rates.
- c Recognition of Processing Fees (PF) / Facility Continuation Fee (FCF) :
  - i) New Sanction: Facility Set up fees is charged for the period from beginning to end of financial year, in which account is sanctioned and are recognized as income only when there is reasonable certainty of its receipt after execution of documents.
  - ii) Continuation / Renewal of Limit: Facility Continuation Fees is charged in the month of May on the basis of the sanctioned/ capped limits on the core factoring facilities which is current as at 1st April of that financial year. It will be calculated for the entire next financial year on all live Standard accounts. 1st of May will be deemed as the date of accrual of the FCF . However, in case the account is in dormant mode, or NPA, FCF will be recognized only when the same is realized.
  - iii) Enhancement or adhoc limits: The PF 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.

### 1.11 Debts Factored

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

### 1.12 Taxes on Income

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

### 1.13 Employee Benefits

#### a **Defined Contribution Plan:**

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

#### b **Defined Benefit Plan:**

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

#### c **Leave Encashments:**

Leave encashment are provided for based on an actuarial valuation.

### 1.14 Discount on issue of Commercial Paper

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

### 1.15 Provision, Contingent Liabilities and Contingent Assets

- a Provisions are recognised for liabilities that can be measured only using a substantial degree of estimation, if :
  - i) The company has a present obligation as a result of a past event.
  - ii) A probable outflow of resources is expected to settle the obligation.
  - iii) The amount of obligation can be reliably estimated.

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

#### b Contingent Liabilities are disclosed in the case of :

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

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

#### c Contingent Assets are neither recognised nor disclosed.

### 1.16 Leased Assets

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

### 1.17 Earnings Per Share

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

### 1.18 Other Accounting Policies

These are consistent with the generally accepted accounting practices

<b>NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH, 31 2018</b>				
2	<b>SHARE CAPITAL</b> <span style="float: right;">Rs. in lakhs except as otherwise stated</span>			
	<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
	<b>Authorized :</b>			
	180,000,000 (Previous Year 180,000,000) Equity Shares of Rs.10 each	18,000	18,000	
	120,000,000 (Previous Year 120,000,000) Preference Shares of Rs.10 each	12,000	12,000	
		<b>30,000</b>	<b>30,000</b>	
	<b>Issued, Subscribed and Paid-up</b>			
	159,885,365 (Previous Year 159,885,365) Equity Shares of Rs. 10 each, fully paid-up	15,989	15,989	
	<b>TOTAL</b>	<b>15,989</b>	<b>15,989</b>	
	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.			
<b>2.1 Disclosure with respect to Shareholding in excess of 5%</b>				
	<b>Name of the Equity Shareholder</b>	<b>% of Issued, Subscribed, and Paid up Equity Share Capital</b>	<b>No. of shares held as on 31.03.2018</b>	<b>No. of shares held as on 31.03.2017</b>
	1) State Bank of India	86.18 (86.18)	137,786,585	137,786,585
	2) Small Industries Development Bank of India (SIDBI)	6.53 (6.53)	10,444,172	10,444,172
<b>2.2 Reconciliation of Shares</b>				
	<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
	Number of shares at the beginning	159,885,365	159,885,365	
	Number of shares at the end	159,885,365	159,885,365	
<b>2.3. Rights, Preferences and Restrictions attached to Shares</b>				
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.				

<b>3. RESERVES AND SURPLUS</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
<b>Capital Redemption Reserves</b>			
Opening Balance	1,000	1,000	
Add: Transfer from Statement of Profit and Loss	-	-	
Closing Balance	<b>1,000</b>	<b>1,000</b>	
<b>Securities Premium Account</b>			
Opening Balance	21,693	21,693	
Add: Additions during the year	-	-	
Closing Balance	<b>21,693</b>	<b>21,693</b>	
<b>Reserve Fund *</b>			
Opening Balance	6,374	6,354	
Add: Transfer from Statement of Profit and Loss	-	20	
Closing Balance	<b>6,374</b>	<b>6,374</b>	
<b>General Reserve**</b>			
Opening Balance	11,423	11,423	
Add: Transfer from contingency reserve	-	-	
Closing Balance	<b>11,423</b>	<b>11,423</b>	
<b>Surplus</b>			
Opening Balance	(24,097)	(24,177)	
Add: Net Profit/(Loss) transferred from Statement of Profit and Loss	(324)	101	
	(24,421)	(24,076)	
<b>Less :-</b>			
Transfer to Reserve Fund*	-	20	
Transfer to Contingency Reserve	-	-	
Closing Balance	<b>(24,421)</b>	<b>(24,097)</b>	
<b>TOTAL</b>	<b>16,069</b>	<b>16,393</b>	
* Created in accordance with provision of section 45-IC of The Reserve Bank of India Act, 1934			
**Contingency Reserve has been transferred to General Reserve as on 30th Sept 2013 vide approval received from The Reserve Bank of India dt.26.07.2013.			

<b>4. LONG TERMS BORROWINGS</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
<b>Unsecured Loans</b>			
9.22% 10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2011-12 (Series - SBIGFL - 09) of Rs. 10 Lakhs each (Maturity date: July 29,2021)			
From Banks	-	-	
From Others	10,000	10,000	
8.75% 10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2010-11 (Series - SBIGFL - 08) of Rs. 10 Lakhs each (Maturity date: Aug 25, 2020)			
From Banks	-	-	
From Others	5,000	5,000	
<b>TOTAL</b>	<b>15,000</b>	<b>15,000</b>	
<b>5. LONG TERM PROVISIONS</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
Provision for Bad and Doubtful Debts on Non Performing Assets (Note - 24)	25,195	25,518	
Provision for Bad and Doubtful Debts on Non Performing Investments (Note - 23)	383	383	
Provision against Standard Assets (Note - 28)	401	278	
Provision for Leave Encashment	30	27	
<b>TOTAL</b>	<b>26,009</b>	<b>26,200</b>	
<b>6. SHORT TERM BORROWINGS</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
<b>Unsecured</b>			
<b>Loans from Related Party - State Bank of India (Parent Company)</b>			
Foreign Currency Cash Credit Loan @ (USD 110.52 lakhs ,GBP 10.72 lakhs, EUR 14.56 lakhs; March 31, 2017 USD 68.50 lakhs; GBP 2.92 lakhs and EUR 8.11 lakhs)	9,369	5,240	
<b>Foreign Currency Short Term Loan Facility *</b> (USD 40.56 lakhs; March 31, 2017 USD 25.00 lakhs)	2,643	1,621	
<b>Other Facility</b>			
Bank Overdraft \$	-	2,012	
Working Capital Demand Loan #	44,000	12,500	
<b>Loan from Others</b>			
Short Term Loan Facility **	6,000	7,500	
Bank Overdraft	3,752	-	
<b>Commercial Paper</b>	-	14,000	
<b>TOTAL</b>	<b>65,764</b>	<b>42,873</b>	
<p>@ The rate of interest payable @ 3 Months LIBOR plus 1.5% ( Previous Year 3 Months LIBOR plus 1.5%) per annum paid on quarterly basis. \$ Includes Bank Overdraft taken from State Bank of India (Previous Year) @ of interest payable @ 9.5% p.a Current Year taken from Axis Bank @ of interest payable @ 9.15% p.a.</p>			

	Maturity Date	March 31, 2018	March 31, 2017
<b>*Foreign Currency Short Term Loan Facility payable with Interest @ 3 Months LIBOR plus 1%</b>			
USD 22.39	03rd April, 2018	1,459	-
USD 18.17	27th April, 2018	1,184	-
USD 5.00	06th April, 2017	-	324
USD 20.00	05th May, 2017	-	1,297
		<b>2,643</b>	<b>1,621</b>
<b># Working Capital Demand Loan</b>			
Interest @ 7.95% p.a.	06th April, 2018	3,500	-
Interest @ 7.80% p.a.	05th April, 2018	6,000	-
Interest @ 7.80% p.a.	06th April, 2018	8,000	-
Interest @ 7.80% p.a.	10th April, 2018	4,000	-
Interest @ 7.80% p.a.	09th April, 2018	10,000	-
Interest @ 7.80% p.a.	11th April, 2018	10,000	-
Interest @ 7.80% p.a.	10th April, 2018	2,500	-
Interest @ 7.85% p.a.	07th April, 2017	-	7,500
Interest @ 7.85% p.a.	10th April, 2017	-	5,000
		<b>44,000</b>	<b>12,500</b>
<b>** Short Term Loan Facility taken from HDFC Bank</b>			
Interest @ 9.00% p.a.	27th April, 2018	6,000	-
Interest @ 7.85% p.a.	07th April, 2017	-	7,500
		<b>6,000</b>	<b>7,500</b>

<b>7. OTHER CURRENT LIABILITIES</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
Statutory Liabilities	33	11	
Liabilities for Expenses* #	150	133	
Others	7	41	
Discount Charges/Set up fees received in Advance, not accrued	1,149	732	
Liability against collection of Trade Receivable	94	109	
Interest Accrued but not due@	487	433	
<b>TOTAL</b>	<b>1,920</b>	<b>1,459</b>	
*There are no amounts due to suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006			
# Includes amount payable to related parties Rs. 47 Lakhs (Previous Year Rs. 27 Lakhs)			
@Includes interest payable to related parties Rs. 62 Lakhs (Previous Year Rs. 6 Lakh)			
<b>8. SHORT TERM PROVISIONS</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
Provision for Leave Encashment	5	11	
Provision for Gratuity	7	14	
Provision for Wealth Tax	1	1	
<b>TOTAL</b>	<b>13</b>	<b>26</b>	

9 FIXED ASSETS

Rs. in Lakhs except as otherwise stated

Particulars	Gross Block (At Cost)			Depreciation and Amortisation			Net Block			
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	For the Year	Deductions	As at March 31, 2018	As at March 31, 2017	
<b>Tangible Assets</b>										
Building *	992	-	-	992	236	16	-	252	740	756
Office Equipment	144	3	13	134	135	3	11	127	7	9
Computers - Hardware	350	44	43	351	331	14	42	303	48	19
Furniture and Fixtures	300	-	8	292	287	3	4	286	6	13
Vehicles	35	-	18	17	35	-	18	17	-	-
Leasehold Improvements	324	-	-	324	308	13	-	321	3	16
	<b>2,145</b>	<b>47</b>	<b>82</b>	<b>2,110</b>	<b>1,332</b>	<b>49</b>	<b>75</b>	<b>1,306</b>	<b>804</b>	<b>813</b>
<b>Intangible Assets</b>										
Computers - Software	432	-	0	432	421	11	0	432	0	11
	432	-	0	432	421	11	0	432	0	11
<b>Capital Work In Progress</b>										
<b>Total</b>	<b>2,577</b>	<b>47</b>	<b>82</b>	<b>2,541</b>	<b>1,753</b>	<b>60</b>	<b>75</b>	<b>1,738</b>	<b>810</b>	<b>824</b>
Previous Year	2,611	23	57	2,577	1,721	74	42	1,753	824	
* Includes Rs. 500 being the value of shares in Co-operative Housing Society.										

<b>10. NON-CURRENT INVESTMENTS</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
JMFARC - IRIS December 2016 - Trust (Security Receipt of JM Financial Asset Reconstruction Company Private Limited)	383	383	
Face Value: 38,250 Series I SR @ Rs. 1,000 per SR Market Value: 38,250 Series I SR @ Rs. 1,500 per SR			
Equity Shares of SBI Foundation - Fellow Subsidiary (1,000 Equity Shares @ Rs. 10/- each)	0	-	
<b>TOTAL</b>	<b>383</b>	<b>383</b>	

<b>11. DEFERRED TAXES</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
<b>Deferred Tax Asset</b>			
Provision for Bad and Doubtful Debts on Non Performing Assets	7,337	7,885	
Provision for Bad and Doubtful Debts on Non Performing Investments	111	118	
Provision against Standard Assets	117	84	
Provision for Grauity	2	4	
Disallowances U/s 43B	20	22	
Disallowances U/s 40(a)	1	2	
Depreciation and Amortisation	(63)	(58)	
<b>TOTAL</b>	<b>7,525</b>	<b>8,057</b>	

<b>12. LONG TERM LOANS &amp; ADVANCES</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
(Unsecured, unless otherwise stated)			
(Considered good by Management except to the extent provided for)			
Prepaid Expenses	7	7	
Deposits	231	255	
Advance Tax and Tax Deducted at Source (Net of Provision for Tax Rs. 94 lakhs March 31, 2017 Rs. 629 lakhs)	1,479	1,508	
<b>TOTAL</b>	<b>1,717</b>	<b>1,770</b>	

<b>13. CURRENT INVESTMENTS</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
<b>Unquoted Investments</b>			
Investments in Mutual Fund			
SBI Premier Liquid Fund - Direct Plan - Growth ( Purchase Value - Units 36,767.162 @ 2719.8183 ) ( Market Value - Units 36,767.162 @ 2724.3942 )	1,000	-	
<b>TOTAL</b>	<b>1,000</b>	<b>-</b>	



<b>14. DEBTS FACTORED</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
<b>Debts Factored (Secured)</b>			
Debts outstanding for a period exceeding six months			
Considered Good	-	-	
Considered Doubtful	7,092	6,226	
<b>Other Debts :</b>			
Considered Good	48,406	46,148	
Considered Doubtful	-	-	
<b>(A)</b>	<b>55,498</b>	<b>52,374</b>	
<b>Debts Factored (Unsecured)</b>			
Debts outstanding for a period exceeding six months			
Considered Good	-	-	
Considered Doubtful	20,289	21,927	
<b>Other Debts :</b>			
Considered Good	51,910	31,622	
Considered Doubtful	13	129	
<b>(B)</b>	<b>72,212</b>	<b>53,678</b>	
<b>TOTAL (A+B)</b>	<b>127,710</b>	<b>106,052</b>	
<b>15. CASH AND CASH EQUIVALENTS</b>			
		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
<b>Cash and Cash Equivalent</b>			
Cash in hand	1	1	
Bank Balance with Sheduled Banks in Current Account	1,419	631	
Others			
Stamps in hand	1	1	
<b>TOTAL</b>	<b>1,421</b>	<b>633</b>	
<b>16. SHORT TERM LOANS AND ADVANCES</b>			
		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
(Unsecured, unless otherwise stated)			
(Considered good by Management except to the extent provided for)			
Prepaid Expenses @	46	21	
Deposits	20	7	
Balance with Government Authorities	30	30	
Cenvat & Input Credit	78	17	
Other Advances	4	37	
<b>TOTAL</b>	<b>178</b>	<b>112</b>	
@Includes expenses paid in advance to related parties Rs. 1 Lakh (Previous Year Rs. 1 Lakh)			
#Includes expenses paid in advance to related parties Rs. 3 Lakh (Previous Year Nil)			

<b>17. OTHER CURRENT ASSETS</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
Forward Contract Receivable	15	-	
Unamortised premium on Forward Contract	3	-	
Unexpired Discount on issue of Commercial Papers	-	109	
Other Receivables	2	-	
<b>TOTAL</b>	<b>20</b>	<b>109-</b>	

<b>18. REVENUE FROM OPERATIONS</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>	
Discount Charges	7,941	8,165	
Factoring Charges	567	497	
Processing Charges	304	265	
Bad Debts Recovery in Written off Accounts	637	230	
<b>TOTAL</b>	<b>9,449</b>	<b>9,157</b>	

<b>19. OTHER INCOME</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>	
Net Gain/Loss on sale of Short Term Investments	66	72	
<b>Other Non-Operating Income</b>			
Provision for Bad & Doubtful Debts written back (Note - 24)	323	1,198	
Income on Foreign Exchange Transactions	74	67	
Foreign Exchange Gain	-	-	
Profit on Sale of Fixed Assets (Net)	1	-	
Interest on Income Tax Refund	39	408	
Liabilities no Longer Required	9	16	
Other Charges Recovered	35	34	
Other Income*	90	22	
<b>TOTAL</b>	<b>637</b>	<b>1,817</b>	

\* Includes Rs. 66 lakhs Interest recovered from Written off accounts

<b>20. EMPLOYEE BENEFIT EXPENSES</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>	
Salaries, Bonus, Gratuity, etc.	775	759	
Contribution to Provident Fund and other funds	21	21	
Staff Welfare	43	46	
<b>TOTAL</b>	<b>839</b>	<b>826</b>	

<b>20. FINANCE COST</b>		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>	
<b>Interest Expenses on</b>			
Non-Convertible Redeemable Debentures	1,360	1,360	
Short Term Loans (including Cash Credit & Overdraft)	373	242	
Discount on Issue of Commercial Papers	2,344	2,592	
<b>Other Borrowing Costs</b>			
Bank Charges	64	53	
Credit Rating Fees and Other Charges	66	71	
Other Finance Cost	4	4	
Forward Premium	47	-	
Foreign Exchange Gain / Loss	-	-	
<b>TOTAL</b>	<b>4,258</b>	<b>4,322</b>	
<b>22. OPERATING, ADMINISTRATIVE AND OTHER EXPENSES</b>			
		<b>Rs. in lakhs except as otherwise stated</b>	
<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>	
Import Factor Commission	180	123	
Legal and Professional Fees	116	129	
Field Survey Charges	11	12	
Rent, Rates and Taxes	383	372	
Repairs and Maintenance :			
Building	24	28	
Others	125	102	
Advertisement & Publicity	15	2	
Communication	60	59	
Director's Sitting Fees	16	16	
Auditors' Remuneration	19	18	
Travelling	68	60	
Conveyance	6	5	
Corporate Social Responsibility (Note - 44)	0	0	
Utilities	52	50	
Insurance	1	2	
Membership and Subscription	10	10	
Motor Car Running Expenses	4	6	
Printing and Stationery	11	10	
Outsourcing Costs	54	55	
Loss on Sale of Fixed Assets (Net)	-	6	
Security Charges	18	16	
Service Tax	34	78	
Goods & Service Tax	95	-	
Miscellaneous Expenses	15	8	
<b>TOTAL</b>	<b>1,317</b>	<b>1,167</b>	

<b>23. PROVISION FOR BAD &amp; DOUBTFUL DEBTS ON NON PERFORMING INVESTMENTS</b>		
Rs. in lakhs except as otherwise stated		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provisions made during the Year	-	383
Less : Written Back	-	-
Net Provisions made / (Written back) for the year	-	383
Opening Balance	383	-
<b>Closing Balance Carried to Balance Sheet</b>	<b>383</b>	<b>383</b>
<b>24. PROVISION FOR BAD &amp; DOUBTFUL DEBTS ON NON PERFORMING ASSETS</b>		
Rs. in lakhs except as otherwise stated		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provisions made during the Year *	3,441	3,316
Less : Written Back	3,764	4,514
Net Provisions made / (Written back) for the Year	(323)	(1,198)
Opening Balance	25,518	26,716
<b>Closing Balance Carried to Balance Sheet</b>	<b>25,195</b>	<b>25,518</b>
* Current Year - Includes Rs. 0.21 lakhs provision made on account of fluctuation in Foreign Exchange Rates		

<b>25. Contingent Liabilities :</b>		<b>Rs. In Lakhs</b>	
Particulars	March 31, 2018	March 31, 2017	
(i) Claims against the Company not acknowledged as debts (to the extent ascertained from the available records)	32	32	
(ii) Service Tax matters (under dispute)	233	233	
(iii) Direct Tax matters - Income Tax	48	48	
(iv) Direct Tax matters - Tax Deducted at Source	7	-	
	<b>320</b>	<b>313</b>	
Note: Future cash outflows, if any, in respect of (i) to (iv) above is dependent upon the outcome of judgements / decisions etc.			

<b>26. Details of Operating Leases as lessee:</b>		
The company has entered into agreements in the nature of Lease/Leave and License Agreements with lessors/licensors. Operating lease rental expenses have been charged in Statement of Profit & Loss Account - Note 22 (Forming part of Rent, Rates & Taxes).		
Operating Lease		<b>Rs. In Lakhs</b>
Particulars	March 31, 2018	March 31, 2017
Operating lease payments recognised in the Statement of Profit & Loss during the Year	376	369
<b>27</b> Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the “Micro, Small and Medium Enterprises Development Act, 2006” (the Act). The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any, relating to the amount unpaid at the year end together with the interest paid/payable as required under the said Act have not been given.		
Particulars	March 31, 2018	March 31, 2017
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
<b>28.</b> Disclosure as required in terms of Accounting Standard 29 (AS 29) on Provisions, Contingent Liabilities and Contingent Assets as at year end is as follows:		
Particulars	March 31, 2018	March 31, 2017
Provision for Standard Assets as at 01.04.2017 / 01.04.2016	272	214
Add: Amount provided during the year	129	58
<b>Closing Balance as on 31.03.2017 / 31.03.2016 (Note - 5)</b>	<b>401</b>	<b>272</b>

<b>29. The disclosures required under Accounting Standard - 15 on “Employee Benefits” are given below:</b>		
<b>Defined Contribution Scheme</b>		<b>Rs. in lakhs</b>
<b>Description</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Employer's Contribution to Provident Fund	11	11
Employer's Contribution to Pension Fund	10	10
<b>Total</b>	<b>21</b>	<b>21</b>
<b>Defined Benefit Scheme</b>		
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:		
<b>a) Principal Assumptions used in determining gratuity and post employment benefits are:-</b>		
<b>Actuarial Assumptions</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Discount Rate	7.63%	6.85%
Future Salary Increases	7.00% p.a.	7.5% p.a.
Retirement Age	60 Years	60 Years
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Method	Projected Unit Credit Method	Projected Unit Credit Method
<b>b) Changes in Present Value of Obligation</b>		
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
a) Present Value of obligation at the beginning of the year	89	76
b) Interest Cost	6	6
c) Past Service Cost	-	-
d) Current Service Cost	7	8
e) Benefits Paid	(11)	(2)
f) Actuarial (gain) / loss on Obligation	3	1
g) Present Value of obligation at the end of the year	94	89
<b>c) Changes in fair value of plan Assets</b>		
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
a) Fair value of plan assets at the beginning of the year	75	72
b) Expected Return	6	4
c) Past Service Cost	-	-
d) Contributions	16	-
e) Benefits Paid	(11)	(2)
f) Actuarial gain / (Loss) on Plan Assets	1	1
g) Fair value of plan assets at the end of the year	87	75
h) Funded Status	(7)	(14)

<b>d) Actuarial gain/loss recognized</b>		
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
a) Actuarial (gain) / loss for the year - Obligation	3	1
b) Actuarial (gain) / loss for the year - Plan Assets	1	1
c) Actuarial (gain) / loss recognized in the year	2	-
<b>e) Amounts to be recognized in the Balance Sheet:</b>		
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
a) Present Value of obligation at the end of the year	94	89
b) Fair value of plan assets at the end of the year	87	75
c) Funded Status	(7)	(14)
d) Net liability recognized in the Balance Sheet	7	14
<b>f) Expenses recognized in the Statement of Profit &amp; Loss:</b>		
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
a) Current Service Cost	7	8
b) Past Service Cost	-	-
c) Interest Cost	6	6
d) Return on plan assets	(6)	(4)
e) Net Actuarial (gain) / loss recognized in the year	2	-
f) Expenses/(Income) recognized in the Statement of Profit & Loss	9	10
<b>g) Investment Details of Plan Assets</b>		
	<b>Rs. In Lakhs</b>	
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Assets managed by insurance scheme (100%)	87	75
<b>h) Balance Sheet Reconciliation</b>		
	<b>Rs. In Lakhs</b>	
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening Net Liability	(14)	(4)
Expenses as above	9	10
Employers Contribution	16	-
Amount Recognised in Balance sheet	(7)	(14)

Amount Recognised in current year and previous four years	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined Benefit Obligation	94	89	76	65	57
Plan Assets	87	75	72	55	53
<b>(Surplus)/Deficit</b>	<b>7</b>	<b>14</b>	<b>4</b>	<b>10</b>	<b>4</b>
Experience adjustments on plan liabilities Loss/ (Gain)	6	(8)	(1)	2	5
Experience adjustments on plan Assets (Loss)/Gain	1	(1)	(1)	2	1

### 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, 2018	March 31, 2017
Privileged Leave	36	39

### Notes:

The Company expects to contribute Rs. 7 Lakhs to Gratuity fund in 2018-19.

<b>30 Earnings Per Share:</b>		March 31, 2018	March 31, 2017
Net Profit / (Loss) after Tax		(324)	101
Less: Dividend		-	-
Profit / (Loss) available to Equity Shareholders	(A)	(324)	101
Adjusted Net Profit/(Loss) for Diluted Earnings Per Share	(B)	(324)	101
Weighted average number of Equity Shares outstanding during the year	(C)	159,885,365	159,885,365
Weighted average number of Diluted Equity Shares outstanding during the year (D)	(D)	159,885,365	159,885,365
Nominal Value of Equity Shares (Rs.)		10	10
Basic Earnings Per Share (Rs.)	(A) / (C)	(0.20)	0.06
Diluted Earnings Per Share (Rs.)	(B) / (D)	(0.20)	0.06



### 31 Segment Reporting

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

Segment information for secondary segment reporting (by geographical segments)

Rs. in Lakhs				
Particulars	Unallocated	Domestic	International*	Total
Revenues from External Customers	-	8,739	710	9,449
(Previous Year)	-	(8,532)	(625)	(9,157)
Other Income	139	424	74	637
(Previous Year)	(518)	(1,232)	(67)	(1,817)
Segmental Expenses	9,322	130	426	9,878
(Previous Year)	(9,930)	(449)	(270)	(10,649)
Segmental Results	(9,183)	9,033	357	208
(Previous Year)	(-9,412)	(9,315)	(422)	(325)
Segment assets	12,393	119,675	8,696	140,764
(Previous Year)	(11,258)	(99,807)	(6,874)	(117,940)
Segment liabilities	70,610	26,028	12,069	108,707
(Previous Year)	(52,411)	(26,258)	(6,889)	(85,558)
Addition made to Fixed Assets				
Tangible	47	-	-	47
(Previous Year)	(23)	-	-	(23)
Intangible	-			-
(Previous Year)	-	-	-	-

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

### 32. 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, 2018 are as follows:

	Currency	Currency	Amount
		in Lakhs	Rs. in Lakhs
<b>(a) Assets (Receivables)</b>			
	USD	100	6,506
		(94)	6,068
	EUR	15	1,186
		(8)	(562)
	GBP	11	1,005
		(3)	(244)

<b>(b) Liability (Payables)</b>			
	USD	0	11
		(0)	(3)
	EUR	0	0
		(0)	(0)
	GBP	0	0
		(0)	(0)
<b>(c) Loans Payable</b>			
	USD	101	6,588
		(93)	(6,063)
	EUR	15	1,177
		(8)	(561)
	GBP	11	989
		(3)	(236)

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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Short Term Borrowings	USD	50	-	3,244	-

### 33 Related Party Disclosures

#### Name of Related Party

#### Relationship

#### a Enterprise where control Exits

##### i. Holding Company

State Bank of India (SBI)

Holding Company

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

SBI Foundation

Fellow Subsidiary (Non Banking)

SBI Mutual Fund Trustee Company Limited

Fellow Subsidiary (Non Banking)

SBI Life Insurance Company Ltd. (SBI LIFE)

Fellow Subsidiary (Non Banking)

SBI General Insurance Ltd.

Fellow Subsidiary (Non Banking)

SBICAP Securities Ltd

Step down Subsidiary

SBICAP Trustee Company Limited

Step down Subsidiary

#### b. Key Management Personnel/Relatives of Key Management Personnel

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

MD & CEO

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

MD & CEO

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

SVP & CF&RO

Ms. Amita Joshi

Company Secretary

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

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

Factors Association of India

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

Factors Association of India

d) The Company's related party transactions are herein disclosed below:						
(Rs. ' in Lakhs)						
Sr. No	Nature of transaction	Holding @	Fellow Subsidiaries	Associates / Group Enterprises	Key Management Personnel / Relatives	Grand Total
1	<b>EXPENSES</b>					
	Remuneration to MD and CEO *	-			51	51
	<b>Previous Year</b>				<b>(47)</b>	<b>(47)</b>
	Remuneration to SVP & CF&RO*	-			50	50
	<b>Previous Year</b>				<b>(39)</b>	<b>(39)</b>
	Remuneration to Company Secretary*				19	19
	<b>Previous Year</b>				<b>(17)</b>	<b>(17)</b>
	Salary (Including Perquisite) paid to Deputed Staff**	312	-	-	-	312
	<b>Previous Year</b>	<b>(279)</b>		<b>(17)</b>		<b>(296)</b>
	Other Receiving of Services/ Reimbursement of Expenses	823	26	-	-	848
	<b>Previous Year</b>	<b>(888)</b>	<b>(4)</b>	-	-	<b>(892)</b>
	<b>Total - Current Year</b>	<b>1,134</b>	<b>26</b>	<b>-</b>	<b>120</b>	<b>1,280</b>
	<b>Total - Previous Year</b>	<b>(1,167)</b>	<b>(4)</b>	<b>(17)</b>	<b>(103)</b>	<b>(1,291)</b>
2	<b>INCOME</b>					
	Rendering of Services/ Reimbursement of Expenses	0	3		0	3
	<b>Previous Year</b>	<b>(37)</b>	<b>(1)</b>		<b>(1)</b>	<b>(39)</b>
	Rental Income	5				5
	<b>Previous Year</b>	<b>(4)</b>				<b>(4)</b>
	Profit on sale of Units of Mutual fund	-	19	-	-	19
	<b>Previous Year</b>		<b>(24)</b>			<b>(24)</b>
	<b>Total - Current Year</b>	<b>5</b>	<b>21</b>	<b>-</b>	<b>0</b>	<b>26</b>
	<b>Total - Previous Year</b>	<b>(40)</b>	<b>(26)</b>	<b>-</b>	<b>(1)</b>	<b>(67)</b>
3	<b>SHARE CAPITAL</b>					
	Equity Share Capital	13,779				13,779
	<b>Previous Year</b>	<b>(13,779)</b>				<b>(13,779)</b>
	Share Premium	16,437				16,437
	<b>Previous Year</b>	<b>(16,437)</b>				<b>(16,437)</b>
	<b>Total - Current Year</b>	<b>30,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,216</b>
	<b>Total - Previous Year</b>	<b>(30,216)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,216)</b>

<b>4</b>	<b>ASSETS</b>					
	Amounts Receivable / Advance / Security Deposit	1	3	-	15	19
	<b>Previous Year</b>	-	(1)			(1)
	Bank Balances	1,040	-	-	-	1,040
	<b>Previous Year</b>	(22)				(22)
	Unexpired Amount of CP	-				-
	<b>Previous Year</b>	(44)				(44)
	<b>Total - Current Year</b>	<b>1,041</b>	<b>3</b>	<b>-</b>	<b>15</b>	<b>1,059</b>
	<b>Total - Previous Year</b>	<b>(66)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(68)</b>
<b>5</b>	<b>INVESTMENTS :</b>					
	Investments in Equity shares		0			0
	<b>Previous Year</b>		(0)			(0)
<b>6</b>	<b>LIABILITY</b>					
	Unsecured Loans	56,012	-	-	-	56,012
	<b>Previous Year</b>	<b>(25,373)</b>				<b>(25,373)</b>
	Salary Payable / Amounts Payable / Interest Payable	104	-	-	6	109
	<b>Previous Year</b>	(27)	-		(6)	(33)
	<b>Total - Current Year</b>	<b>56,116</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>56,122</b>
	<b>Total - Previous Year</b>	<b>(25,400)</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>(25,406)</b>
<b>7</b>	<b>TRANSACTIONS</b>					
	Purchase of Shares (Transfer of shares from of Subsidiary Company)	-	-	-	-	-
	<b>Previous Year</b>	(0)				(0)
	Purchase of Fixed Assets	-	-	-	-	-
	<b>Previous Year</b>	(0)	-	-	-	(0)
	Sale of Fixed Assets	5	-	-	-	5
	<b>Previous Year</b>	(1)	-	-	(6)	(7)
	Commercial Papers Taken	39,541	-	-	-	39,541
	<b>Previous Year</b>	<b>(43,869)</b>				<b>(43,869)</b>
	Commercial Papers Repaid	44,000	-	-	-	44,000
	<b>Previous Year</b>	<b>(40,500)</b>				<b>(40,500)</b>
	Loan Taken	134,047	-	-	-	134,047
	<b>Previous Year</b>	<b>(39,792)</b>				<b>(39,792)</b>
	Repayment of Loan	97,396	-	-	-	97,396
	<b>Previous Year</b>	<b>(59,548)</b>				<b>(59,548)</b>
	Investment in Schemes of Mutual Fund	-	74,550	-	-	74,550
	<b>Previous Year</b>	-	<b>(85,650)</b>	-	-	<b>(85,650)</b>
	Redemption of Schemes of Mutual Fund	-	73,569	-	-	73,569
	<b>Previous Year</b>	-	<b>(85,674)</b>	-	-	<b>(85,674)</b>
	Refund of Security Deposit				30	30
	<b>Previous Year</b>				-	-
<p>Note :- Transactions above are inclusive of Service Tax and Goods &amp; Service Tax, wherever applicable.  * Includes Ex-gratia amount of Rs. 2 Lakh paid in the current reporting Year out of provision created in FY 2016-17.  ** Includes amount paid towards Remuneration and CEO and SVP &amp; CF &amp; RO  @Includes transactions with State Bank of Patiala (Associate Bank) on account of merger</p>						

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

<b>35 Auditors' Remuneration:</b>		
	<b>Rs. in Lakhs</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
For Statutory Audit	10	10
For Limited Review	3	3
For Tax Audit	2	2
For Other Services (Including certification)	3	3
For Out of pocket expenses	1	0
<b>TOTAL</b>	<b>19</b>	<b>18</b>
<b>36 Expenditure in Foreign Currency (On Accrual basis)</b>		
	<b>Rs. in Lakhs</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Correspondent Fees	180	123
Travelling	-	4
Membership and Subscription	1	1
Interest on Short Term Loans	225	140
Others	12	13
<b>TOTAL</b>	<b>418</b>	<b>281</b>
<b>37 Earnings in Foreign Currency:</b>		
	<b>Rs. in Lakhs</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Income from Factoring :</b>		
Interest	338	349
Factoring Charges	313	228
Processing Charges	59	57
Miscellaneous Income	2	4
<b>TOTAL</b>	<b>712</b>	<b>638</b>

<b>38 Book value of Investments in Security Receipt</b>						
Rs. in Lakhs						
Particulars	Backed by NPAs sold by the Company as underlying		Backed by NPAs sold by the other banks/FI/ NBFC as underlying		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Book value of investments in security receipt	383	383	-	-	-	-
Less: Provision	383	383	-	-	-	-
Net Value of investments in security receipt	-	-	-	-	-	-

\* 100% Provision is held against Investment in Security Receipts

<b>39 Investments in security receipts</b>			
Rs. in Lakhs			
Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i Book value of SRs backed by NPAs sold by bank as underlying	383	-	-
Provision held against(i)	383	-	-
ii Backed by NPAs sold by the other banks/FI/ NBFC as underlying	-	-	-
Provision held against(ii)	-	-	-
Total (i) + (ii)	383	-	-

**40 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, 2018		March 31, 2017	
	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*)	15,419	-	15,419	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	14,000	-
(f) Other Loans (specify nature)	-	-	-	-
- Cash Credit	9,371	-	5,241	-
- Working Capital Demand Loan	44,050	-	12,503	-
- Short Term Loan Facility	8,658	-	9,132	-
- Bank Overdraft	3,752	-	2,012	-

ASSETS SIDE :		Amount Outstanding	
		March 31, 2018 Rs. in Lakhs	March 31, 2017 Rs. in Lakhs
2	Break-up of Loans and Advances including bills receivables [other than those included in (3) below: ] #		
	(a) Secured	-	-
	(b) Unsecured	416	374
	(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)	-	-
	<b>2 Unquoted :</b>		0
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	1,000	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

<b>Long Term investments :</b>			
<b>1. Quoted :</b>			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (please specify)		-	-
<b>2 Unquoted :</b>			
(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

<b>5 Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:</b>				
Category	Amount net of provisions			
	Secured	Unsecured	Total	
<b>1 Related Parties</b>				
(a) Subsidiaries				
(b) Companies in the same group				
(c) Other related parties	-	-	-	
<b>2 Other than related parties</b>		416	416	
(Previous Year)	-	374	374	
Total (Current year)	-	416	416	
Total (Previous year)	-	374	374	
<b>6 Investor group-wise classification of all investments (current and long term) (both quoted and unquoted):</b>				
Category	March 31, 2018		March 31, 2017	
	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)
<b>1 Related Parties</b>				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group *	-	0	-	0
(c) Other related parties	-	-	-	-
<b>2 Other than related parties @</b>	1,575	1,000	574	0
Total	1,575	1,000	574	-
* Disclosed as zero as amount is less than lakhs				
@ 100% Provision is held in books against Investment, therefore book value is zero				



<b>7. Other Information</b>		
<b>Particulars</b>	<b>March 31, 2018 Rs. in Lakhs</b>	<b>March 31, 2017 Rs. in Lakhs</b>
(i) Gross Non Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	27,393	28,282
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(B) Other than Related Parties	2,198	2,764
(iii) Assets acquired in satisfaction of debts	-	-
<b>41 (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</b>		
IDBI Trusteeship Services Ltd Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001. Tel: 022 - 4080 7000 Fax: 022 - 6631 1776 / 4080 7080		
(ii)		
(a) Credit rating and change in credit rating (if any);	<b>March 31, 2018</b>	<b>March 31, 2017</b>
(b) Debt-Equity ratio;	3.14	2.23
(c) (i) Previous due date for the payment of interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2017	25.08.2016
- 9.22% Tier II Bonds (10 Years)	29.01.2018	27.01.2017
- 9.75% Tier II Bonds (7 Years & 1 months)	NA	04.04.2016
(ii) Repayment of principal of non convertible debt securities	NA	04.04.2016
(d) (i) Next due date for the payment of Interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2018	25.08.2017
- 9.22% Tier II Bonds (10 Years)	29.07.2018	29.07.2017
- 9.75% Tier II Bonds (7 Years & 1 months)	NA	Redemed during the year
(ii) Principal along with the amount of interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2020	25.08.2020
- 9.22% Tier II Bonds (10 Years)	29.07.2021	29.07.2021
- 9.75% Tier II Bonds (7 Years & 1 months)	NA	Redemed during the year
(e) Capital redemption reserve / Debenture redemption reserve;	NA	NA
(f) Net Worth;	32,058	32,382
(g) Net Profit After Tax;	(324)	101
(h) Earnings Per Share:	(0.20)	0.06

**42 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:**

<b>A Capital to Risk (weighted) Assets Ratio</b>			
<b>Rs. In Lakhs</b>			
<b>Sr No.</b>	<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
i.	CRAR (%)	29.56	40.15
ii	CRAR - Tier I Capital (%)	22.00	27.42
iii	CRAR - Tier II Capital (%)	7.55	12.73
iv	Amount of Subordinated debt as Tier II Capital (Rs in Lakhs)	8,000	11,000
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>B Investments</b>			
<b>Rs. In Lakhs</b>			
<b>Sr No.</b>	<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
1	Value of Investments	-	-
i	Gross Value of Investments	-	-
	a) In India	1,383	383
	b) Outside India	-	-
ii	Provisions for Depreciation	-	-
	a) In India	383	383
	b) Outside India	-	-
iii	Net Value of Investments	-	-
	a) In India	1,000	-
	b) Outside India	-	-
		-	-
2	Movement of provisions held towards depreciation on investments	-	-
i	Opening balance	-	-
ii	Add: Provisions made during the year	383	383
iii	Less: Write-off / write-back of excess provisions during the year	-	-
iv	Closing balance	383	383

**C Derivatives - Forward Contract**

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

<b>Rs. In Lakhs</b>			
<b>Sr No.</b>	<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
i	Derivatives - Forward Contract		-
	For hedging	3,244	-

**D Disclosure on Risk Exposure in Derivatives - Not Applicable**

**E Disclosure relating to Securitisation**

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

Rs. In Lakhs			
Sr No.	Particulars	March 31, 2018	March 31, 2017
(i)	No. of Accounts	-	1
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC *	-	-
(iii)	Aggregate consideration @	-	450
(iv)	Additional consideration realized in respect of accounts transferred in earlier years.	-	-
(v)	Aggregate (gain) / loss over net book value	-	(450)

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

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

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

**2 Details on Non-Performing financial assets purchased/sold.**

<b>a. Details of Non-Performing Assets purchased</b>			
Rs. In Lakhs			
Sr No.	Particulars	March 31, 2018	March 31, 2017
(i)	(a) No. of Accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-
<b>b. Details of Non-Performing Financial Assets sold.</b>			
Rs. In Lakhs			
Sr No.	Particulars	March 31, 2018	March 31, 2017
(i)	No. of accounts sold	-	1
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate Consideration received	-	450

<b>F Asset Liability Maturity Pattern of certain items of Assets and liabilities</b>									
<b>Rs. In Lakhs</b>									
<b>Particulars</b>	<b>Up to 30/31 days</b>	<b>Over one month upto 2 months</b>	<b>Over 2 months upto 3 months</b>	<b>Over 3 months upto 6 months</b>	<b>Over 6 months upto 1 year</b>	<b>Over 1 year upto 3 years</b>	<b>Over 3 year upto 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Deposits</b>									
<b>Advances</b>									
- Domestic	48,375	27,611	21,407	21,674	226	-	-	-	119,292
- Foreign	3,751	3,145	1,218	303	-	-	-	-	8,418
Investments	1,000	-	-	-	-	-	383*	0	1,383
<b>Borrowing</b>									
- Bank Overdraft	3,752	-	-	-	-	-	-	-	3,752
- CC Facility \$	-	-	9,369	-	-	-	-	-	9,369
- Short Term Loan Facility #	8,643	-	-	-	-	-	-	-	8,643
- WCDL	44,000	-	-	-	-	-	-	-	44,000
Debentures	-	-	-	-	-	5,000	10,000	-	15,000
Interest on Debentures	-	-	-	419	-	-	-	-	419
Foreign Currency assets									
- Bank Accounts	279	-	-	-	-	-	-	-	279
Foreign Currency liability									
- Import Factoring Commission	20	-	-	-	-	-	-	-	20
- Interest Payable on Loan	68	-	-	-	-	-	-	-	68
<p>* 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)</p> <p>\$ Represents Foreign Currency Cash Credit Loan</p> <p># Includes Rs. 2,643 Lakhs Foreign Currency Loan maturing within one month</p>									

<b>a) Exposure to Real Estate Sector *</b>		
<b>Category</b>	<b>Rs. In Lakhs</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Direct Exposure</b>		
<b>(i) Residential Mortgages -</b>		
(i) Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	2,798	3,032
<b>(ii) Commercial Real Estate -</b>		
(ii) Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	4,294	4,761
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(iii) a. Residential		
(iii) b. Commercial Real Estate		
<b>Total Exposure to Real Estate Sector @</b>	<b>7,092</b>	<b>7,793</b>

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

@ Out of the above exposure, an amount of Rs. 7,092 Lakhs (Previous Year 6,226 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 - There are no accounts where the limit is exceeded**

<b>v Unsecured Advances</b>		
<b>Type of Security</b>	<b>Rs. In Lakhs</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Insured through overseas Import Factor	8,215	6,438
Secured by way of Assignment of Receivables and through Residual / Subservient Charge	56,644	45,962
Fully Unsecured	7,353	1,278
<b>Total</b>	<b>72,212</b>	<b>53,678</b>

#### **H Miscellaneous**

- a) **Registration obtained from other financial sector regulators - Not Applicable**
- b) **Disclosure of Penalties imposed by RBI and other regulators - Not Applicable**
- c) **Related Party Transactions - Disclosed in Note 33**

d) Ratings assigned by credit rating agencies and migration of ratings during the year						
Sr. No.	Rating Agency	Rating	Amount in Lakhs	Instrument / Facility	Validity Period	
					From	To
i)	ICRA	[ICRA]AAA (Stable)	100,000	Long Term Fund Based Bank Lines	23-Feb-18	22-Feb-19
ii)	ICRA	[ICRA]AAA (Stable)	15,980	Subordinate Debt Programme	23-Feb-18	22-Feb-19
iii)	ICRA	[ICRA]A1+	100,000	Short Term Fund Based Bank Lines	23-Feb-18	22-Feb-19
iv)	ICRA	[ICRA]A1+	200,000	Short Term Debt Programme (Commercial Paper)	23-Feb-18	22-Feb-19
v)	CRISIL	CRISIL A1+	100,000	Commercial Paper Programme	29-Dec-18	28-Dec-18
vi)	CRISIL	CRISIL AAA/ Stable*	15,000	Non-Convertible Debentures Programme(Long-Term)	29-Dec-17	28-Dec-18

\* Credit Rating assigned in previous year CRISIL AAA/Negative  
**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**

I Additional Disclosure		
i Provisions and Contingencies		
	Rs. In Lakhs	
Break up of 'Provisions and Contingencies' show under the head Expenditure in Statement of Profit and Loss Account	March 31, 2018	March 31, 2017
Provisions for depreciation on Investment	-	383
Provision towards NPA *	(323)	(1,198)
Provision made towards Income Tax	-	-
Other Provision and Contingencies (with details)	-	-
Provisions for Standard Assets	129	58

\* Current Year: Net Provision Rs. (322) Lakhs Provision made during the year Rs. 3,441 Lakhs and written back Rs.(3,764) Lakhs

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

<b>b Draw Down from Reserves - Not Applicable</b>		
<b>c Concentration of Deposits, Advances, Exposures and NPAs</b>		
<b>i) Concentration of Deposits</b>	<b>Rs. In Lakhs</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-
<b>ii) Concentration of Advances</b>	<b>Rs. In Lakhs</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Total Advances of twenty largest borrowers	73,906	66,138
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	57.87	62.36
<b>iii) Concentration of Exposures (i + ii)</b>	<b>Rs. In Lakhs</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Total Exposure to twenty largest borrowers /customers	73,906	66,138
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of NBFC on borrowers / customers	57.87	62.36

	<b>Rs. In Lakhs</b>	
<b>iv) Concentration of NPAs</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Total Exposure to top four NPA Accounts	10,003	10,012

		<b>Rs. In Lakhs</b>	
<b>d) Sector-wise NPAs</b>		<b>Percentage of NPAs to Total Advances in that sector</b>	
<b>Sector</b>		<b>March 31, 2018</b>	<b>March 31, 2017</b>
1	Agriculture & allied activities	-	-
2	MSME	22.55	16.78
3	Corporate Borrowers	19.22	29.96
4	Services	15.09	17.55
5	Unsecured Personal Loan	-	-
6	Auto Loans	-	-
7	Other personal Loans	-	-

<b>e Movements of NPAs</b>	<b>Rs. In Lakhs</b>	
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
i Net NPAs to Net Advance (%)	2.14%	3.43%
ii Movement of NPAs (Gross)		
(a) Opening Balance	28,282	29,688
(b) Additions during the year	3,418	4,087
(c) Reductions during the year	4,307	5,494
(d) Closing balance	27,393	28,282
iii Movement of Net NPAs		
(a) Opening Balance	2,764	2,972
(b) Additions during the year	2,735	772
(c) Reductions during the year	3,301	980
(d) Closing balance	2,198	2,764
iv Movement of Provisions of NPAs (Excluding Provision on Standard Assets)		
(a) Opening Balance	25,518	26,716
(b) Provision made during the year	3,441	3,316
(c) Write off / write back of excess provisions	3,764	4,514
(d) Closing Balance	25,195	25,518
<b>f) Overseas Asset (for those with joint ventures and subsidiaries abroad) - Not Applicable</b>		
<b>g) Off Balance Sheet SPVs sponsored - Not Applicable</b>		
<b>h) Disclosure of Complaints</b>		
<b>Customer Complaint</b>	<b>Rs. In Lakhs</b>	
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
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	-	-

**43** 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.

**44** 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, 2018. The Company has during the year incurred expenditure relating to CSR activities amounting to Rs. 0.42 Lakh (Previous Year Rs. 0.45 Lakh) and the same is reflected in Note 22 under Operating, Administrative and Other Expenses.

**45 Disclosure as required**

During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:



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

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

Note : An amount of Rs. 0.6 Lakhs (SBN 1,000\*6 = 60,000/-) is direct deposit in bank account towards bad debts recovery by client under permitted receipts as loan repayment under circular DBR.NO.BP.BC.37/21.04.048/2016-17 dated 21.11.2016

**46** The previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary.

<p>As per our report of even date</p> <p><b>For Mukund M. Chitale &amp; Co.</b> Chartered Accountants Firm Registration No. 106655W</p> <p><b>Saurabh M. Chitale</b> Partner M.No. 111383</p> <p>Place : Mumbai Date : 24th April, 2018</p>	<p>For and on behalf of the Board of Directors</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><b>B. Sriram</b> Chairman DIN :- 02993708</p> <p><b>Pankaj Gupta</b> Chief Financial &amp; Risk Officer</p> <p>Place : Mumbai Date : 24th April, 2018</p> </td> <td style="width: 50%; vertical-align: top;"> <p><b>Tushar Buch</b> Managing Director &amp; CEO DIN :- 07566371</p> <p><b>Amita Joshi</b> Company Secretary</p> </td> </tr> </table>	<p><b>B. Sriram</b> Chairman DIN :- 02993708</p> <p><b>Pankaj Gupta</b> Chief Financial &amp; Risk Officer</p> <p>Place : Mumbai Date : 24th April, 2018</p>	<p><b>Tushar Buch</b> Managing Director &amp; CEO DIN :- 07566371</p> <p><b>Amita Joshi</b> Company Secretary</p>
<p><b>B. Sriram</b> Chairman DIN :- 02993708</p> <p><b>Pankaj Gupta</b> Chief Financial &amp; Risk Officer</p> <p>Place : Mumbai Date : 24th April, 2018</p>	<p><b>Tushar Buch</b> Managing Director &amp; CEO DIN :- 07566371</p> <p><b>Amita Joshi</b> Company Secretary</p>		

# Balance Sheet

As at March 31, 2018

	(in US \$)	
	March 31, 2018 *	March 31, 2017 **
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholder's Funds</b>		
(a) Share Capital	24,531,702	24,654,644
(b) Reserves and Surplus	24,655,095	25,279,034
	<b>49,186,796</b>	<b>49,933,678</b>
<b>(2) Non-Current Liabilities</b>		
(a) Long Term Borrowings	23,014,960	23,130,301
(b) Long Term Provisions	39,907,377	40,401,509
	<b>62,922,337</b>	<b>63,531,810</b>
<b>(3) Current Liabilities</b>		
(a) Short-Term Borrowings	100,904,162	66,111,220
(b) Other Current Liabilities	2,945,689	2,250,055
(c) Short-term provisions	20,562	39,500
	<b>103,870,413</b>	<b>68,400,775</b>
<b>Total</b>	<b>215,979,546</b>	<b>181,866,263</b>
<b>II. ASSETS</b>		
<b>(1) Non-Current Assets</b>		
(a) Fixed Asset		
Tangible Asset	1,232,882	1,253,539
Intangible Asset	82	17,487
Capital Work In Progress	9,636	-
(b) Non Current Investments	587,035	589,977
(c) Deferred Tax Assets (net)	11,546,876	12,424,683
(d) Long Term Loans and Advances	2,633,604	2,729,487
	<b>16,010,115</b>	<b>17,015,173</b>
<b>(2) Current Assets</b>		
(a) Current investments	1,534,331	-
(b) Debts Factored, Loans and Advances	195,949,206	163,534,614
(c) Cash and Cash Equivalent	2,180,191	975,619
(d) Short Term Loans and Advances	273,378	172,198
(e) Other Current Assets	32,326	168,659
	<b>199,969,431</b>	<b>164,851,090</b>
<b>Total</b>	<b>215,979,546</b>	<b>181,866,263</b>

\* 1 US \$ = 65.175

\*\* 1 US \$ = 64.850

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

# Statement of Profit and Loss

For the Year Ended March 31, 2018

	(in US \$)	
	Year ended March 31, 2018*	Year ended March 31, 2017 **
Revenue from Operations	14,497,482	14,120,781
Other Income	976,471	2,801,034
<b>Total Revenue</b>	<b>15,473,953</b>	<b>16,921,815</b>
<b>Expenses</b>		
Employee Benefit Expense	1,287,226	1,274,150
Financial Costs	6,532,877	6,663,875
Depreciation and Amortization Expense	92,274	113,762
Operating, Administrative and Other Expenses	2,019,631	1,799,941
Bad Debts Written Off	5,025,542	5,889,312
Provision for Bad and Doubtful Debts/Investments	-	589,823
Contingent Provision against Standard Assets	198,005	89,823
<b>Total Expenses</b>	<b>15,155,556</b>	<b>16,420,686</b>
Profit/(Loss) before Tax	318,397	501,129
Tax Expense:		
Current Tax	-	-
Deferred Tax	815,850	345,311
<b>Profit (Loss) after Tax</b>	<b>(497,453)</b>	<b>155,818</b>
<p>* 1 US \$ = 65.175 ** 1 US \$ = 64.850</p> <p><b>Note : Previous year's figures have been regrouped / recast / reworked / rearranged / reclassified wherever necessary</b></p>		

## Registered Office

### Mumbai

6th Floor, The Metropolitan, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051  
Tel: +91-22- 4889 0300 Fax: +91-22-6694 6098/99  
E-mail: [contact@sbiglobal.in](mailto:contact@sbiglobal.in) website: [www.sbiglobal.in](http://www.sbiglobal.in)  
CIN : U65929MH2001PLC131203

### BRANCHES:

#### Mumbai

The Metropolitan, 6th Floor, Bandra-Kurla Complex,  
Bandra-East, Mumbai -400051  
Tel: 022 - 66946000 / 48890300  
Fax: 022 - 66946098/99, 26572719, 26572006, 26572072

#### Bengaluru

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

#### Chennai

2nd Floor, Karumuthu Centre,  
634-Anna Salai, Nandanam, Chennai - 600 035  
Tel: 044 - 24341201/02/03 Fax: 044 - 24312190

#### Coimbatore

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

#### Hyderabad

S-2, ANR Centre, Road # 1,  
Banjara Hills, Hyderabad - 500 034  
Tel: 040 - 30648460 Fax: 040 - 30648466

### BANKERS

State Bank of India  
Axis Bank  
HDFC Bank  
Standard Chartered Bank

### SOLICITORS

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

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

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

#### Jaipur

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

#### Kolkata

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

#### Ludhiana

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

#### New Delhi

906-907, Narain Manzil, 23 Barakhamba Road,  
Connaught Place, New Delhi - 110 001  
Tel: 011 - 40391651 / 40391563  
Fax: 011 - 4160 8580

#### Pune

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

### AUDITORS

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

### SBIGFL - DEBENTURE TRUSTEE

#### IDBI Trusteeship Services Limited

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