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List of Directors

Name	Designation
Shri Dinesh Kumar Khara	Chairman
Smt. Bharati Rao	Independent Director
Shri Vijay Kumar Gupta	Independent Director
Shri Narayanan Raja	Independent Director
Dr. B.K. Vatsaraj	Independent Director
Shri Vinay S Hedao	Director
Shri R.B. Kshirsagar	Director
Shri Nitesh Ranjan	Director
Shri M N Aravind Kumar	Managing Director & CEO

Our Vision

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

Board of Directors



Shri Dinesh Kumar Khara
Chairman



Smt. Bharati Rao
Independent Director



Shri Vijay Kumar Gupta
Independent Director
(w.e.f. 05.03.2019)



Shri Narayanan Raja
Independent Director



Dr. B. K. Vatsaraj
Independent Director
(upto 16.02.2019)



Shri Vinay S. Hedao
Director



Shri R. B. Kshirsagar
Director



Shri Nitesh Ranjan
Director



Shri M N Aravind Kumar
Managing Director & CEO

Directors' Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

Your Directors have pleasure in presenting the 18th Annual Report of SBI Global Factors Limited ('SBIGFL') along with the audited Balance Sheet as at March 31, 2019 and Profit & Loss Account for the year 2018-19.

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. **28.89 Crores**, by a conscious strategy to:
- grow the portfolio selectively, especially by tapping opportunities in Services Sector (logistic, fleet transport, ITeS etc.)
 - de-risk Balance Sheet by exiting from riskier assets,
 - minimise slippages in Asset Quality, and
 - improve profitability by concentrating on recovery / upgradation of AUCA/ NPA Accounts
 - Exploring new opportunities of without recourse Factoring on TReDs (Trade Receivables Discounting System), Asset Backed Securitisation Assignment of Portfolio (Gold Loan) and Sale of SME TReDs portfolio to SBI

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

(Rs. in cr.)

Key Parameters	2017-2018	2018-2019	YOY % Growth
- Turnover (Revenue from Operations) *	94	104	10.64%
- Turnover (Invoices Booked/Business Turnover) of the Company	3,555	4,387	23.40%
FIU	1276	1374**	7.68%
Gross NPAs	274	281	2.55%
Net NPAs	22	44	100.00%
Operating Profit	33	29	(12.12%)
PBT	2	9	356.09%***
PAT	(3)	5	-
Recovery from Written-off A/cs	6	4	(33.33%)

*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.

** Post sale of part of TReDs portfolio of Rs. 72.51 Crores to SBI.

***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, 2019, there was no change in the Equity Shareholding Pattern of the Company which remained as follows :

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

The Company's Capital Adequacy Ratio as on March 31, 2019 is as high as 24.82 % (As per Basel II norms) against 15 % stipulated by the RBI.

THE COMPANIES ACT, 2013

As on March 31, 2019, the Company was compliant with all applicable provisions of the Companies Act, 2013 and the respective Rules and Secretarial Standard framed thereunder.

INTERNATIONAL ASSOCIATIONS

SBI Global Factors Limited is a Member of Factors Chain International (FCI), an umbrella Organization of worldwide factoring companies. FCI aims to facilitate international trade on open account terms through factoring and related financial services. Currently, the FCI network and association comprises of more than 400 Factors in 90 Countries, actively handling approximately 80% of the world's International factoring volumes.

HUMAN RESOURCES

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

During the year,

- Shri M.N. Aravind Kumar, General Manager (TEGS-VII), SBI, was designated as the Managing Director & Chief Executive Officer of SBIGFL with effect from June 25, 2018, in place of Shri Tushar Buch.

- Shri Tushar Buch, the then Managing Director & Chief Executive Officer of the Company, was transferred to State Bank of India as at the close of business hours on July 10, 2018.

There are no cases filed in the Financial Year 2018 -19, under the Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) for the Company.

As on 31st March, 2019, the staff strength of SBIGFL is 86, including 13 executives/employees on deputation from SBI.

INFORMATION TECHNOLOGY

Virtualization: To provide better business continuity and ability to recover from the disaster, Company has adopted virtualization environment. Virtualization helped the Company to reduce the physical servers and has become a cost effective affairs by reducing energy required to power them and cool them. Virtualization of the hardware and allocating parts of it, based on the real needs of users and applications, the available computing power, storage space and network bandwidth can be used much more effectively.

Demilitarized Zone (DMZ): In order to create a buffer zone between the public internet and the organizational network Company has created Demilitarized Zone. DMZ helps to improve the security of the Company's network by segregating devices, such as computers and servers, on the opposite sides of a firewall.

Vulnerability Assessment Tests: In order to Identify vulnerabilities and risks in the web applications and network infrastructure, Company has increased the frequency of Vulnerability Assessment (VA) Tests from yearly to quarterly. VA tests validates the effectiveness of current security safeguards, quantifies the risk to the internal systems and confidential information. Thus Company has taken one step ahead to detect existing flaws in the IT environment and prevent future attacks in the network.

Steering Committee: To comply with the Reserve Bank of India's direction for the NBFC, Company has formed an IT Steering Committee. This committee consists of business owners, the development team, Information Security official and other stakeholders.

Some of the role and responsibilities include:

- To provide oversight and monitoring of the progress of the project
- To oversight deliverables to be realized at each phase of the project
- To oversight milestone to be reached according to the project schedule
- To oversight the change management process by approving the changes proposed, to monitor and report change implementation during the project implementation

Website hosting: To provide full control over the access to the website, Company has hosted their website in-house. By this way Company has the control over the operating environment – the software, hardware and system that run on the web server.

CREDIT RATING

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

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

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

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

NPA MANAGEMENT

- The gross NPA outstanding at the end of the year was Rs 281 Crores (20.47%). The provision made during the year towards new slippages and on account of downgrading of assets was Rs.23 Cr. Total provision held in NPAs is Rs.237 Cr and consequently net NPAs was Rs 44 Cr (3.2%).
- Recovery from NPA and written-off accounts are challenging in the Company as most of the accounts are unsecured with business of the clients has ceased and the promoters do not have resources to repay their dues. During the year we introduced OTS Scheme but despite offering sacrifice to 60 % of the Principal amount, borrowers did not turn up for settlement. Under the OTS Scheme-2018, out of 74 eligible clients only one client accepted the offer and availed the scheme. However, despite challenges, Debt team kept persuading the clients and from continued persuasion we succeeded to recover Rs 4.48 Cr in AUC accounts during the year through compromise settlement/OTS. Recovery in NPAs during the year was Rs 3.50 Cr besides, INCA of Rs 2.16 Cr was also recovered in NPA accounts which improved the bottom line of the Company.
- Five Accounts with principal outstanding of Rs.34 Crores have been written off during the year. These accounts under collection are being followed up for recovery.
- The Legal Department has played an important role to bring defaulters to the negotiating table. The team has followed each and every case to generate pressure on defaulting clients during FY. For the first time we have taken possession of immovable property in 4 cases resulting to force the defaulters to offer settlement. Nearly 500 cases are under section 138 of Negotiable Instrument Act, which are at advance stage and we can expect recoveries in the near future.

- During the financial year, a weekly review of stressed accounts has been introduced to detect stress in the accounts at an early stage and take corrective action on time. The initiative succeeded as we could check and prevent accounts from becoming fresh NPAs.
- Due to above only four accounts amounting to Rs 44.23 Cr. moved to NPA category during the FY. In these four accounts, two accounts amounting to Rs 29.31 Cr turned into NPAs as client's working capital bankers moved to NCLT. One account with the amount of Rs 8.63 Cr defaulted on the TReDS platform turned into NPA as its promoter is missing under mysterious circumstances.
- As a result of persistent follow up done during FY 2018-19, we expect recoveries in AUCA and NPAs to an extent of Rs.12 Cr and Rs.38 Cr respectively in FY 2019-20.
- With most NCLT matters and Criminal cases under Section 138 of NI Act under final disposal stage, we expect significant recovery of NPA / AUC Accounts in FY 2019-20.

TRANSFER TO RESERVE

The Company has transferred Rs. 1.07 Crores (viz., 20% of Rs. 5.35 Crores) to Reserve Fund (created in accordance with provisions of Section 45IC of the Reserve Bank of India Act, 1934) in the Financial Year 2018-19, as the Company has made a profit of Rs. 5.35 Crores.

DIVIDEND

In view of a Marginal Profit After Tax of Rs. 5.35 Crores for the Financial Year 2018-19, the Directors do not propose payment of any Dividend to the Equity Shareholders for the Financial Year ended March 31, 2019.

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, 2019, there are 86 employees in company (73 Direct Staff and 13 SBI deputees). The increment given to the direct staff including the Company Secretary (KMP) ranged from 5% to 7.5%. The percentage increase in the median remuneration of the employees in Financial year 2018-19 is 8.88 %. 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 2018-19 was within the period prescribed under the Companies Act, 2013. The notice of the Board Meeting was given well in advance to all Directors.

Seven Board Meetings and five Audit Committee Meetings were held during the Financial Year. The Board met on April 24, 2018, June 26, 2018, July 24, 2018, August 21, 2018, November 01, 2018, January 17, 2019, and March 05, 2019. The Audit Committee met on April 24, 2018, July 24, 2018, August 21, 2018, November 01, 2018 and January 17, 2019.

CORPORATE GOVERNANCE REPORT

The report on Corporate Governance is appended herewith.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

DIRECTORS

The Board of Directors of the Company at present consists of eight Directors including five Nominee Directors and three Independent Directors. During the Financial Year ended on 31st March, 2019 :

- (i) Shri Balasubramanyam Sriram (formerly the Managing Director (Corporate and Global Banking), State Bank of India) (Director Identification Number (DIN) 02993708) ceased as the Nominee Director of State Bank of India as well as the Chairman of the Board of Directors of the Company) with effect from June 30, 2018,
- (ii) Shri Tushar Kishorechandra Buch, formerly the General Manager, State Bank of India (Director Identification Number 07566371) ceased as the Managing Director & C.E.O. (i.e. the Nominee Director of State Bank of India) and the Key Managerial Personnel (KMP) of the Company with effect from the closure of the business on June 30, 2018 (i.e. effective July 01, 2018),

- (iii) Shri M N Aravind Kumar (the General Manager, State Bank of India) (Director Identification Number (DIN) 08165688) (as nominated by State Bank of India) was appointed as the Managing Director & C.E.O. (i.e. the Nominee Director of State Bank of India) and the Key Managerial Personnel (KMP) of the Company with effect from July 01, 2018 (in place of Shri Tushar Kishorechandra Buch, formerly the General Manager, State Bank of India, and the Ex. Managing Director & C.E.O. (i.e. the Nominee Director of State Bank of India) and the Key Managerial Personnel (KMP) of the Company),
- (iv) Dr. Bhargava Kaushik Vatsaraj (Director Identification Number (DIN) 00144251) ceased to be an Independent Director on the Board of Directors of the Company with effect from the close of the business on February 15, 2019 (i.e. effective February 16, 2019),
- (v) As duly noted and recommended (after determining 'fit and proper' status/ suitability of the respective appointment) by the Nomination and Remuneration Committee of the Board at its Meeting held on January 17, 2019, the Board of Directors of the Company, at its Meeting held on January 17, 2019, considered and re-designated/ appointed Shri Dinesh Kumar Khara (the Managing Director (Global Banking & Subsidiaries), State Bank of India) (Director Identification Number (DIN) 06737041) as the Chairman of the Board of Directors of the Company (whose office shall not be liable to retire by rotation).
- (vi) (a) The Board of Directors of the Company, at its Meeting held on March 05, 2019, considered and appointed Shri Vijay Kumar Gupta (Director Identification Number (DIN) 00023101) as an Additional Director of the Company pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 and the Rule(s) framed thereunder and the respective provisions of the Articles of Association of the Company,
- (b) As duly considered and recommended (after determining 'fit and proper' status/ suitability of the respective appointment) by the Nomination and Remuneration Committee of the Board at its Meeting held on March 05, 2019 (prior to the Board Meeting), the Board, at its Meeting held on March 05, 2019, also considered and appointed Shri Vijay Kumar Gupta (Director Identification Number (DIN) 00023101) as an Independent Director (not liable to retire by rotation) of the Company for a period of five years with effect from March 05, 2019, pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rule(s) framed thereunder read with Schedule IV of the Companies Act, 2013 and the respective provisions of the Articles of Association of the Company, and recommended the same to Equity Shareholders / Members of the Company,
- (vii) As duly considered and recommended (after determining 'fit and proper' status/ suitability of the respective appointment) by the Nomination and Remuneration Committee of the Board at its Meeting held on March 05, 2019 (prior to the Board Meeting), the Board, at its Meeting held on March 05, 2019, considered and re-appointed Shri Narayanan Raja (Director Identification Number ('DIN') : 00503400), as an Independent Director of the Company for a further period of five years with effect from March 29, 2019, and recommended the same to Equity Shareholders / Members of the Company,
- (viii) As duly considered and recommended by the Board of Directors of the Company (as aforesaid), Equity Shareholders / Members of the Company, at their Extraordinary General Meeting held on March 28, 2019, considered and :
- (a) appointed Shri Vijay Kumar Gupta (Director Identification Number (DIN) 00023101) as an Independent Director (not liable to retire by rotation) of the Company for a period

of five years, pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the respective provisions of the Articles of Association of the Company

- (b) re-appointed Shri Narayanan Raja (Director Identification Number ('DIN') : 00503400), as an Independent Director of the Company for a further period of five years with effect from March 29, 2019.

The Board places on record, its deep appreciation for the contribution made by Shri Balasubramanyam Sriram and the services rendered by him as the Chairman through his active participation in the deliberations and discussions of the Board.

The Board also places on record, its deep appreciation for the services rendered by Dr. Bhargava Kaushik Vatsaraj and Shri Tushar Kishorechandra Buch to the deliberations and discussions of the Board.

CHANGE IN KEY MANAGERIAL PERSONNEL (KMPs)

The Board, at its Meeting held on June 26, 2018, *inter alia* considered and appointed Shri M N Aravind Kumar, the Managing Director & C.E.O. of the Company as a Key Managerial Personnel (KMP) of the Company, in place of Shri Tushar Kishorechandra Buch (formerly the Managing Director & C.E.O. of the Company), pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DECLARATION BY INDEPENDENT DIRECTORS

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

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

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

COMMENTS ON AUDITORS REPORT & SECRETARIAL AUDIT REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by Vyas & Vyas, 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, 2019, 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 24.82 %, 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, 2019, there are no material transactions with Related Parties. The particulars of contracts or arrangements with Related Parties referred to in Section 188(1), as prescribed in Form AOC-2 of the Rule 8 of the Companies (Accounts) Rules, 2014 is appended as "**Annexure B**". The Board has approved the Policy on the Related Party Transactions which has been uploaded on the Company's Website (www.sbiglobal.in).

RISK MANAGEMENT POLICY

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

AUDIT COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Board, at present, consists of 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).

RISK MANAGEMENT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

VIGIL MECHANISM

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

ANNUAL EVALUATION BY THE BOARD

The evaluation framework as per Section 178(2) of the Companies Act, 2013 and as per Rule 8(4) of the Companies (Accounts) Rules, 2014 was approved by the Nomination and Remuneration Committee of the Board and by the Board of Directors of the Company. The Evaluation involves Board Evaluation, Evaluation of Board Level Committees, 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, 2019, 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, 2019.

AUDITORS

Vyas & Vyas, Chartered Accountants, the present Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India (“C&AG of India”), will retire at the close of the 18th Annual General Meeting of the Company.

The Statutory Auditors of the Company for the Financial Year 2019-20 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 2018-19 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 2018-19 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 22, 2019

Dinesh Kumar Khara
Chairman

ANNEXURE - A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company (100%)
1	Core Factoring		73.24 % (Rs. 76,46,44,872.66)
2	Non-Core Discounting		26.76% (Rs. 27,93,90,620.85)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

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

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

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

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

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

(v) Shareholding of Directors and key Managerial Personnel:					
Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	For Each of the Directors and KMP				
2	At the beginning of the year				
	(i) Shri Tushar Buch	(i) 01*	(i) Nil	(i) 01*	(i) Nil
	(ii) Shri Dinesh Kumar 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 M.N. Aravind Kumar*	(i) 01*	(i) Nil	(i) 01*	(i) Nil
	(ii) Shri Dinesh Kumar 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	-	8,07,64,28,749		
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-	4,87,15,062		
Total (i+ii+iii)	-	8,12,51,43,811		
Change in Indebtedness during the financial year	-			
Net Change	-	1,39,55,38,013		
Indebtedness at the end of the financial year	-			
i) Principal Amount	-	9,47,19,66,762		
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-	4,26,85,463		
Total (i+ii+iii)	-	9,51,46,52,225		

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 (upto 30.06.2018)	Shri M.N. Arvind Kumar, Managing Director & CEO (w.e.f. 01.07.2018)	----	----	
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6,69,864.00	19,95,024.00			26,64,888.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	93,129.00	3,43,592.00			4,36,721.00
	(c) Profits in lieu of Salary under section 17(3) Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of Profit					
	- Others, Specify..					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		B.K.Vatsaraj	Bharati Rao	Narayanan Raja	
3	Independent Directors				
	Fees for attending Board & Committee Meetings	5,50,000	5,45,000	4,10,000	15,05,000
	Commission				
	Others, please specify				
	Total (1)	5,50,000	5,45,000	4,10,000	15,05,000

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
4	Other Non-Executive Directors	SIDBI (Nominee Director Vinay Hedao)	Bank of Maharashtra (Nominee Director R.B.Kshirsagar)	Union Bank of India (Nominee Director – Nitesh Ranjan)	
	Fees for attending Board & Committee Meetings	1,80,000	45,000	1,40,000	3,65,000
	Commission				
	Others, please specify				
	Total (2)	1,80,000	45,000	1,40,000	3,65,000

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	-	19,04,076.00	25,08,249.00	44,12,325.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		5,68,061.00	5,68,061.00
	(c) Profits in lieu of Salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of Profit	-	-	-	-
	- Others, Specify..	-	-	-	-
5	Others, please specify	-	-	-	-

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

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. M. N. Arvind Kumar - MD & CEO - Key Managerial Personnel	Key Managerial Personnel	Appointment by SBI for 2 Years	Acting as MD & CEO of the company	On Deputation from SBI	W.E.F. 01/07/2018	Nil	
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 Trivandrum	Reimbursement of advance taken from MD		Reimbursement of advance taken from MD	On Deputation from SBI		Nil	
10	SBI Foundation	Investment	Long Term	Purchase of Equity	Investment for CSR Purpose		Nil	

ANNEXURE - C

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 M N Aravind Kumar (Managing Director & CEO- Nominee Director, SBI)
 - Shri. V.K. Gupta – Independent Director
 - Shri R.B. Kshirsagar- Nominee Director, Bank of Maharashtra
2. In the Financial year 2017-18, Company has recorded a Loss of 3.24 Crore, it did not have any compulsion to incur any CSR expenditure. During Financial year 2018-19, the Company had marginal Profit after Tax of Rs. 5.35 crores. However, the Corporate Social Responsibility (CSR) Committee, Vide Circular Resolution dated February 11, 2019, 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 2018-19 also.

3. Accordingly the Company has undertaken following activities for better Corporate Governance:
 - Incurred an expenditure of Rs.52,410/- (Rupees Fifty Two Thousand four hundred ten Only) (including Tax) (i.e. Rs. 44,877.98 (Rupees Fourty Four Thousand Eight Hundred Seventy Seven and ninety Eight paise Only) (net of Tax) was duly spent by the Company as a part of the Corporate Social Responsibility ('CSR') Activity during the Financial Year 2018-19 (i.e. on March 26, 2019) as a good Corporate Governance practice, towards the donation of 100 nos. Plastic Chairs and two nos. of Cloth Carpets (Duri) to Navjivan Vidyamandir, Gandhi Nagar, Bandra (East), Mumbai -400051

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, 2019

(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, minutes 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, 2019** 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, minutes books, forms and returns filed and other records maintained by SBI Global Factors Limited (“the Company”) for the financial year ended on 31st March, 2019 according to the provisions of:

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

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

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

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

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including the Appointment of Women Director u/s. 149(1) of the Act. The Appointment of Mr. M N Aravind Kumar (DIN: 08165688) as Managing Director in place of Mr. Tushar Buch (DIN: 07566371) was approved by the Members in the 17th Annual General Meeting held on 18th September, 2018 for a period of Two years w.e.f. 01.07.2018 to 30.06.2020. 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 17th Annual General Meeting held on 18th September, 2018 have approved the following Special Resolution:

Appointment of M/s. Vyas & Vyas, Chartered Accountants, Mumbai (Firm Registration No. FRN No 000590C) was approved by the members as Statutory Auditors for the financial year 2018-19 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 28th March, 2019 approved the re-appointment of Shri. Narayanan Raja (DIN: 00503400) as Independent Director of the Company (not liable to retire by rotation), for a period of five years with effect from 29th March, 2019 and the appointment of Shri. Vijay Kumar Gupta (DIN: 00023101) as Independent Director of the company (not liable to retire by rotation) for a period of five years w.e.f. 5th March, 2019 by passing the Special Resolutions.

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, 2019

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 **31.03.2019** 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, 2019

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 2018-19, the Board comprised of eight (8) members, which consisted of four (4) Non-Executive Directors, three (3) Independent Directors, and one (1) full-time Executive Director.

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

The particulars of Directors, their attendance during the financial year 2018 – 2019 and also other Directorships are as detailed in Table –I below :

Table I : Attendance Record of Directors at Board Meetings during 2018-19

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) - (Upto June 30, 2018)	(Nominee-SBI) Non-Executive	1	1*
Shri Dinesh Kumar Khara (Director) - (Chairman w.e.f. January 17, 2019)	(Nominee-SBI) Non-Executive	7	12**
Smt. Bharati Rao (Director)	(Independent) Non-Executive	5	09***
Shri Vijay Kumar Gupta (Director) - (w.e.f. March 05, 2019)	(Independent) Non-Executive	NIL	1
Shri Narayanan Raja (Director)	(Independent) Non-Executive	6	04
Shri Tushar Kishorechandra Buch (Managing Director & C.E.O.) (Up to June 30, 2018)	(Nominee-SBI) Full-time Executive	2	01
Shri Vinay S Hedaoo (Director) - (w.e.f. April 24, 2018)	(Nominee – SIDBI) Non-Executive	4	Nil
Shri M N Aravind Kumar (Managing Director & C.E.O.) (w.e.f. July 01, 2018)	(Nominee –SBI) Full time Executive	6	01
Dr. B.K. Vatsaraj Director - (Up to February 15, 2019)	(Independent) Non- Executive	6	01
Shri Ramesh Bansidhar Kshirsagar (Director)	(Nominee – Bank of Maharashtra) Non-Executive	1	01
Shri Nitesh Ranjan (Director) - (w.e.f. April 24, 2018)	(Nominee – Union Bank of India) Non-Executive	4	01

*Excluding SBI

** Excluding SBI and Foreign Companies

*** Excluding a Bank and a Foreign Company

Meetings of the Board

During the Financial Year ended on 31st March, 2019, 7 (Seven) Board Meetings were held on April 24, 2018, June 26, 2018, July 24, 2018, August 21, 2018, November 01, 2018, January 17, 2019 and March 05, 2019.

2. Audit Committee

At present, pursuant to the provisions of Section 177 of the Companies Act, 2013, Members of the Audit Committee up to March 31, 2019 are as follows:

- | | | |
|----|-------------------------|----------|
| 1. | Shri Narayanan Raja | Chairman |
| 2. | Shri Dinesh Kumar Khara | Member |
| 3. | Smt. Bharati Rao | Member |
| 4. | Shri Vijay Kumar Gupta | Member |

During the Financial Year ended on March 31, 2019,

- (i) Dr. Bhargava Kaushik Vatsaraj (Director Identification Number (DIN) 00144251) ceased to be the Chairman of the Audit Committee of the Board of Directors consequent upon his cessation as an Independent Director on the Board of Directors of the Company with effect from the close of the business on February 15, 2019 (i.e. effective February 16, 2019).
- (ii) Shri Narayanan Raja, an Independent Director on the Board of Directors of the Company (Director Identification Number (DIN) 00503400) was appointed as the Chairman of the Audit Committee of the Board of Directors with effect from March 05, 2019,
- (iii) Shri Vijay Kumar Gupta, an Independent Director on the Board of Directors of the Company (Director Identification Number (DIN) 0023101) was appointed as a Member of the Audit Committee of the Board of Directors with effect from March 05, 2019,

During the Financial Year ended on March 31, 2019, the Audit Committee met 5 (Five) times Viz., on 24/04/2018, 24/07/2018, 21/08/2018, 01/11/2018, and 17/01/2019.

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) (Upto 15.02.2019)	5
Shri Dinesh Kumar Khara	3
Smt. Bharati Rao	4

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

3. Executive Committee of the Board:

The Company has an Executive Committee of the Board which, inter alia, approves the Credit proposals beyond a threshold limit (currently Rs.15 Crores). It supplements the right

insight and business perspective in order to aid the Company's Management in achieving its goals and mission.

During the Financial Year ended on March 31, 2019,

- (i) Shri Vinay S Hedao, (the Chief General Manager, Small Industries Development Bank of India (SIDBI) and the Nominee Director of SIDBI (Director Identification Number (DIN) : 07916221) was appointed as a Member of the Executive Committee of the Board, in place of Shri Krishna Iyer Mani (then Chief General Manager, SIDBI and then Nominee Director of SIDBI on the Board of the Company)) (Director Identification Number (DIN) : 03063000) with effect from April 24, 2018,
- (ii) Shri M N Aravind Kumar, the Managing Director & C.E.O. of the Company (Director Identification Number (DIN) : 08165688) was appointed as a Member of the Executive Committee of the Board, in place of Shri Tushar Kishorechandra Buch, formerly the Managing Director & C.E.O. of the Company (Director Identification Number (DIN) :07566371), who relinquished the office of Managing Director & C.E.O. on completion of his term with effect from July 01, 2018,
- (iii) Dr. Bhargava Kaushik Vatsaraj (Director Identification Number (DIN) 00144251) ceased to be the Member of the Executive Committee of the Board of Directors consequent upon his cessation as an Independent Director on the Board of Directors of the Company with effect from the close of the business on February 15, 2019 (i.e. effective February 16, 2019).
- (iv) Shri Vijay Kumar Gupta, an Independent Director on the Board of Directors of the Company (Director Identification Number (DIN) 0023101) was appointed as a Member of the Executive Committee of the Board of Directors with effect from March 05, 2019.

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

1. Smt. Bharati Rao (Independent Director),
2. Shri Vijay Kumar Gupta (Independent Director),
3. Shri M N Aravind Kumar
(Managing Director & C.E.O.) (i.e. Nominee Director, SBI)
4. Shri Vinay S Hedao
(Nominee Director of Small Industries Development Bank of India (SIDBI)), and
5. Shri Nitesh Ranjan (Nominee Director of Union Bank of India)

4. Risk Management Committee of the Board :

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

During the Financial Year ended on March 31, 2019, Dr. Bhargava Kaushik Vatsaraj (Director Identification Number (DIN) 00144251) ceased to be the Member of the Risk Management Committee of the Board of Directors consequent upon his cessation as an Independent Director on the Board of Directors of the Company with effect from the close of the business on February 15, 2019 (i.e. effective February 16, 2019).

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

1. Smt. Bharati Rao (Independent Director),
2. Shri Vijay Kumar Gupta (Independent Director),
3. Shri Narayanan Raja (Independent Director),
4. Shri R. B. Kshirsagar (Nominee Director, Bank of Maharashtra)

During the Financial Year ended on March 31, 2019 the Risk Management Committee of the Board met 4 times Viz., on 24/04/2018, 24/07/2018, 01/11/2018, and 17/01/2019.

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 (Upto 15/02/2019)	4
Shri Narayanan Raja	4
Shri R.B. Kshirsagar	1

5. Nomination and Remuneration Committee of the Board :

During the Financial Year ended on March 31, 2019,

- (i) Dr. Bhargava Kaushik Vatsaraj (Director Identification Number (DIN) 00144251) ceased to be the Member of the Nomination and Remuneration Committee of the Board of Directors consequent upon his cessation as an Independent Director on the Board of Directors of the Company with effect from the close of the business on February 15, 2019 (i.e. effective February 16, 2019),
- (ii) Shri Vijay Kumar Gupta, an Independent Director on the Board of Directors of the Company (Director Identification Number (DIN) 0023101) was appointed as a Member of the Nomination and Remuneration Committee of the Board of Directors with effect from March 05, 2019.

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) Shri Vijay Kumar Gupta, (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 5 times Viz., on 24/04/2018, 26/06/2018, 24/07/2018, 17/01/2019 and 05/03/2019.

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

Name of the Member	No. of Nomination and Remuneration Committee Meetings attended
Shri Dinesh Kumar Khara	2
Smt. Bharati Rao	4
Dr. B.K. Vatsaraj (Upto 15.02.2019)	4
Shri Narayanan Raja	5

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

During the Financial Year ended on March 31, 2019,

- (i) Dr. Bhargava Kaushik Vatsaraj (Director Identification Number (DIN) 00144251) ceased to be the Member of the Corporate Social Responsibility (CSR) Committee of the Board of Directors consequent upon his cessation as an Independent Director on the Board of Directors of the Company with effect from the close of the business on February 15, 2019 (i.e. effective February 16, 2019),
- (ii) Shri Tushar Kishorechandra Buch, formerly the Managing Director & C.E.O. (i.e. the Nominee Director of State Bank of India) on the Board of Directors of the Company (Director Identification Number (DIN) 07566371) ceased to be the Member of the Corporate Social Responsibility (CSR) Committee of the Board of Directors with effect from the close of the business on June 30, 2018 (i.e. effective July 01, 2018),
- (iii) Shri M N Aravind Kumar, the Managing Director & C.E.O. (i.e. the Nominee Director of State Bank of India) on the Board of Directors of the Company (Director Identification Number (DIN) 08165688) was appointed as a Member of the Corporate Social Responsibility (CSR) Committee of the Board of Directors with effect from July 01, 2018

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

- (i) Shri Vijay Kumar Gupta (Independent Director),
- (ii) Shri M N Aravind Kumar (Managing Director & C.E.O.)
(i.e. a Nominee of State Bank of India), and
- (iii) Shri R.B. Kshirsagar
(Nominee Director of Bank of Maharashtra)

During the Financial Year ended on March 31, 2019, 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
Dr. Bhargava Kaushik Vatsaraj
Shri Tushar Kishorechandra Buch

7. IT Strategy Committee

During the Financial Year ended on March 31, 2019,

- (i) Shri Tushar Kishorechandra Buch, formerly the Managing Director & C.E.O. (i.e. the Nominee Director of State Bank of India) on the Board of Directors of the Company (Director Identification Number (DIN) 07566371) ceased to be the Member of the IT Strategy Committee with effect from the close of the business on June 30, 2018 (i.e. effective July 01, 2018),
- (ii) Shri M N Aravind Kumar, the Managing Director & C.E.O. (i.e. the Nominee Director of State Bank of India) on the Board of Directors of the Company (Director Identification Number (DIN) 08165688) was appointed as a Member of the IT Strategy Committee with effect from July 01, 2018
- (iii) Shri Sushil Kumar Bhandari, General Manager (IT – Core Operations), SBI, GITC, Belapur was appointed as a Member of the IT Strategy Committee in place of Shri Devi Shankar Mishra, then General Manager IT – Tech, Planning & Application Development), SBI, GITC, Belapur, with effect from January 17, 2019
- (iv) Shri Digvijay Pratap Singh, then SVP – CCO & IT Functions, ceased to be the Member of the IT Strategy Committee, consequent upon his retirement from the services of State Bank of India on reaching superannuation, with effect from the close of the business on February 28, 2019 (i.e. effective March 01, 2019).

At present, the IT Strategy Committee comprises of following Members :

- a. Shri Narayanan Raja, Independent Director
- b. Shri M N Aravind Kumar, Managing Director & CEO
- c. Shri Sushil Kumar Bhandari, General Manager (IT – Core Operations), SBI, GITC, Belapur
- d. Shri Pankaj Gupta, SVP and Chief Financial & Risk Officer, who shall be also designated as the Chief Information Officer, and
- e. Shri Kunal Rumade, Assistant Vice President (IT) who shall be 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
Fifteenth	2015-16	08/09/2016	04.00 p.m.	State Bank Bhavan, Corporate Centre, 15 th Floor, Madame Cama Road, Nariman Point, Mumbai – 400 021
Sixteenth	2016-17	22/08/2017	04.30 p.m.	State Bank Bhavan, Corporate Centre, 10 th Floor, 'Kalinga' Meeting Room, Madame Cama Road, Nariman Point, Mumbai – 400 021
Seventeenth	2017-18	18/09/2018	04.30 p.m.	State Bank Bhavan, Corporate Centre, 10 th Floor, 'Kalinga' Meeting Room, 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)
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
Seventeenth	Appointment of Statutory Auditors for the Financial Year 2018-19, as directed by the Comptroller & Auditor General of India (C&AG), and payment of Fees/ Remuneration to them

Extraordinary General Meetings held during the Financial Year 2018-19 :

During the Financial Year 2018-19, one Extraordinary General Meeting of Equity Shareholders/ Members of SBI Global Factors Limited was held on March 28, 2019 to consider and :

- appoint Shri Vijay Kumar Gupta (Director Identification Number (DIN) : 00023101) as Independent Director of the Company (not liable to retire by rotation) for a period of five years with effect from March 05, 2019, by passing a Special Resolution in this regard, and
- re-appoint Shri Narayanan Raja (Director Identification Number (DIN) : 00503400) as Independent Director of the Company (not liable to retire by rotation) for a further period of five years with effect from March 29, 2019 by passing a Special Resolution in this regard

9. General Shareholder Information:

Financial Year	April 01, 2018 to March 31, 2019
Registrar and Transfer Agents	Datamatics Financial Services Limited
Address for correspondence	6 th Floor, "The Metropolitan", Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051

ANNEXURE A

The Board of Directors
SBI Global Factors Limited
Mumbai

As required under the Listing Agreement we certify that:

- (a) We have reviewed financial statements and the Cash Flow Statement for the year 2018-19 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

M N Aravind Kumar
Managing Director & C.E.O.

Date : April 09, 2019

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, 2019** 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, 2019

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

Management Discussion and Analysis

Global Economic Scenario

Moderate activity and heightened risks are clouding global economic prospects. International trade and investment have softened, trade tensions remain elevated, and some large emerging market and developing economies (EMDEs) have experienced financial market pressures.

International trade and investment are moderating, trade tensions remain elevated, and financing conditions are tightening. Crude oil prices have been volatile since August, reflecting supply influences, including US policy on Iranian oil exports and, more recently, fears of softening global demand.

Macroeconomic Perspective

Looking ahead, the Indian economy is set to step up its growth trajectory. Two aspects warrant priority for it to be realisable and sustainable. First, infrastructure holds the key to unleashing the impulses of faster growth. Second, even as infrastructure development provides the thrust, sustaining the momentum of growth will hinge around its inclusiveness and, in particular, its employment intensity. Over the medium-term, the pace and quality of growth will be anchored by progress on the unfinished agenda of structural reforms in, inter alia, resolution of banking and corporate financial stress; taxation; agriculture; liberalisation of the economy's external interface, especially with FDI; and galvanising the business environment.

In terms of economic prospects for the Indian Economy, the private consumption is expected to pick up with an increase in public spending in rural areas and increase in disposable incomes of the households on account of tax exemptions provided in this year's interim budget. The higher financial flows to the commercial sector will help revive economic activity. However, concerns remain about uncertainties surrounding growth in the form of subdued investment activity, slowdown in production and imports of capital goods along with lower exports due to slowdown in global economic growth. As a result, the RBI has marginally lowered its growth projections from 7.4% to 7.2% for FY20.

CPI inflation which is the relevant indicator from the point of view of monetary policy has been moving downwards in the last couple of months in the less than 3% range and was at 2.6% in February (an increase over January). WPI inflation was at 2.9% and tended to be higher than CPI inflation. The RBI has lowered its inflation projections for Q4FY19, H1FY20 and Q3FY20 assuming a normal monsoon in 2019. The lower projections for inflation is premised on low food inflation, moderation in core inflation (inflation excluding food and fuel), and lower households' inflation expectations.

Steps announced by the Government for promotion of MSMEs :-

The PM launched a historic support and outreach programme for the MSME sector. As part of this programme, the PM unveiled 12 key initiatives which will help the growth, expansion and facilitation of MSMEs across the country. These include:

- 59 minute loan portal to enable easy access to credit for MSMEs. A link to this portal will be made available through the GST portal.

- Mandatory 25 percent procurement from MSMEs by CPSEs
- Ordinance for simplifying procedures for minor offences under Companies Act
- 2% interest subvention for all GST registered MSMEs, on fresh or incremental loans.
- All companies with a turnover more than Rs. 500 crore must now compulsorily be brought on the Trade Receivables e-Discounting System (TReDS).

Financial Markets & Liquidity Conditions

The banking sector was typified by a liquidity deficit for most of the year. While deposits as of March 1st had grown by 9.2% over end-March 2018 compared with 6% last year, growth in credit was higher at 14.6% as against 10.6%. This created a deficit which was balanced by the RBI through the LAF window as well as OMO of around Rs 3 lakh crore in the year. Also, Rupee/USD dollar swap undertaken by RBI on March 26 worth \$ 5 Bn which infused liquidity of approx. Rs. 35,000 crs in the banking system.

The Reserve Bank of India, on expected lines, reduced the repo rate by 25 bps from 6.25% to 6% in its monetary policy meeting on 04th April 2019. This is the second such rate cut by the Central Bank in 2019. The RBI, however, continued maintaining the neutral stance.

Framework for Large Corporate Borrowers announced by SEBI to be implemented from 1 April, 2019. Large corporate borrowers are those having long term borrowings more than Rs. 100 crs (excluding foreign loans and inter-corporate deposits). These borrowers with rating of AA and above have to raise 25% of their long term funding requirement via corporate bonds.

Some of the recent developments in Banking and NBFCs space are as follows:-

- Announcement of reduction in Statutory Liquidity Ratio (SLR) by 25 bps each quarter till it reaches 18%. This was implemented from 1st January 2019.
- Partial Credit Enhancement for bond issues by NBFC and HFCs and increased ceiling for lending to a single NBFC.
- A separate ombudsman scheme for digital payments has been launched to redress complaints raised by customers for digital transaction.
- SBI plans to link savings bank deposits with balances over Rs. 1 lakh and all cash credit accounts and overdrafts with limits above Rs 1 lakh to the repo rate with effect from 1 May, 2019.
- India Post Payments Bank was launched in New Delhi with branches opened across 650 districts with an objective of banking services reaching conveniently to the remotest place in India.
- With an aim to improve the ease of undertaking forex transactions, non-deposit systematically important NBFCs have been allowed to apply for a grant of Authorized Dealer license.

Going forward, the up-tick in credit growth is likely to be supported by the progress being made under the aegis of the Insolvency and Bankruptcy Code, 2016 (IBC) in addressing stress on balance sheets of both corporates and banks, recapitalisation of PSBs, and a positive outlook on the economy.

Following initiatives have been set in motion to secure the soundness of the banking system:-

- First, amendments to the IBC are expected to improve the efficiencies in decision making under it. The voting threshold for the committee of creditors has been brought down to 66

per cent from 75 per cent for all major decisions, including approval of resolution plans and recommendation for extension of the period of the corporate insolvency resolution process (CIRP). Furthermore, a special dispensation has been provided to micro, small and medium enterprises (MSMEs), recognising their importance in employment generation and exports.

- Second, institutional reforms in India's financial system and credit information availability are poised for a transformation. Drawing on the recommendations of the task force (Chairman : Shri Yeshwant M. Deosthalee), the Reserve Bank has decided to set up a public credit registry (PCR).
- Third, the Reserve Bank has put in place a graded enforcement action framework for any lapses observed in conducting a bank's statutory audit to address large divergences in asset classification and provisioning in the credit portfolio of banks as well as rein in the rising incidence of frauds in the Indian banking system.
- The impact of international financial reporting standards on quantitative and qualitative reporting by banks would be reviewed, aligned and integrated with the supervisory framework, in view of its impending implementation.

Factoring – The way to go forward for Inclusive growth:-

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

The Company, therefore, uses various fora to articulate the needs 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.

Independent Auditors' Report

To the Members of SBI GLOBAL FACTORS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SBI Global Factors Limited (“the Company”), which comprise the Balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Key Audit Matters

In our opinion, depending on the facts and circumstances of the Company and the audit, there are no key audit matters to communicate.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that

includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure - A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 standalone 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 the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a 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 did not have any long-term contracts including derivative contracts for which there were 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.

Directions of C&AG

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

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Place: Mumbai
Date: 22.04.2019

Chandra Prakash Kapoor
Partner
M. No. 071275

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified according to a phased program of verification so as to verify all assets within a period of three years. As informed to us, physical verification is under process. 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 held in the name of 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	573.32	In the erstwhile name of Global Trade Finance Limited
Office Premises in Delhi	146.72	113.74	In the erstwhile name of Global Trade Finance Limited
Flat in Mumbai	47.83	36.19	In the erstwhile name of SBI Factors and Commercial Services Private Limited.

- ii. The company is involved in factoring business and thus it does not hold any physical inventory. Accordingly, provisions of clause (ii) of the Order are not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of the above, clause (iii) (a), (b) and (c) of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, provided any guarantees and security covered under the provisions of section 185 and 186 of the Companies Act, 2013 and accordingly provisions of Section 185 and 186 relating to loans are not applicable. The company has invested amounts in one of the fellow subsidiary company and provisions of section 186 have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, hence the directives issued by The Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable on the Company.
- vi. According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 to the Company.
- vii. (a) According to information and explanations given to us, the Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Income tax, Service tax, Customs Duty, Goods and service tax (GST), cess and any other material statutory dues applicable to it as per the available records as far as ascertained by us on our verification.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of outstanding statutory dues as aforesaid at 31st March 2019 for a period of more than six months from the date they become payable.

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

Name of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax, Interest and Penalty	Rs 47.49	For the Assessment Year 2013-14	CIT(Appeals)
Service Tax	Service Tax and Penalty	Rs 221	For the Financial Year 2004-05 to 2010-11	Commissioner of Service Tax

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, banks and Debenture holders.
- ix. According to the information and explanations given to us, the Company has not raised any money by way of Initial Public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. During the course of our examination and as far as records/details made available and verified by us and according to the information and explanations given to us, the managerial remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and accordingly this clause is not applicable to the Company. Accordingly, provision of clause 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board and Audit Committee, related party transactions during the financial year under review are in compliance with section 177 and 188 of the Companies Act, 2013 and details have been duly disclosed in the financial statements as required by the applicable accounting standard.
- xiv. According to the information and explanations given to us and based on our verification of the records of the Company, there was no preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review, therefore reporting under clause 3(xiv) is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the financial year under review; accordingly paragraph 3 (xv) of the order is not applicable.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has received registration certificate dated 23rd March, 2015 from Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934 and is permitted to carry on the business as NBFC- Factors in accordance with the Factoring Regulation Act, 2011.

Place: Mumbai
Date: 22.04.2019

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Chandra Prakash Kapoor
Partner
M.No. 071275

ANNEXURE – B to the Auditor’s Report-

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

We have audited the internal financial controls over financial reporting of SBI GLOBAL FACTORS LIMITED, (“the Company”), as of March 31, 2019 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

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Place: Mumbai
Date: 22.04.2019

Chandra Prakash Kapoor
Partner
M.No. 071275

Annexure “C” to the Auditor’s 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

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

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Place: Mumbai
Date: 22.04.2019

Chandra Prakash Kapoor
Partner
M. No. 071275

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

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

Report on the Financial Statements

In addition to the report made under section 143 of the Companies Act, 2013 (**'the Act'**) on the financial statements of SBI Global Factors Limited (**'the Company'**) for the year ended 31 March, 2019 and as required by the Master Circular on Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 (the 'Directions'), we report as follows on the matters specified in paragraph 3 and 4 of the said Directions to the extent applicable.

Management's responsibility for the financial statements

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

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

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

Auditor's Responsibility

Pursuant to the requirement of the Directions, it is our responsibility to examine the audited books and records of the Company for the year ended 31st March, 2019 and report on the matters specified in the Directions to the extent applicable to the Company.

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

Opinion

Based on our examination of the audited financial statements for the year ended 31 March 2019, books of accounts and records of the Company as produced for our examination and according to the information and explanations given to us, we report that:

- The Company is engaged in the business of non-banking financial institution and it has obtained a certificate of registration (CoR) dated 23'd March, 2015 from the bank's department of Non Banking Supervision- Mumbai, Regional office;
- The Company is entitled to continue to hold such certificate of registration in terms of its principal business criteria as on 31 March, 2019;
- In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the criteria of net owned funds requirement as laid down in the Directions.
- The Board of Directors of the Company has passed a resolution in its meeting held on 20 April 2017 for non-acceptance of any public deposits;
- The Company has not accepted any public deposits during the year ended 31 March 2019;
- In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Directions in the preparation of financial statements for the year ended 31 March 2019;
- The Statement of capital funds, risk assets/ exposures and risk asset ratio (NBS-7) has been furnished to the Bank within the stipulated period based on the Audited books of Accounts. The Company had correctly arrived at and disclosed the Capital Adequacy Ratio (CRAR), based on the Audited books of Account, in the return submitted to the bank in form NBS -7 and such ratio is in compliance with the minimum CRAR prescribed by the Bank.
- The Company is not a NBFC-MFI as defined in the Master Circular- Non-Banking Financial Company-- Micro Finance Institution ('NBFC-MFI') -- Directions, with reference to the business carried on by it during the year ended 31 March 2019.

Restriction on Use

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

For Vyas & Vyas
Chartered Accountants
FRN:000590C

Place: Mumbai
Date: 22.04.2019

Chandra Prakash Kapoor
Partner

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 2019

The preparation of financial statements of SBI Global Factors Limited for the year ended 31 March 2019 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 22.04.2019.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of SBI Global Factors Limited for the year ended 31 March 2019 under section 143((6)(a) of the Act.

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



(Tanuja Mittal)

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

Place : Mumbai
Date : 28th June, 2019

Balance Sheet

As at March 31, 2019

Particulars	Note	(Rs. in lakhs)	
		March 31, 2019	March 31, 2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	15,989	15,989
(b) Reserves and Surplus	3	16,604	16,069
		32,593	32,058
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	15,000	15,000
(b) Long Term Provisions	5	24,599	26,009
		39,599	41,009
(3) Current Liabilities			
(a) Short-Term Borrowings	6	79,720	65,764
(b) Other Current Liabilities	7	2,467	1,920
(c) Short Term Provisions	8	24	13
		82,211	67,697
Total		154,403	140,764
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Asset	9		
Tangible Asset		766	804
Intangible Asset		8	0
Capital Work In Progress		-	6
(b) Non-Current Investments	10	383	383
(c) Deferred Tax Assets (Net)	11	7,114	7,525
(d) Long Term Loans and Advances	12	1,395	1,717
		9,666	10,435
(2) Current Assets			
(a) Current investments	13	-	1,000
(b) Debts Factored	14	138,055	127,710
(c) Cash and Cash Equivalents	15	3,948	1,421
(d) Short Term Loans and Advances	16	341	178
(e) Other Current Assets	17	2,393	20
		144,737	130,329
Total		154,403	140,764
The Notes to Account forms integral part of Financial Statements	1 to 46		

<p>As per our report of even date</p> <p>For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C</p> <p>Chandra Prakash Kapoor Partner M.No. 071275 Place : Mumbai Date : 22-04-2019</p>	<p>For and on behalf of the Board of Directors</p> <table style="width: 100%;"> <tr> <td style="width: 50%;"> <p>Dinesh Kumar Khara Chairman DIN :- 06737041</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 22-04-2019</p> </td> <td style="width: 50%;"> <p>M N Aravind Kumar Managing Director & CEO DIN :- 08165688</p> <p>Amita Joshi Company Secretary</p> </td> </tr> </table>	<p>Dinesh Kumar Khara Chairman DIN :- 06737041</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 22-04-2019</p>	<p>M N Aravind Kumar Managing Director & CEO DIN :- 08165688</p> <p>Amita Joshi Company Secretary</p>
<p>Dinesh Kumar Khara Chairman DIN :- 06737041</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 22-04-2019</p>	<p>M N Aravind Kumar Managing Director & CEO DIN :- 08165688</p> <p>Amita Joshi Company Secretary</p>		

Statement of Profit and Loss

For the Year Ended March 31, 2019

(Rs. in lakhs)			
Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations	18	10,440	9,449
Other Income	19	1,887	637
Total Revenue		12,327	10,086
Expenses			
Employee Benefit Expense	20	925	839
Finance Cost	21	5,714	4,258
Depreciation and Amortization Expense	9	49	60
Operating, Administrative and Other Expenses	22	1,298	1,317
Bad Debts Written Off		3,355	3,275
Provision against Standard Assets	28	39	129
Total Expenses		11,380	9,878
Profit/(Loss) before Tax		947	208
Less :- Tax Expense:			
Current Tax		-	-
Deferred Tax		412	532
Profit/(Loss) after Tax		535	(324)
Earning Per Share (In Rupees) (Par Value Rs. 10/-)			
Basic		0.33	(0.20)
Diluted		0.33	(0.20)
Number of shares used in computing Earnings Per Share			
Basic		159,885,365	159,885,365
Diluted		159,885,365	159,885,365
The Notes to Account forms integral part of Financial Statements	1 to 46		

<p>As per our report of even date</p> <p>For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C</p> <p>Chandra Prakash Kapoor Partner M.No. 071275 Place : Mumbai Date : 22-04-2019</p>	<p>For and on behalf of the Board of Directors</p> <table style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Dinesh Kumar Khara Chairman DIN :- 06737041</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 22-04-2019</p> </td> <td style="width: 50%; vertical-align: top;"> <p>M N Aravind Kumar Managing Director & CEO DIN :- 08165688</p> <p>Amita Joshi Company Secretary</p> </td> </tr> </table>	<p>Dinesh Kumar Khara Chairman DIN :- 06737041</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 22-04-2019</p>	<p>M N Aravind Kumar Managing Director & CEO DIN :- 08165688</p> <p>Amita Joshi Company Secretary</p>
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Cash Flow Statement

For the Year Ended March 31, 2019

	(Rs in lakhs)	
	March 31, 2019	March 31, 2018
Cash Flow from Operating Activities:		
Net Profit before Tax	947	208
Adjustments for:		
Depreciation / Amortisation	49	60
Interest Cost	2,727	1,733
Discount on issue of Commercial Paper	2,814	2,344
Amortisation of Forward Premium	33	47
Sundry Balance Written Off	(0)	1
Foreign Exchange (Gain)/Loss (Net)	8	(0)
(Profit) / Loss on Sale of Fixed Assets	1	(1)
Liabilities no longer required Written Back	(36)	(9)
Provision for Doubtful Debts & Advances	(1,451)	(323)
Provision on Standard Assets	39	129
Bad Debts Written Off	3,355	3,275
Provision for Leave Encashment	10	(3)
Provision for Gratuity	9	9
Profit on Sale of Current Investments	(151)	(66)
	7,407	7,196
Operating profit before Working Capital changes	8,354	7,404
Increase / (Decrease) in Short Term Borrowings	(9,275)	5,869
Increase / (Decrease) in Long Term Borrowings	-	-
(Increase) / Decrease in Other Current Assets	(2,372)	85
Increase / (Decrease) in Long Term Provisions	(8)	6
Increase / (Decrease) in Other Current Liabilities	643	415
Increase / (Decrease) in Short Term Provisions	1	(21)
(Increase)/Decrease in Long Term Loans and Advances	291	24
(Increase)/Decrease in Debts Factored	(13,700)	(24,933)
(Increase)/Decrease in Short Term Loans and Advances	(163)	(66)
	(24,583)	(18,621)
Cash (used)/generated in and from Operating Activities	(16,229)	(11,217)
Direct Taxes paid (net)	31	29
Net Cash (used)/generated in and from Operating Activities (A)	(16,198)	(11,188)
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(17)	(53)
Sale of Fixed Assets	3	8
Purchase of Current Investments	(495,200)	(258,900)
Sale of Current Investments	496,351	257,966
Net cash from Investing Activities (B)	1,137	(979)
Cash Flow from Financing Activities:		
Interest Cost	(2,788)	(1,679)
Discount on issue of Commercial Paper	(2,814)	(2,344)
Premium on Forward Contract	(33)	(43)
Repayment of Loans	(214,704)	(63,330)
Loan Taken	188,927	94,352
Commercial Paper Repaid	(242,000)	(205,000)
Commercial Paper Taken	291,000	191,000
Net Cash generated from Financing Activities (C)	17,588	12,956
Net increase in Cash and Cash Equivalents (A + B + C)	2,527	788
Cash and Cash Equivalents as at March -19 / March -18		
Cash in Hand	1	1
Stamp in Hand	1	1
Cash & Bank Balances in Current Account with Banks	3,946	1,419
	3,948	1,421
Less: Cash and Cash Equivalents as at Mar-18/Mar-17	1,421	633
	2,527	788

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>For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C</p> <p>Chandra Prakash Kapoor Partner M.No. 071275 Place : Mumbai Date : 22-04-2019</p>	<p>For and on behalf of the Board of Directors</p> <table style="width: 100%;"> <tr> <td style="width: 50%;"> <p>Dinesh Kumar Khara Chairman DIN :- 06737041</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 22-04-2019</p> </td> <td style="width: 50%;"> <p>M N Aravind Kumar Managing Director & CEO DIN :- 08165688</p> <p>Amita Joshi Company Secretary</p> </td> </tr> </table>	<p>Dinesh Kumar Khara Chairman DIN :- 06737041</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 22-04-2019</p>	<p>M N Aravind Kumar Managing Director & CEO DIN :- 08165688</p> <p>Amita Joshi Company Secretary</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 became sanctioned and are recognized as income only when there is reasonable certainty of its receipt after execution of documents.
 - ii) **Continuation / Renewal of Limit:** Facility Continuation Fees 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" issued by the Institute of Chartered Accountants of India, basic / diluted earnings per share is computed using the weighted average number of shares outstanding during the period

1.18 Other Accounting Policies

These are consistent with the generally accepted accounting practices

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019				
2	SHARE CAPITAL	Rs. in lakhs except as otherwise stated		
	Particulars	As at March 31, 2019	As at March 31, 2018	
	Authorized :			
	180,000,000 (Previous Year 180,000,000) Equity Shares of Rs.10 each	18,000	18,000	
	120,000,000 (Previous Year 120,000,000) Preference Shares of Rs.10 each	12,000	12,000	
		30,000	30,000	
	Issued, Subscribed and Paid-up			
	159,885,365 (Previous Year 159,885,365) Equity Shares of Rs. 10 each, fully paid-up	15,989	15,989	
	TOTAL	15,989	15,989	
	a. Includes 15,625,000 shares issued on Right issue of capital in FY 2010-11 b. 13,77,86,585 (Previous Year 13,77,86,585) shares are held by the Holding Company, State Bank of India and its Nominees.			
2.1 Disclosure with respect to Shareholding in excess of 5%				
	Name of the Equity Shareholder	% of Issued, Subscribed, and Paid up Equity Share Capital	No. of shares held as on 31.03.2019	No. of shares held as on 31.03.2018
	1) State Bank of India	86.18 (86.18)	137,786,585	137,786,585
	2) Small Industries Development Bank of India (SIDBI)	6.53 (6.53)	10,444,172	10,444,172
2.2 Reconciliation of Shares				
	Particulars	As at March 31, 2019	As at March 31, 2018	
	Number of shares at the beginning	159,885,365	159,885,365	
	Number of shares at the end	159,885,365	159,885,365	
2.3. Rights, Preferences and Restrictions attached to Shares				
The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.				

3. RESERVES AND SURPLUS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
Capital Redemption Reserves			
Opening Balance	1,000	1,000	
Add: Transfer from Statement of Profit and Loss	-	-	
Closing Balance	1,000	1,000	
Securities Premium Account			
Opening Balance	21,693	21,693	
Add: Additions during the year	-	-	
Closing Balance	21,693	21,693	
Reserve Fund*			
Opening Balance	6,374	6,374	
Add: Transfer from Statement of Profit and Loss	107	-	
Closing Balance	6,481	6,374	
General Reserve**			
Opening Balance	11,423	11,423	
Add: Transfer from contingency reserve	-	-	
Closing Balance	11,423	11,423	
Surplus			
Opening Balance	(24,421)	(24,097)	
Add: Net Profit/(Loss) transferred from Statement of Profit and Loss	535	(324)	
	(23,886)	(24,421)	
Less :-			
Transfer to Reserve Fund*	107	-	
Transfer to Contingency Reserve	-	-	
Closing Balance	(23,993)	(24,421)	
TOTAL	16,604	16,069	

* Created in accordance with provision of section 45-IC of The Reserve Bank of India Act, 1934
**Contingency Reserve has been transferred to General Reserve as on 30th Sept 2013 vide approval received from The Reserve Bank of India dt.26.07.2013.

4. LONG TERMS BORROWINGS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
Unsecured Loans			
9.22% 10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2011-12 (Series - SBIGFL - 09) of Rs. 10 Lakhs each (Maturity date: July 29,2021)			
From Banks	-	-	
From Others	10,000	10,000	
8.75% 10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2010-11 (Series - SBIGFL - 08) of Rs. 10 Lakhs each (Maturity date: Aug 25, 2020)			
From Banks	-	-	
From Others	5,000	5,000	
TOTAL	15,000	15,000	
5. LONG TERM PROVISIONS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
Provision for Bad and Doubtful Debts on Non Performing Assets (Note - 24)	23,744	25,195	
Provision for Bad and Doubtful Debts on Non Performing Investments (Note - 23)	383	383	
Provision against Standard Assets (Note - 28)	440	401	
Provision for Leave Encashment	32	30	
TOTAL	24,599	26,009	
6. SHORT TERM BORROWINGS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
Unsecured			
Loans from Related Party - State Bank of India (Parent Company)			
Foreign Currency Cash Credit Loan @ (USD 35.73 lakhs ,GBP 8.92 lakhs, EUR 7.41 lakhs; March 31, 2018 USD 110.52 lakhs; GBP 10.72 lakhs and EUR 14.56 lakhs)	3,854	9,369	
Foreign Currency Short Term Loan Facility * (USD 41.44 lakhs, March 31, 2018 USD 40.56 lakhs)	2,866	2,643	
Other Facility			
Bank Overdraft \$	-	-	
Working Capital Demand Loan #	24,000	44,000	
Loan from Others			
Short Term Loan Facility **	-	6,000	
Bank Overdraft \$	-	3,752	
Commercial Paper	49,000	-	
TOTAL	79,720	65,764	
<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 @ of interest payable @ 8.55% p.a Previous Year taken from Axis Bank @ interest payable @ 9.15% p.a.</p>			

	Maturity Date	March 31, 2019	March 31, 2018
*Foreign Currency Short Term Loan Facility payable with Interest @ 3 Months LIBOR plus 1%			
USD 41.44	05th April, 2019	2,866	-
USD 22.39	03rd April, 2018	-	1,459
USD 18.17	27th April, 2018	-	1,184
		2,866	2,643
		2,866	2,643
# Working Capital Demand Loan			
Interest @ 8.25% p.a.	05th April, 2019	8,000	-
Interest @ 8.25% p.a.	04th April, 2019	6,000	-
Interest @ 8.25% p.a.	08th April, 2019	5,000	-
Interest @ 8.25% p.a.	08th April, 2019	5,000	-
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
		24,000	44,000
** Short Term Loan Facility taken from HDFC Bank Interest @ 9.00% p.a.	27th April, 2018	-	6,000
		-	6,000

7. OTHER CURRENT LIABILITIES Rs. in lakhs except as otherwise stated

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Liabilities	27	33
Forward Contract Payable	-	-
Liabilities for Expenses* #	289	150
Others	9	7
Discount Charges/Set up fees received in Advance, not accrued	1,074	1,149
Liability against collection of Trade Receivable	641	94
Interest Accrued but not due@	427	487
TOTAL	2,467	1,920

*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. 162 Lakhs (Previous Year Rs. 47 Lakhs)

@Includes interest payable to related parties Rs. 8 Lakhs (Previous Year Rs.62 Lakh)

8. SHORT TERM PROVISIONS Rs. in lakhs except as otherwise stated

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Leave Encashment	7	5
Provision for Gratuity	16	7
Provision for Wealth Tax	1	1
TOTAL	24	13

Rs. in Lakhs except as otherwise stated

9 FIXED ASSETS

Particulars	Gross Block (At Cost)			Depreciation and Amortisation			Net Block		
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	For the Period	Deductions	As at March 31, 2019	As at March 31, 2018
Tangible Assets									
Building *	992	-	-	992	252	17	-	269	740
Office Equipment	134	2	8	128	127	3	7	123	7
Computers - Hardware	351	5	79	277	303	21	79	245	48
Furniture and Fixtures	292	4	14	282	286	2	12	276	6
Vehicles	17	-	17	-	17	-	17	-	-
Leasehold Improvements	324	-	-	324	321	2	-	324	3
	2,110	11	118	2,003	1,306	45	114	1,237	804
Intangible Assets									
Computers - Software	432	12	0	444	432	4	0	436	0
	432	12	0	444	432	4	0	436	0
Capital Work In Progress									6
Total	2,541	23	118	2,447	1,738	49	114	1,673	810
Previous Year	2,577	47	82	2,541	1,753	60	75	1,738	810
* Includes Rs. 500 being the value of shares in Co-operative Housing Society.									

10. NON-CURRENT INVESTMENTS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
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	-	
TOTAL	383	383	

11. DEFERRED TAXES		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
Deferred Tax Asset			
Provision for Bad and Doubtful Debts on Non Performing Assets	6,914	7,337	
Provision for Bad and Doubtful Debts on Non Performing Investments	111	111	
Provision against Standard Assets	128	117	
Provision for Grauity	5	2	
Disallowances U/s 43B	24	20	
Disallowances U/s 40(a)	2	1	
Depreciation and Amortisation	(70)	(63)	
TOTAL	7,114	7,525	

12. LONG TERM LOANS & ADVANCES		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
(Unsecured, unless otherwise stated)			
(Considered good by Management except to the extent provided for)			
Prepaid Expenses	25	7	
Deposits	251	231	
Advance Tax and Tax Deducted at Source (Net of Provision for Tax Rs. 94 lakhs March 31, 2018 Rs. 94 lakhs)	1,119	1,479	
TOTAL	1,395	1,717	

13. CURRENT INVESTMENTS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
Unquoted Investments			
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	
TOTAL	-	1,000	

14. DEBTS FACTORED		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
Debts Factored (Secured)			
Debts outstanding for a period exceeding six months			
Considered Good	-	-	
Considered Doubtful	8,259	7,092	
Other Debts :			
Considered Good	49,298	48,406	
Considered Doubtful	-	-	
(A)	57,557	55,498	
Debts Factored (Unsecured)			
Debts outstanding for a period exceeding six months			
Considered Good	-	-	
Considered Doubtful	16,141	20,289	
Other Debts :			
Considered Good	60,625	51,910	
Considered Doubtful	3,732	13	
(B)	80,498	72,212	
TOTAL (A+B)	138,055	127,710	
15. CASH AND CASH EQUIVALENTS			
		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
Cash and Cash Equivalent			
Cash in hand	1	1	
Bank Balance with Sheduled Banks in Current Account	3,946	1,419	
Others			
Stamps in hand	1	1	
TOTAL	3,948	1,421	
16. SHORT TERM LOANS AND ADVANCES			
		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
(Unsecured, unless otherwise stated)			
(Considered good by Management except to the extent provided for)			
Prepaid Expenses @	52	46	
Deposits	11	20	
Balance with Government Authorities	32	30	
Cenvat & Input Credit	101	78	
Other Advances #	145	4	
TOTAL	341	178	
@Includes expenses paid in advance to related parties Rs. 4 Lakh (Previous Year Rs. 1 Lakh)			
#Includes expenses paid in advance to related parties Rs. 1 Lakh (Previous Year 3 Lakh)			

17. OTHER CURRENT ASSETS		Rs. in lakhs except as otherwise stated	
Particulars	As at March 31, 2019	As at March 31, 2018	
Forward Contract Receivable	-	15	
Unamortised premium on Forward Contract	-	3	
Unexpired Discount on issue of Commercial Papers	599	-	
Interest Accrued not received	20	-	
Other Receivables	1,774	2	
TOTAL	2,393	20	

18. REVENUE FROM OPERATIONS		Rs. in lakhs except as otherwise stated	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018	
Discount Charges	9,109	7,941	
Factoring Charges	560	567	
Processing Charges	323	304	
Bad Debts Recovery in Written off Accounts	448	637	
TOTAL	10,440	9,449	

19. OTHER INCOME		Rs. in lakhs except as otherwise stated	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018	
Net Gain/Loss on sale of Short Term Investments	151	66	
Other Non-Operating Income			
Provision for Bad & Doubtful Debts written back (Note - 24)	1,451	323	
Provision for Standard Asset written back (Note - 28)	-	-	
Income on Foreign Exchange Transactions	63	74	
Foreign Exchange Gain	-	0	
Profit on Sale of Fixed Assets (Net)	-	1	
Interest on Income Tax Refund	142	39	
Liabilities no Longer Required	36	9	
Other Charges Recovered	28	35	
Other Income*	16	90	
TOTAL	1,887	637	

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

20. EMPLOYEE BENEFIT EXPENSES		Rs. in lakhs except as otherwise stated	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018	
Salaries, Bonus, Gratuity, etc.	858	775	
Contribution to Provident Fund and other funds	21	21	
Staff Welfare	46	43	
TOTAL	925	839	

21. FINANCE COST		Rs. in lakhs except as otherwise stated	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018	
Interest Expenses on			
Non-Convertible Redeemable Debentures	1,360	1,360	
Short Term Loans (including Cash Credit & Overdraft)	1,302	373	
Discount on Issue of Commercial Papers	2,814	2,344	
Interest on Financial Assets Sold	66	-	
Other Borrowing Costs			
Bank Charges	46	64	
Credit Rating Fees and Other Charges	80	66	
Other Finance Cost	4	4	
Forward Premium	33	47	
Foreign Exchange Gain / Loss	9	-	
TOTAL	5,714	4,258	
22. OPERATING, ADMINISTRATIVE AND OTHER EXPENSES			
		Rs. in lakhs except as otherwise stated	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018	
Import Factor Commission	174	180	
Legal and Professional Fees	135	116	
Field Survey Charges	22	11	
Rent, Rates and Taxes	364	383	
Repairs and Maintenance :			
Building	22	24	
Others	133	125	
Advertisement & Publicity	4	15	
Communication	55	60	
Director's Sitting Fees	19	16	
Auditors' Remuneration	18	19	
Travelling	64	68	
Conveyance	5	6	
Corporate Social Responsibility	0	0	
Utilities	51	52	
Insurance	2	1	
Membership and Subscription	11	10	
Motor Car Running Expenses	3	4	
Printing and Stationery	10	11	
Outsourcing Costs	53	54	
Loss on Sale of Fixed Assets (Net)	1	-	
Security Charges	19	18	
Service Tax	0	34	
Goods & Service Tax	121	95	
Miscellaneous Expenses	12	15	
TOTAL	1,298	1,317	

23. PROVISION FOR BAD & DOUBTFUL DEBTS ON NON PERFORMING INVESTMENTS		
Rs. in lakhs except as otherwise stated		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Provisions made during the Year	-	-
Less : Written Back	-	-
Net Provisions made / (Written back) for the year	-	-
Opening Balance	383	383
Closing Balance Carried to Balance Sheet	383	383
24. PROVISION FOR BAD & DOUBTFUL DEBTS ON NON PERFORMING ASSETS		
Rs. in lakhs except as otherwise stated		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Provisions made during the Year *	2,324	3,441
Less : Written Back	3,775	3,764
Net Provisions made / (Written back) for the Year	(1,451)	(323)
Opening Balance	25,195	25,518
Closing Balance Carried to Balance Sheet	23,744	25,195
* Current Year - Includes Rs. 0.24 lakhs (Previous Year Rs. 0.21 lakhs) provision made on account of fluctuation in Foreign Exchange Rates		

25. Contingent Liabilities :		Rs. In Lakhs	
Particulars	March 31, 2019	March 31, 2018	
(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)	221	233	
(iii) Direct Tax matters - Income Tax	48	48	
(iv) Direct Tax matters - Tax Deducted at Source	-	7	
	301	320	
Note: Future cash outflows, if any, in respect of (i) to (iv) above is dependent upon the outcome of judgements / decisions etc.			

26. Details of Operating Leases as lessee:		
The company has entered into agreements in the nature of Lease/Leave and License Agreements with lessors/licensors. Operating lease rental expenses have been charged in Statement of Profit & Loss Account - Note 22 (Forming part of Rent, Rates & Taxes).		
Operating Lease		Rs. In Lakhs
Particulars	March 31, 2019	March 31, 2018
Operating lease payments recognised in the Statement of Profit & Loss during the Year	353	376
27 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.		
		Rs. In Lakhs
Particulars	March 31, 2019	March 31, 2018
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
28. 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:		
		Rs. In Lakhs
Particulars	March 31, 2019	March 31, 2018
Provision for Standard Assets as at 01.04.2018 / 01.04.2017	401	272
Add: Amount provided during the year	39	129
Closing Balance as on 31.03.2019 / 31.03.2018 (Note - 5)	440	401

29. The disclosures required under Accounting Standard - 15 on “Employee Benefits” are given below:		
Defined Contribution Scheme		Rs. in lakhs
Description	March 31, 2019	March 31, 2018
Employer’s Contribution to Provident Fund	11	11
Employer’s Contribution to Pension Fund	10	10
Total	21	21
Defined Benefit Scheme		
Obligation in respect of employee’s gratuity fund scheme managed by SBI Life Insurance Company Ltd of India is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation:		
a) Principal Assumptions used in determining gratuity and post employent benefits are:-		
Acturial Assumptions	March 31, 2019	March 31, 2018
Discount Rate	8.00%	7.63%
Future Salary Increases	7.50%	7.00% p.a.
Retirement Age	60 Years IALM (2012-14)	60 Years IALM (2006-08)
Mortality Rate	Ultimate	Ultimate
Method	Projected Unit Credit Method	Projected Unit Credit Method
b) Changes in Present Value of Obligation		
Particulars	March 31, 2019	March 31, 2018
a) Present Value of obligation at the beginning of the year	94	89
b) Interest Cost	7	6
c) Past Service Cost	-	-
d) Current Service Cost	8	7
e) Benefits Paid	(10)	(11)
f) Actuarial (gain) / loss on Obligation	6	3
g) Present Value of obligation at the end of the year	104	94
c) Changes in fair value of plan Assets		
Particulars	March 31, 2019	March 31, 2018
a) Fair value of plan assets at the beginning of the year	92*	75
b) Expected Return	7	6
c) Past Service Cost	-	-
d) Contributions		16
e) Benefits Paid	(10)	(11)
f) Actuarial gain / (Loss) on Plan Assets	(1)	1
g) Fair value of plan assets at the end of the year	88	87
h) Funded Status	(16)	(7)
* Includes interest on fund balance not recognised earlier - Rs. 5 lakhs		

d) Actuarial gain/loss recognized		
Particulars	March 31, 2019	March 31, 2018
a) Actuarial (gain) / loss for the year - Obligation	6	3
b) Actuarial (gain) / loss for the year - Plan Assets	(1)	1
c) Actuarial (gain) / loss recognized in the year	6	2
e) Amounts to be recognized in the Balance Sheet:		
Particulars	March 31, 2019	March 31, 2018
a) Present Value of obligation at the end of the year	104	94
b) Fair value of plan assets at the end of the year	88	87
c) Funded Status	(16)	(7)
d) Net liability recognized in the Balance Sheet	16	7
f) Expenses recognized in the Statement of Profit & Loss:		
Particulars	March 31, 2019	March 31, 2018
a) Current Service Cost	8	7
b) Past Service Cost	-	-
c) Interest Cost	7	6
d) Return on plan assets	(7)	(6)
e) Net Actuarial (gain) / loss recognized in the year	6	2
f) Interest on Fund Balance not recognised earlier	(5)	
g) Expenses/(Income) recognized in the Statement of Profit & Loss	9	9
g) Investment Details of Plan Assets		
	Rs. In Lakhs	
Particulars	March 31, 2019	March 31, 2018
Assets managed by insurance scheme (100%)	88	87
h) Balance Sheet Reconciliation		
	Rs. In Lakhs	
Particulars	March 31, 2019	March 31, 2018
Opening Net Liability	(7)	(14)
Expenses as above	9	9
Employers Contribution	-	16
Amount Recognised in Balance sheet	(16)	(7)

Amount Recognised in current year and previous four years	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Defined Benefit Obligation	104	94	89	76	65
Plan Assets	88	87	75	72	55
(Surplus)/Deficit	16	7	4	4	10
Experience adjustments on plan liabilities Loss/ (Gain)	4	6	(8)	(1)	2
Experience adjustments on plan Assets (Loss)/Gain	(1)	1	(1)	(1)	2

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, 2019	March 31, 2018
Privileged Leave	38	36

Notes:

The Company expects to contribute Rs. 16 Lakhs to Gratuity fund in 2019-20.

30 Earnings Per Share:		Rs. In Lakhs	
		March 31, 2019	March 31, 2018
Net Profit / (Loss) after Tax		535	(324)
Less: Dividend		-	-
Profit /(Loss) available to Equity Shareholders	(A)	535	(324)
Adjusted Net Profit/(Loss) for Diluted Earnings Per Share	(B)	535	(324)
Weighted average number of Equity Shares outstanding during the year	(C)	159,885,365	159,885,365
Weighted average number of Diluted Equity Shares outstanding during the year (D)	(D)	159,885,365	15,98,85,365
Nominal Value of Equity Shares (Rs.)		10	10
Basic Earnings Per Share (Rs.)		(A) / (C)	(0.20)
Diluted Earnings Per Share (Rs.)		(B) / (D)	(0.20)

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*)

Particulars	Rs. in Lakhs			
	Unallocated	Domestic	International*	Total
Revenues from External Customers	-	9,670	770	10,440
(Previous Year)	-	(8,739)	(710)	(9,449)
Other Income	339	1,479	69	1,887
(Previous Year)	(139)	(424)	(74)	(637)
Segmental Expenses	10,841	66	473	11,380
(Previous Year)	(9,322)	(130)	(426)	(9,878)
Segmental Results	(10,501)	11,083	366	948
(Previous Year)	(-9,183)	(9,033)	(357)	(208)
Segment assets	16,115	131,574	6,714	154,403
(Previous Year)	(12,393)	(119,675)	(8,696)	(140,764)
Segment liabilities	89,874	25,180	6,755	121,809
(Previous Year)	(70,610)	(26,028)	(12,069)	(108,707)
Addition made to Fixed Assets				
Tangible	11	-	-	11
(Previous Year)	(47)	-	-	(47)
Intangible	12			12
(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, 2019 are as follows:

	Currency	Currency	Amount
		in Lakhs	Rs. in Lakhs
(a) Assets (Receivables)			
	USD	77	5,321
		(100)	(6,506)
	EUR	7	579
		(15)	(1,186)
	GBP	9	814
		(11)	(1,005)

(b) Liability (Payables)			
	USD	0	8
		(0)	(11)
	EUR	0	0
		(0)	(0)
	GBP	0	0
		(0)	(0)
(c) Loans Payable			
	USD	77	5,336
		(101)	(6,588)
	EUR	7	576
		(15)	(1,177)
	GBP	9	807
		(11)	(989)

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
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. Tushar Buch (upto 30th June, 2018)

MD & CEO

Mr. M N Aravind Kumar (w.e.f. 1st July, 2018)

MD & CEO

Mr. Pankaj Gupta

SVP & CF&RO

Ms. Amita Joshi

Company Secretary

c. Enterprises over which Key Management Personnel (KMP) & his relatives can exercise significant influence

Mr. Tushar Buch (upto 30th June, 2018)

Factors Association of India

Mr. M N Aravind Kumar (w.e.f. 1st July, 2018)

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	EXPENSES					
	Remuneration to MD and CEO	-			47	47
	Previous Year				(51)	(51)
	Remuneration to SVP & CF&RO	-			46	46
	Previous Year				(50)	(50)
	Remuneration to Company Secretary				20	20
	Previous Year				(19)	(19)
	Salary (Including Perquisite) paid to Deputed Staff**	391	-	-	-	391
	Previous Year	(312)				(312)
	Other Receiving of Services/ Reimbursement of Expenses	1,299	14	-	-	1,313
	Previous Year	(823)	(26)			(849)
	Interest on Financial assets sold	66				66
	Previous Year					
	Total - Current Year	1,691	14	-	113	1,817
	Total - Previous Year	(1,134)	(26)	-	(120)	(1,281)
2. INCOME						
	Rendering of Services/ Reimbursement of Expenses				-	-
	Previous Year	(0)	(3)		(0)	(3)
	Rental Income	2				2
	Previous Year	(5)				(5)
	Dividend on Preference / Equity Shares / Mutual fund					-
	Previous Year					
	Profit on sale of Units of Mutual fund	-	26	-	-	26
	Previous Year		(19)			(19)
	Total - Current Year	2	26	-	-	29
	Total - Previous Year	(5)	(22)	-	(0)	(27)
3. SHARE CAPITAL						
	Equity Share Capital	13,779				13,779
	Previous Year	(13,779)				(13,779)
	Share Premium	16,437				16,437
	Previous Year	(16,437)				(16,437)
	Total - Current Year	30,216	-	-	-	30,216
	Total - Previous Year	(30,216)	-	-	-	(30,216)

4. ASSETS						
	Amounts Receivable / Advance	1	4	-		5
	Previous Year	(1)	(3)			(4)
	Bank Balances	3,407	-	-	-	3,407
	Previous Year	(1,040)				(1,040)
	Unexpired Amount of CP	-				-
	Previous Year	-				-
	Security Deposit				5.00	5
	Previous Year				(15)	(15)
	Total - Current Year	3,408	4	-	5	3,417
	Total - Previous Year	(1,041)	(3)	-	(15)	(1,059)
5. INVESTMENTS :						
	Investments in Equity shares		0			0
	Previous Year		(0)			(0)
	Debentures	-	-	-	-	-
	Previous Year	(0)				-
	Unsecured Loans	30,720	-	-	-	30,720
	Previous Year	(56,012)				(56,012)
	Salary Payable / Amounts Payable / Interest Payable	170	-	-	5	175
	Previous Year	(104)	-	-	(6)	(110)
	Total - Current Year	30,889	-	-	5	30,895
	Total - Previous Year	(56,116)	-	-	(6)	(56,122)
6. TRANSACTIONS						
	Purchase of Shares (Transfer of shares from of Subsidiary Company)	-	-	-	-	-
	Previous Year	(0)				(0)
	Purchase of Fixed Assets	-	-	-	-	-
	Previous Year	(0)	-	-	-	(0)
	Sale of Fixed Assets	-	-	-	-	-
	Previous Year	(5)	-	-	-	(5)
	Commercial Papers Taken	-	-	-	-	-
	Previous Year	(39,541)				(39,541)
	Commercial Papers Repaid	-	-	-	-	-
	Previous Year	(44,000)				(44,000)
	Loan Taken	241,943	-	-	-	241,943
	Previous Year	(134,047)				(134,047)
	Repayment of Loan	267,236	-	-	-	267,236
	Previous Year	(97,396)				(97,396)
	Investment in Schemes of Mutual Fund	-	86,500	-	-	86,500
	Previous Year	-	(74,550)	-	-	(74,550)
	Redemption of Schemes of Mutual Fund	-	87,526	-	-	87,526
	Previous Year	-	(73,569)	-	-	(73,569)
	Refund of Security Deposit				-	-
	Previous Year				(30)	(30)
Note :- Transactions above are inclusive of Goods and Services Tax, wherever applicable.						
** Includes amount paid towards Remuneration of CEO and SVP & CF & RO						

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

35 Auditors' Remuneration:		
	Rs. in Lakhs	
	March 31, 2019	March 31, 2018
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	0	0
TOTAL	18	18
36 Expenditure in Foreign Currency (On Accrual basis)		
	Rs. in Lakhs	
	March 31, 2019	March 31, 2018
Correspondent Fees	174	180
Travelling	-	-
Membership and Subscription	1	1
Interest on Short Term Loans	287	225
Others	14	12
TOTAL	476	418
37 Earnings in Foreign Currency:		
	Rs. in Lakhs	
	March 31, 2019	March 31, 2018
Income from Factoring :		
Interest	409	338
Factoring Charges	308	313
Processing Charges	53	59
Miscellaneous Income	2	2
TOTAL	772	712

38 Book value of Investments in Security Receipt						
Rs. in Lakhs						
Particulars	Backed by NPAs sold by the Company as underlying		Backed by NPAs sold by the other banks/FI/ NBFC as underlying		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
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

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

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, 2019		March 31, 2018	
	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	49,000	-	-	-
(f) Other Loans (specify nature)	-	-	-	-
- Cash Credit	3,855	-	9,371	-
- Working Capital Demand Loan	24,000	-	44,050	-
- Short Term Loan Facility	2,872	-	8,658	-
- Bank Overdraft	0	-	3,752	-

ASSETS SIDE :		Amount Outstanding	
		March 31, 2019 Rs. in Lakhs	March 31, 2018 Rs. in Lakhs
2	Break-up of Loans and Advances including bills receivables [other than those included in (3) below:] #		
	(a) Secured	-	-
	(b) Unsecured	617	416
	(Excludes Advance Payment of Tax)		
3	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities (net of provision)		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
# Debts Shown under Sundry Debtors have not been Considered			
4	Break-up of Investments :		
	Current Investments:		
	1 Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2 Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	1,000
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

Long Term investments :			
1. Quoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (please specify)		-	-
2 Unquoted :			
(i) Shares : (a) Equity		0	0
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (please specify)		-	-
Investment in Security Receipt (SR)		383	383

5 Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:				
Category	Amount net of provisions			
	Secured	Unse-cured	Total	
1 Related Parties				
(a) Subsidiaries				
(b) Companies in the same group				
(c) Other related parties	-	-	-	
2 Other than related parties		617	617	
(Previous Year)	-	416	416	
Total (Current year)	-	617	617	
Total (Previous year)	-	416	416	
6 Investor group-wise classification of all investments (current and long term) (both quoted and unquoted):				
Category	March 31, 2019		March 31, 2018	
	Market Value/ Break-up or fair value or NAV	Book value (net of provi- sions)	Market Value/ Break-up or fair value or NAV	Book value (net of provisions)
1 Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group *	-	0	-	0
(c) Other related parties	-	-	-	-
2 Other than related parties @	574	-	1,575	1,000
Total	575	-	1,575	1,000
* Disclosed as zero as amount is less than lakhs				
@ 100% Provision is held in books against Investment, therefore book value is zero				

7. Other Information		
Particulars	March 31, 2019 Rs. in Lakhs	March 31, 2018 Rs. in Lakhs
(i) Gross Non Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	28,133	27,393
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(B) Other than Related Parties	4,388	2,198
(iii) Assets acquired in satisfaction of debts	-	-
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		
IDBI Trusteeship Services Ltd Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001. Tel: 022 - 4080 7000 Fax: 022 - 6631 1776 / 4080 7080		
(ii)		
(a) Credit rating and change in credit rating (if any);	March 31, 2019	March 31, 2018
(b) Debt-Equity ratio;	3.63	3.14
(c) (i) Previous 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)	29.01.2019	29.01.2018
(d) (i) Next due date for the payment of Interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2019	25.08.2018
- 9.22% Tier II Bonds (10 Years)	29.07.2019	29.07.2018
(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
(e) Capital redemption reserve / Debenture redemption reserve;	NA	NA
(f) Net Worth;	32,593	32,058
(g) Net Profit After Tax;	535	(324)
(h) Earnings Per Share:	0.33	(0.20)

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:

A Capital to Risk (weighted) Assets Ratio			
Rs. In Lakhs			
Sr No.	Particulars	March 31, 2019	March 31, 2018
i.	CRAR (%)	24.82	29.56
ii	CRAR - Tier I Capital (%)	20.44	22.00
iii	CRAR - Tier II Capital (%)	4.38	7.55
iv	Amount of Subordinated debt as Tier II Capital (Rs in Lakhs)	5,000	8,000
v	Amount raised by issue of Perpetual Debt Instruments	-	-

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

B Investments			
Rs. In Lakhs			
Sr No.	Particulars	March 31, 2019	March 31, 2018
1	Value of Investments	-	-
i	Gross Value of Investments	-	-
	a) In India	383	1,383
	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	383	383
ii	Add: Provisions made during the year	-	-
iii	Less: Write-off / write-back of excess provisions during the year	-	-
iv	Closing balance	383	383

C Derivatives - Forward Contract

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

Rs. In Lakhs			
Sr No.	Particulars	March 31, 2019	March 31, 2018
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, 2019	March 31, 2018
(i)	No. of Accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC *	-	-
(iii)	Aggregate consideration @	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years.	-	-
(v)	Aggregate (gain) / loss over net book value	-	-

2 Details of Assignemnt transactions undertaken by NBFCS

Rs. In Lakhs			
Sr No.	Particulars	March 31, 2019	March 31, 2018
(i)	No. of Accounts	1	-
(ii)	Aggregate value (net of provisions) of accounts sold	7,249	-
(iii)	Aggregate consideration	7,249	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

Rs. In Lakhs			
Sr No.	Particulars	March 31, 2019	March 31, 2018
(i)	No. of Accounts	1	-
(ii)	Aggregate value (net of provisions) of accounts purchased	10,000	-
(iii)	Aggregate consideration	10,000	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

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

a. Details of Non-Performing Assets purchased			
Rs. In Lakhs			
Sr No.	Particulars	March 31, 2019	March 31, 2018
(i)	(a) No. of Accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructed during the year	-	-
	(b) Aggregate outstanding	-	-
b. Details of Non-Performing Financial Assets sold.			
Rs. In Lakhs			
Sr No.	Particulars	March 31, 2019	March 31, 2018
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate Consideration received	-	-

F Asset Liability Maturity Pattern of certain items of Assets and liabilities									
Rs. In Lakhs									
Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Deposits									
Advances									
- Domestic	53,772	23,790	22,247	31,382		-	-	-	131,192
- Foreign	2,774	2,756	1,133	200		-	-	-	6,864
Investments	-	-	-	-	-	383*	-	0	383
Borrowing									
- Bank Overdraft	0	-	-	-	-	-	-	-	0
- CC Facility \$	-	-	3,854	-	-	-	-	-	3,854
- Short Term Loan Facility #	2,866	-	-	-	-	-	-	-	2,866
- WCDL	24,000	-	-	-	-	-	-	-	24,000
Commercial Papers	-	30,000	19,000	-	-	-	-	-	49,000
Debentures	-	-	-	-	-	15,000	-	-	15,000
Interest on Debentures	-	-	-	419	-	-	-	-	419
Foreign Currency assets	-	-	-	-	-	-	-	-	-
- Bank Accounts	(150)	-	-	-	-	-	-	-	(150)
Foreign Currency liability									
- Import Factoring Commission	14	-	-	-	-	-	-	-	14
- Interest Payable on Loan	8	-	-	-	-	-	-	-	8
<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. 2,866 Lakhs Foreign Currency Loan maturing within one month</p>									

a) Exposure to Real Estate Sector *		
Category	Rs. In Lakhs	
	March 31, 2019	March 31, 2018
Direct Exposure		
(i) Residential Mortgages -		
(i) Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	2,794	2,798
(ii) Commercial Real Estate -		
(ii) Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	5,466	4,294
(iii) Investments in Mortgage Backed Securities (MBS)		
(iii) a. Residential		
(iii) b. Commercial Real Estate		
Total Exposure to Real Estate Sector @	8,259	7,092

* 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. 8,259 Lakhs (Previous Year 7,092 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

e. Unsecured Advances		
Type of Security	Rs. In Lakhs	
	March 31, 2019	March 31, 2018
Insured through overseas Import Factor	6,532	8,215
Secured by way of Assignment of Receivables and through Residual / Subservient Charge	35,337	56,644
Fully Unsecured	38,630	7,353
Total	80,499	72,212

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	28-Feb-18	27-Feb-19
ii)	ICRA	[ICRA]AAA (Stable)	15,980	Subordinate Debt Programme	28-Feb-18	27-Feb-19
iii)	ICRA	[ICRA]A1+	100,000	Short Term Fund Based Bank Lines	28-Feb-18	27-Feb-19
iv)	ICRA	[ICRA]A1+	200,000	Short Term Debt Programme (Commercial Paper)	28-Feb-18	27-Feb-19
v)	CRISIL	CRISIL A1+	100,000	Commercial Paper Programme	29-Dec-17	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
** The rating agency can review the rating once in previous 15 months
Note: The above rating are taken on the basis of the certification provided by the respective rating agencies

- e) **Prior Period Items - An amount of Rs. NIL (Previous Year NIL).**
f) **Revenue Recognition - There are no such significant uncertainties where Revenue Recognition is postponed.**
g) **Consolidated Financial Statements - Not Applicable**

IX Additional Disclosure		
a. 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, 2019	March 31, 2018
Provisions for depreciation on Investment	-	-
Provision towards NPA*	(1,451)	(323)
Provision made towards Income Tax	-	-
Other Provision and Contingencies (with details)	-	-
Provisions for Standard Assets	39	129

* Current Year: Net Provision Rs. (1,451) Lakhs Provision made during the year Rs. 2,324 Lakhs and written back Rs.(3,775) Lakhs

** Previous Year: Net Provision Rs. (323) Lakhs Provision made during the year Rs. 3,441 Lakhs and written back Rs.(3,764) Lakhs

b Draw Down from Reserves - Not Applicable		
c Concentration of Deposits, Advances, Exposures and NPAs		
i) Concentration of Deposits	Rs. In Lakhs	
	March 31, 2019	March 31, 2018
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-
ii) Concentration of Advances	Rs. In Lakhs	
	March 31, 2019	March 31, 2018
Total Advances of twenty largest borrowers	73,780	73,906
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	53.44	57.87
iii) Concentration of Exposures (i + ii)	Rs. In Lakhs	
	March 31, 2019	March 31, 2018
Total Exposure to twenty largest borrowers /customers	73,780	73,906
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of NBFC on borrowers / customers	53.44	57.87

iv) Concentration of NPAs	Rs. In Lakhs	
	March 31, 2019	March 31, 2018
Total Exposure to top four NPA Accounts	10,723	10,003

d) Sector-wise NPAs	Sector	Rs. In Lakhs	
		Percentage of NPAs to Total Advances in that sector	
		March 31, 2019	March 31, 2018
1	Agriculture & allied activities	-	-
2	MSME	25.19	22.55
3	Corporate Borrowers	4.15	19.22
4	Services	13.36	15.09
5	Unsecured Personal Loan	-	-
6	Auto Loans	-	-
7	Other personal Loans	-	-

e Movements of NPAs	Rs. In Lakhs	
Particulars	March 31, 2019	March 31, 2018
i Net NPAs to Net Advance (%)	3.84%	2.14%
ii Movement of NPAs (Gross)		
(a) Opening Balance	27,393	28,282
(b) Additions during the year	4,880	3,418
(c) Reductions during the year	4,140	4,307
(d) Closing balance	28,133	27,393
iii Movement of Net NPAs		
(a) Opening Balance	2,198	2,764
(b) Additions during the year	2,555	2,735
(c) Reductions during the year	366	3,301
(d) Closing balance	4,387	2,198
iv Movement of Provisions of NPAs (Excluding Provision on Standard Assets)		
(a) Opening Balance	25,195	25,518
(b) Provision made during the year	2,324	3,441
(c) Write off / write back of excess provisions	3,775	3,764
(d) Closing Balance	23,744	25,195
f) Overseas Asset (for those with joint ventures and subsidiaries abroad) - Not Applicable		
g) Off Balance Sheet SPVs sponsored - Not Applicable		
h) Disclosure of Complaints		
Customer Complaint	Rs. In Lakhs	
Particulars	March 31, 2019	March 31, 2018
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, 2019. The Company has during the year incurred expenditure relating to CSR activities amounting to Rs. 0.48 Lakh (Previous Year Rs. 0.42 Lakh) and the same is reflected in Note 22 under Operating, Administrative and Other Expenses.

45 Input Tax Credit under Goods and Services Tax

“The company is eligible to claim 50% of ITC only in view of specific provision of GST law. Therefore, 50% of ITC is always expensed off in books. Remaining 50% is allowed subject to confirmation by vendors on GST portal. Amount of ITC availed include 50% of ITC availed in FY 2017-18 and 2018-19 on the basis of documents but not yet reflected on GST portal. This ITC is subject to vendors confirmation on GST portal. Similarly, in case of locations registered as ISD under GST, 50% ITC is reversed as mandated by GST law. Total ITC taken in ISD also include ITC taken on the basis of documents and not yet updated by the vendors on GST portal

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

As per our report of even date	For and on behalf of the Board of Directors	
<p>For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C</p> <p>Chandra Prakash Kapoor Partner M.No. 071275 Place : Mumbai Date : 22-04-2019</p>	<p>Dinesh Kumar Khara Chairman DIN :- 06737041</p> <p>Pankaj Gupta Chief Financial & Risk Officer Place : Mumbai Date : 22-04-2019</p>	<p>M N Aravind Kumar Managing Director & CEO DIN :- 08165688</p> <p>Amita Joshi Company Secretary</p>

Balance Sheet

As at March 31, 2019

	(in US \$)	
	March 31, 2019 *	March 31, 2018 **
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	23,119,856	24,531,702
(b) Reserves and Surplus	24,010,612	24,655,095
	47,130,468	49,186,796
(2) Non-Current Liabilities		
(a) Long Term Borrowings	21,690,406	23,014,960
(b) Long Term Provisions	35,569,935	39,907,377
	57,260,340	62,922,337
(3) Current Liabilities		
(a) Short-Term Borrowings	115,276,795	100,904,162
(b) Other Current Liabilities	3,568,153	2,945,689
(c) Short-term provisions	34,277	20,562
	118,879,225	103,870,413
Total	223,270,034	215,979,546
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Asset		
Tangible Asset	1,106,956	1,232,882
Intangible Asset	12,104	82
Capital Work In Progress	-	9,636
(b) Non Current Investments	553,250	587,035
(c) Deferred Tax Assets (net)	10,286,988	11,546,876
(d) Long Term Loans and Advances	2,016,605	2,633,604
	13,975,903	16,010,115
(2) Current Assets		
(a) Current investments	-	1,534,331
(b) Debts Factored, Loans and Advances	199,631,813	195,949,206
(c) Cash and Cash Equivalents	5,708,617	2,180,191
(d) Short Term Loans and Advances	493,122	273,378
(e) Other Current Assets	3,460,579	32,326
	209,294,131	199,969,431
Total	223,270,034	215,979,546

* 1 US \$ = 69.155

** 1 US \$ = 65.175

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, 2019

(in US \$)		
	Year ended March 31, 2019*	Year ended March 31, 2018 **
Revenue from Operations	15,097,036	14,497,482
Other Income	2,728,995	976,471
Total Revenue	17,826,030	15,473,953
Expenses		
Employee Benefit Expense	1,338,178	1,287,226
Financial Costs	8,262,926	6,532,877
Depreciation and Amortization Expense	70,655	92,274
Operating, Administrative and Other Expenses	1,877,762	2,019,631
Bad Debts Written Off	4,850,956	5,025,542
Contingent Provision against Standard Assets	55,961	198,005
Total Expenses	16,456,439	15,155,556
Profit/(Loss) before Tax	1,369,592	318,397
Tax Expense:		
Current Tax	-	-
Deferred Tax	595,344	815,850
Profit / (Loss) after Tax	774,248	(497,453)
<p>* 1 US \$ = 69.155 ** 1 US \$ = 65.175</p> <p>Note : Previous year's figures have been regrouped / recast / reworked / rearranged / reclassified wherever necessary</p>		

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BANKERS

State Bank of India
Axis Bank
HDFC Bank
Standard Chartered Bank

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SBIGFL - DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited

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