SBIGFL

SBI Global Factors Ltd.

(A Subsidiary of State Bank of India)

Annual Report 2019 - 2020

Member

FCI

(Formerly Factors Chain International)

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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
Shri Vinay S Hedaoo	Director
Shri R.B. Kshirsagar	Director (Upto 31.07.2019)
Shri Vijay Prakash Srivastava	Director (w.e.f. 02.05.2020)
Shri Nitesh Ranjan	Director
Shri M N Aravind Kumar	Managing Director & CEO (Upto 30.06.2020)
Shri P. Hemant Kumar Pammi	Managing Director & CEO (w.e.f. 01.07.2020)

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

Shri Narayanan Raja
Independent Director

Shri Vinay S. Hedaoo
Director

Shri R. B. Kshirsagar
Director (Upto 31.07.2019)

Shri Vijay Prakash Srivastava
Director (w.e.f. 02.05.2020)

Shri Nitesh Ranjan
Director

Shri M. N. Aravind Kumar
Managing Director & CEO
(Upto 30.06.2020)

Shri P. Hemant Kumar Pammi
Managing Director & CEO
(w.e.f. 01.07.2020)

Directors' Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

Your Directors have pleasure in presenting the 19th Annual Report of SBI Global Factors Limited ('SBIGFL') along with the audited Balance Sheet as at March 31, 2020 and Profit & Loss Account for the year 2019-20.

FINANCIAL PERFORMANCE

(i) During the year, the Company continued to manage its operations on profitable lines despite the prevailing economic downturn and achieved an Operating Profit of Rs. 34.42 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	2018-2019	2019-2020	YOY % Growth
- Turnover (Revenue from Operations)*	104	117	11.98%
FIU**	1380	1321	-4.32%
Gross NPAs	281	206	-29.64%
Net NPAs	37	34	-7.85%
Operating Profit	29	34	19.22%
PBT	4	40	839.36%***
PAT	2	17	898.09%***
Recovery from Written-off A/cs	4	5	14.73%
*as per Companies Act, 2013, Revenue from Operations alone constitute turnover. However, as per Factoring Industry practice, turnover refers to turnover of all invoices lodged by clients. As per this definition turnover is as follows :			
Turnover (Invoices Booked/ Business Turnover) of the Company	4,387	4,394	0.16%

** Post sale of part of TReDs portfolio of Rs. 125.35 Crores (Previous Year Rs. 72.51 Crores) to SBI.

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

Note : The Company has migrated to IndAS method of Accounting from IGAAP from F.Y. 2019-20. Hence, previous year figures are also reported as per IndAS.

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, 2020, 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, 2020 is as high as 22.09% (As per Basel II norms) against 15% stipulated by the RBI.

THE COMPANIES ACT, 2013

As on March 31, 2020, 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 90% of the world's International factoring volumes.

HUMAN RESOURCES

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

During the year,

- Ms. Amita Joshi, Vice President & Company Secretary retired on superannuation as at close of business hours on November 30, 2019.

- Mr. Nandan Nimbkar, Manager was designated as the Company Secretary and Compliance Officer of the Company with effect from December 01, 2019, in place of Ms. Amita Joshi.

There are no cases filed in the Financial Year 2019 - 20, under the Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) for the Company.

As on 31st March, 2020, the staff strength of SBIGFL is 92, including 15 executives/ employees on deputation from SBI.

INFORMATION TECHNOLOGY

To give an impetus to our Factoring Business, Company was in talks with various Fin-tech companies who are in similar business field. Company has been tied up with one of them (Vayana Network) with 200+ supply chains and a robust cloud based technology platform. Company has developed an Application Program Interface (api) which allows software component of SBIGFL to communicate with the diverse software components of partnered Company. With this change, Company is able to exchange trade document, acceptance, funding and settlement details seamlessly. This integration of two softwares helped Company to become quicker and more productive.

Company intends to achieve more output with minimal infrastructure in terms of computer hardware. The data center is one key area where an organization has to spend significant amounts of capital to maintain operations. Hence to reduce infrastructure cost, complexity in operation and Cyber Security threats Company has decided to outsource facilities side of Data Center to C-edge Technologies Pvt. Ltd.

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 Bank Lines
ICRA	[ICRA]A1+	Rs. 1000 Crs.	Short Term Bank Lines
ICRA	[ICRA]A1+	Rs. 2000 Crs.	Short Term Debt Programme (Commercial Paper)
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 viz State Bank of India and HDFC Bank. It enjoys Foreign Currency Lines of Credit in USD, EURO, and Pound Sterling from SBI London at competitive Rates to fund its Export factoring business.

NPA MANAGEMENT

The Company had set target of bringing down the Gross NPA level to Rs.230 Cr by the end of the Financial Year 2019-20. To meet the challenging task, areas like recovery in the NPA accounts, up gradation of NPA accounts and arresting further slippage of assets to NPA category remained in focus throughout the year.

For recovery in NPA account, your Company focused on the legal actions especially under IBC -2006. In one account we were able to get a Resolution plan approved by NCLT for 100% of the claim amount of Rs 4.42 Cr. Part amount of Rs 1.62 Cr is recovered during this FY and balance payment is scheduled in the next FY. During the year, Company sold one NPA to NBFC under Swiss Challenge method for a consideration of Rs.7.55 Cr. There were also part recoveries in the OTS/Compromise Settlements approved to the clients. The total NPA recovery during the year was Rs.13.14 Cr including interest of Rs 0.47 Cr. In addition, an amount of Rs.66.71 Cr (including claim relinquished) was written off during the year.

Gross NPA at the end of March 2020 stood at Rs.206.38 Cr as against Rs. 281.33 Cr in the year 2018-19. Gross NPA percentage has come down to 15.63% as compared to 20.38% in previous year. Net NPA at the end of FY 2020 has also improved to Rs.34.Cr which is down from Rs 44.00 Cr as at the end of previous year. Net NPA to Net Advances has also lowered to 2.98% from 3.84% compared to previous year.

Close monitoring of overdues by way of weekly review by senior officials helped in detecting and resolving the stress in the accounts at the initial stage. As a result, NPA slippages during the year were restricted to 3 accounts to the tune of Rs.4.43 Cr.

Recovery in AUCA was made through intensifying the legal actions which forced clients to come forward for settlement. During the year, Company could close 3 AUC Accounts under Compromise Settlement. Company recovered an amount of Rs.1.70 Cr by settlement of one of AUC Account through legal action. Under NCLT proceedings, the Company got its share of Rs.51.22 lakhs in one of AUC Accounts. Total AUCA recovery during the year stands at Rs 5.14 Cr.

There are many NPA and AUCA cases where there has been part recovery during the year and also there are cases where legal action is at concluding stages, the Company is expecting recovery in these accounts in FY 2021.

TRANSFER TO RESERVE

The Company has transferred Rs. 3.35 Crores (viz., 20% of Rs. 16.77 Crores) to Reserve Fund (created in accordance with provisions of Section 45IC of the Reserve Bank of India Act, 1934) in the Financial Year 2019-20, as the Company has made a profit of Rs. 16.77 Crores.

The Company has created an Impairment Reserve in accordance with circular no. 109/22.10.106/2019-20 of The Reserve Bank of India dated 13th March 2020 of Rs. 21.96

Crores (Rs. 13.41 Crores transferred from Surplus in Statement of Profit & Loss and balance of Rs. 8.54 Crores from General Reserve).

DIVIDEND

As a conservative measure, your Company do not propose payment of any Dividend to the Equity Shareholders for the Financial Year ended March 31, 2020.

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

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

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

MATERIAL CHANGES AND COMMITMENTS

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

MODIFICATION OF BORROWING POWERS

Equity Shareholders/ Members of the Company, at their 18th Annual General Meeting held on September 26, 2019, inter alia considered and approved revision in the Borrowing Powers of the Company from Rs. 55,00,00,00,000/- (Rupees Five Thousand Five Hundred Crores Only) to Rs. 30,00,00,00,000/- (Rupees Three Thousand Crores Only) by passing a Special Resolution in this regard pursuant to Section 179(3)(d) read with Section 180(1)(c), Section 180(2) and other applicable provisions of the Companies Act, 2013.

INTERNAL AUDIT AND LIMITED REVIEW OF QUARTERLY ACCOUNTS

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

DETAILS OF EMPLOYEES DRAWING SALARY ABOVE PRESCRIBED LIMITS

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

As on March 31, 2020, there are 92 employees in company (77 Direct Staff and 15 SBI deputees). The increment given to the direct staff including the Company Secretary (KMP) ranged from 5% to 10%.The percentage increase in the median remuneration of the employees in Financial Year

2019-20 is 5.27 %. 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"**. The copy of the same being placed on the website of the Company (web-link – www.sbiglobal.in).

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals and the intervening gap between the Meetings during the year 2019-20 was within the period prescribed under the Companies Act, 2013. The notice of the Board Meeting was given well in advance to all Directors.

Six Board Meetings and six Audit Committee Meetings were held during the Financial Year. The Board met on April 22, 2019, July 18, 2019, August 26, 2019, October 10, 2019, November 23, 2019, and January 15, 2020. The Audit Committee met on April 22, 2019, July 18, 2019, August 26, 2019, October 10, 2019, November 23, 2019, and January 15, 2020.

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 seven Directors including four Nominee Directors and three Independent Directors.

During the Financial Year ended on 31st March, 2020, Shri Ramesh Bansidhar Kshirsagar (formerly the General Manager (Credit Monitoring and Treasury), Bank of Maharashtra) (Director Identification Number (DIN) 07116343) ceased as the Nominee Director of Bank of Maharashtra with effect from the close of the business on July 31, 2019 (i.e. w.e.f. August 01, 2019).

The Board places on record, its deep appreciation for the contribution made by Shri Ramesh Bansidhar Kshirsagar to the deliberations of the Board of Directors.

Further, after the end of the Financial Year 2019-20:

(i) The Board of Directors of the Company, at its Meeting held on May 02, 2020, considered and appointed Shri Vijay Prakash Srivastava (Director Identification Number (DIN) 08239852) as the Nominee Director of Bank of Maharashtra, on the Board of the Company.

(ii) Shri M N Aravind Kumar (the General Manager, State Bank of India) (Director Identification Number (DIN) 08165688) (as nominated by State Bank of India) 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, 2020 (i.e. effective July 01, 2020),

(iii) Shri Prabhakar Hemant Kumar Pammi (the General Manager, State Bank of India) (Director Identification Number (DIN) 07969705) (as nominated by State Bank of India) is 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, 2020 (in place of Shri M N Aravind Kumar, the General Manager, State Bank of India, and formerly 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).

CHANGE IN KEY MANAGERIAL PERSONNEL (KMPs)

As duly considered and recommended by the Nomination and Remuneration Committee of the Board of Directors at its Meeting held on October 10, 2019 (prior to the Meeting of the Board of Directors), the Board, at its Meeting held on October 10, 2019, inter alia considered and appointed Shri Nandan Nimbkar (possessing the Membership Number ACS20170 of the Institute of Company Secretaries of India) as the Company Secretary & Compliance Officer and Key Managerial Personnel (KMP) of the Company with effect from December 01, 2019, pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in place of Ms. Amita Joshi, then Company Secretary & Compliance Officer and Key Managerial Personnel (KMP) of the Company (since retired on superannuation with effect from the close of the business on November 30, 2019).

Further, after the end of the Financial Year 2019-20, the Nomination and Remuneration Committee of the Board of Directors at its Meeting held on June 29, 2020 (prior to the Meeting of the Board of Directors), inter alia considered and appointed Shri Prabhakar Hemant Kumar Pammi (the General Manager, State Bank of India) (Director Identification Number (DIN) 07969705) (as nominated by State Bank of India) 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, 2020 (in place of Shri M N Aravind Kumar, the General Manager, State Bank of India, and formerly 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).

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 M/s. Vyas & Vyas, Chartered Accountants, the Statutory Auditors, M/s. S. Panse & Co. LLP (formerly S. Panse & Co.), Chartered Accountants, Internal Auditors and CS Shri Rajkumar R. Tiwari, Practising Company Secretary, in their Reports.

The comments of the Comptroller & and 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, 2020, the total outstanding of the Company's Tier II Bonds is at Rs. 150 Crores. The details of which are given in the below table:

Sr. No.	Particulars	Issue Date	Maturity Date	Rate	Amount (Rs. Cr)
1	Tier II Bond (NCD - Issue 8)	17-08-2010	25-08-2020	8.75%	50
2	Tier II Bond (NCD - Issue 9)	29-07-2011	29-07-2021	9.22%	100
				TOTAL	**150**

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 on March 31, 2020, as per BASEL II norms stands at 22.09%, 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, 2020, 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 three Members, all of which are Independent Directors.

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, 2020, 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, 2020.

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 19th Annual General Meeting of the Company.

The Statutory Auditors of the Company for the Financial Year 2020-21 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 Shri Rajkumar R. Tiwari, Practising Company Secretary, to conduct the Secretarial Audit for the Financial Year 2019-20 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 2019-20 on Financial Statements and Compliances is **annexed to the Report on Corporate Governance. (Annexure I)**

CODE OF CODUCT OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL

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

COMPLIANCE CERTIFICATE REGARDING CORPORATE GOVERNANCE

A Compliance Certificate regarding compliance of conditions of Corporate Governance from Shri 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	**Dinesh Kumar Khara**
Date : June 29, 2020	**Chairman**

ANNEXURE - A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020

[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	Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited). Address: Plot No. 85, Part B Cross Lane, MIDC, Andheri (East), Mumbai 400 093. Contact No.: +91 2266712011.

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		75.69 % (Rs. 1,44,73,64,809)
2	Non-Core Discounting		24.31% (Rs. 46,48,64,038)

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	Physi-cal	Total	% of Total Shares	Demat	Phys-ical	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 Individu-als	-	-	-	-	-	-	-	-	
b) Other Indi-viduals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any other…									
Sub-total (A) (2)									
Total Sharehold-ing of Promoter (A) = (A)(1)+(A)(2)	15,98,85,365	-	15,98,85,365	100%	15,98,85,365	-	15,98,85,365	100%	
B. Public Share-holding	-	-	-	-	-	-	-	-	
1. Institutions	-	-	-	-	-	-	-	-	
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks /FI	-	-	-	-	-	-	-	-	
c) Central Govt.	-	-	-	-	-	-	-	-	
d) Venture Capi-tal funds	-	-	-	-	-	-	-	-	
e) Insurance Companies	-	-	-	-	-	-	-	-	
f) FIIs	-	-	-	-	-	-	-	-	
g) Foreign Ven-ture 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	
1	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
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	
1	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	At the beginning of the year (i) Shri M.N. Arvind Kumar* (ii) Shri Dinesh Kumar Khara* (iii) Shri Pankaj Gupta*	(i) 01* (ii) 01* (iii) 01*	(i) Nil (ii) Nil (iii) Nil	(i) 01* (ii) 01* (iii) 01*	(i) Nil (ii) Nil (iii) 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 (iii) 0	(i) Nil (ii) Nil (iii) Nil	(i) Nil (ii) Nil (iii) Nil	(i) 0 (ii) 0 (ii) 0
4	At the end of the year (i) Shri M.N. Aravind Kumar* (ii) Shri Dinesh Kumar Khara* (iii)Shri Pankaj Gupta*	(i) 01* (ii) 01* (iii) 01*	(i) Nil (ii) Nil (iii) Nil	(i) 01* (ii) 01* (iii) 01*	(i) Nil (ii) Nil (iii) 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	-	9,40,93,72,473	-	9,40,93,72,473
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	4,25,56,504	-	4,25,56,504
Total (i+ii+iii)	**-**	**9,45,19,28,977**	**-**	**9,45,19,28,977**
Change in Indebtedness during the financial year				
Net Change	-	51,42,96,774	-	51,42,96,774
Indebtedness at the end of the financial year				
i) Principal Amount	-	8,89,47,74,575	-	8,89,47,74,575
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	4,28,57,628	-	4,28,57,628
Total (i+ii+iii)		**8,93,76,32,203**	**-**	**8,93,76,32,203**

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 M.N. Arvind Kumar, Managing Director & CEO	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	27,96,569.00	27,96,569.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,59,441.00	5,59,441.00
	(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
		Shri V.K. Gupta	Smt. Bharati Rao	Shri Narayanan Raja	
3	**Independent Directors**				
	Fees for attending Board & Committee Meetings	6,65,000	5,85,000	5,65,000	**18,15,000**
	Commission				
	Others, please specify				
	Total (1)	**6,65,000**	**5,85,000**	**5,65,000**	**18,15,000**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
4	**Other Non-Executive Directors**	**SIDBI (Nominee Director Vinay Hedaoo)**	**Bank of Maharashtra (Nominee Director R.B.Kshirsagar)**	**Union Bank of India (Nominee Director – Nitesh Ranjan)**	
	Fees for attending Board & Committee Meetings	3,45,000	65,000	3,00,000	**7,10,000**
	Commission				
	Others, please specify				
	Total (2)	**3,45,000**	**65,000**	**3,00,000**	**7,10,000**

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	-	16,47,996.82	25,92,244.30	42,40,241.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		3,99,835.00	3,99,835.00
	(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 TO THE DIRECTOR'S REPORT

FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis :

Sl.no.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value if any	Justification for entering into such contracts / arrangements / transactions	Date (s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)(h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Not Applicable							

2. Details of material contracts or arrangements or transactions at arm's length basis :

Sl.no.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value if any	Justification for entering into such contracts / arrangements / transactions	Date (s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)(h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Mr. M. N. Arvind Kumar - MD & CEO - Key Managerial Personnel (From 01st July, 2018)	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 (Till 30th November, 2019)	Key Managerial Personnel	Appointment by Board of Directors of SBI	Acting as Company Secretary	Appointed as Company Secretary by the Board of Directors.		Nil	
4	Mr. Nandan Nimbkar - Company Secretary - Key Managerial Personnel (From 01st December, 2019)	Key Managerial Personnel	Appointment by Board of Directors of SBI	Acting as Company Secretary	Appointed as Company Secretary by the Board of Directors.	W.E.F. 01/12/2019	Nil	
5	State Bank of India (SBI) - Holding Company	Banking Facility	Yearly & Renewed every year	Act as Principal banker of the company	Normal business purpose transactions		Nil	
6	State Bank of India (SBI) - Holding Company	Manpower Support (officer on Deputation)	Appointment by SBI	Group Company	On Deputation from SBI		Nil	
7	State Bank of India (SBI) - Holding Company	Sale of Financial assets		Group Company	Normal business purpose transactions	30/03/2019 29/06/2019 & 24/09/2019	Nil	
8	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	
9	SBI Life Insurance Company Ltd. (SBI LIFE) - Fellow Subsidiary (Non Banking)	Group Insurance for Directly recruited staff	Yearly & Renewed every year	Insurance policy for direct staff (Swarna Ganga Policy)	Insurance policy designed for employees of SBI Group of companies		Nil	
10	SBI General Life Insurance Ltd. - Fellow Subsidiary (Non Banking)	Car Insurancce	Yearly & Renewed every year	Insurance taken for company's car	Normal General insurance transaction		Nil	
11	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 Nitesh Ranjan - Nominee Director, Union Bank of India

2. Section 135(1) and 135(5) of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014) stipulates that every Company having
   - a Net Worth of Rupees Five Hundred Crore or more, or
   - a Turnover of Rupees One Thousand Crore or more or
   - a Net Profit of Rupees Five Crore or more

   during the immediately preceding Financial Year shall ensure that the Company spends, in every Financial Year, at least two per cent of the average Net Profits of the Company made during the three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility (CSR) Policy.

   The Company had made a Profit After Tax of Rs 5,35,43,095/- during the immediately preceding Financial Year (viz., 2018-19). Consequently, provisions of Section 135 of the Companies Act, 2013 are applicable on the Company pursuant to which the Company needs to spend in every Financial Year, at least two per cent of the average Net Profits of the company made during the three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy.

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

   Since the Company had incurred the Average Loss of Rs. 2,94,57,369.59 during the three immediately preceding Financial Years (Viz., 2018-19, 2017-18 and 2016-17) pursuant to Section 198 of the Companies Act, 2013, the Company had no profits during the said three immediately preceding Financial Years for expenditure on CSR Activity(ies) during the Financial Year 2019-20.

3. However, keeping in view the spirit of the relative provisions in the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee, at its Meeting held on March 03, 2020, considered and:
   (i) Approved spending an amount of upto Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand Only) on CSR activity(ies) by the Company for the Financial Year 2019-20, pursuant to Section 135(3)(b) read with Schedule VII of the Companies Act, 2013, and
   (ii) directed that the Company needs to explore the possibility to incur some expenditure on CSR activity(ies) during the Financial Year 2019-20 also.
4. Accordingly, as a good Corporate Governance practice, the Company had Incurred an expenditure of Rs. 1,47,482.30 (Rupees One Lakh Forty Seven Thousand Four Hundred Eighty Two and Paise Thirty Only) (including Tax) (i.e. Rs. 1,24,985/- (Rupees One Lakh Twenty Four Thousand Nine Hundred and Eighty Five Only) (net of Tax) as a part of the Corporate Social Responsibility ('CSR') Activity during the Financial Year 2019-20 (i.e. on March 18, 2020), towards the renovation of toilets of Navjivan Vidyamandir, Gandhi Nagar, Bandra (East), Mumbai -400051

For and on behalf of the Corporate Social Responsibility Committee

Managing Director & C.E.O.

ANNEXURE - D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2020
(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, 2020** 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, 2020 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 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 18th Annual General Meeting held on 26th September, 2019 have approved the following Special Resolution:

1) 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 2019-20 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.

2) Approval for Borrowings by the company in excess of the aggregate of the paid-up share capital and free reserves of the company, pursuant to section 179(3)(d) read with section 180 (l)(c), section 180(2) and any other applicable provisions of the Companies Act, 2013.

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

(i) Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.

(ii) Redemption / buy-back of securities

(iii) Merger / Amalgamation / reconstruction etc.

(v) Foreign technical collaborations.

Place: Mumbai
Date: 01st June, 2020

CS Rajkumar R. Tiwari
Practising Company Secretary
FCS No. 4227 C P No. 2400
UDIN: F004227B000305981

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 **31.03.2020** 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: 1st June, 2020

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 2019-20, the Board comprised of seven (7) members, which consisted of three (3) 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 2019 – 2020 and also other Directorships are as detailed in Table –I below :

Table I : Attendance Record of Directors at Board Meetings during 2019-20

Name and Designation of Director	Category of Director	No. of Board Meetings Attended	No. of Directorships in other companies (Excluding Foreign Company(ies))
Shri Dinesh Kumar Khara (Chairman)	(Nominee-SBI) Non-Executive	6	11*
Smt. Bharati Rao (Director)	(Independent) Non-Executive	5	07
Shri Vijay Kumar Gupta (Director)	(Independent) Non-Executive	6	01
Shri M N Aravind Kumar (Managing Director & C.E.O.)	(Nominee –SBI) Full time Executive	6	01
Shri Vinay S Hedaoo (Director)	(Nominee – SIDBI) Non-Executive	6	01
Shri Narayanan Raja (Director)	(Independent) Non- Executive	6	01
Shri Ramesh Bansidhar Kshirsagar (Director) (Upto July 31, 2019)	(Nominee – Bank of Maharashtra) Non-Executive	1	01
Shri Nitesh Ranjan (Director)	(Nominee – Union Bank of India) Non-Executive	4	01

*Excluding SBI and Foreign Companies

Meetings of the Board

During the Financial Year ended on 31st March, 2020, 6 (Six) Board Meetings were held on April 22, 2019, July 18, 2019, August 26, 2019, October 10, 2019, November 23, 2019 and January 15, 2020.

2. Audit Committee

At present, pursuant to the provisions of Section 177 of the Companies Act, 2013, Members of the Audit Committee as on March 31, 2020 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, 2020, the Audit Committee met 6 (six) times Viz., on 22/04/2019, 18/07/2019, 26/08/2019, 10/10/2019, 23/11/2019 and 15/01/2020.

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

Name of the Member	No. of Audit Committee Meetings attended
Shri Narayanan Raja (Chairman)	6
Shri Dinesh Kumar Khara	1
Smt. Bharati Rao	5
Shri Vijay Kumar Gupta	6

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.

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 Hedaoo (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, 2020, Shri Ramesh Bansidhar Kshirsagar (Director Identification Number (DIN) 07116343) ceased to be a Member of the Risk Management Committee of the Board of Directors consequent upon his cessation as a Nominee Director of Bank of Maharashtra on the Board of Directors of the Company with effect from the close of the business on July 31, 2019 (i.e. effective August 01, 2019).

As on March 31, 2020, the composition of the Risk Management Committee of the Board consisted of following Members :

1. Smt. Bharati Rao (Independent Director),
2. Shri Vijay Kumar Gupta (Independent Director), and
3. Shri Narayanan Raja (Independent Director).

During the Financial Year ended on March 31, 2020 the Risk Management Committee of the Board met 4 times Viz., on 22/04/2019, 18/07/2019, 10/10/2019 and 15/01/2020.

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

Name of the Member	No. of Risk Management Committee Meetings attended
Smt. Bharati Rao	4
Shri Vijay Kumar Gupta (w.e.f. 05/03/2019)	4
Shri Narayanan Raja	4
Shri R.B. Kshirsagar (upto 31.07.2019)	1

5. Nomination and Remuneration Committee of the Board :

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, 2020, the Nomination and Remuneration Committee of the Board met 2 times Viz., on 22/04/2019 and 10/10/2019.

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	**Nil**
Smt. Bharati Rao	**2**
Shri Vijay Kumar Gupta (w.e.f. 05/03/2019)	**2**
Shri Narayanan Raja	**2**

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

During the Financial Year ended on March 31, 2020,

(i) Shri Ramesh Bansidhar Kshirsagar (Director Identification Number (DIN) 07116343) ceased to be the Member of the Corporate Social Responsibility (CSR) Committee of the Board of Directors consequent upon his cessation as a Nominee Director of Bank of Maharashtra on the Board of Directors of the Company with effect from the close of the business on July 31, 2019 (i.e. effective August 01, 2019).

(ii) Shri Nitesh Ranjan, the Nominee Director of Union Bank of India on the Board of Directors of the Company (Director Identification Number (DIN) 08101030) was appointed as a Member of the Corporate Social Responsibility (CSR) Committee of the Board of Directors with effect from February 26, 2020.

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 Director of State Bank of India), and
(iii) Shri Nitesh Ranjan
(Nominee Director of Bank of Maharashtra)

During the Financial Year ended on March 31, 2020, the CSR Committee of the Board met 2 times Viz., on 22/04/2019 and 03/03/2020.

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

Name of the Member	No. of Corporate Social Responsibility (CSR) Committee Meetings attended
Shri Vijay Kumar Gupta (w.e.f. 05/03/2019)	2
Shri M N Aravind Kumar	2
Shri Nitesh Ranjan (w.e.f. 26/02/2020)	1

7. IT Strategy Committee

During the Financial Year ended on March 31, 2020, Smt. Rajashree Vasudeo Deshpande, Sr. Vice President – Business Development, Client Services & IT Functions of the Company, was appointed as a Member of the IT Strategy Committee with effect from July 18, 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. Smt. Rajashree Vasudeo Deshpande, Sr. Vice President – Business Development, Client Services and IT Functions
e. Shri Pankaj Gupta, SVP and Chief Financial & Risk Officer (also designated as the Chief Information Officer), and
f. Shri Kunal Rumade, Assistant Vice President (IT) (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
Sixteenth	2016-17	22/08/2017	04.30 p.m.	State Bank Bhavan, Corporate Centre, 10thFloor, '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, 10thFloor, 'Kalinga' Meeting Room, Madame Cama Road, Nariman Point, Mumbai – 400 021
Eighteenth	2018-19	26/09/2019	04.30 p.m.	State Bank Bhavan, Corporate Centre, 10thFloor, 'Hoysala' 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)
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
Eighteenth	(i) Appointment of Statutory Auditors for the Financial Year 2019-20, as directed by the Comptroller & Auditor General of India (C&AG) and payment of Fees/ Remuneration to them
	(ii) To consider and approve Borrowings by the Company in excess of the aggregate of the paid-up Share Capital and free Reserves of the Company, pursuant to Section 179(3)(d) read with Section 180(1)(c), Section 180(2) and any other applicable provisions of the Companies Act, 2013

Extraordinary General Meetings held during the Financial Year 2019-20 :

No Extraordinary General Meeting of Equity Shareholders/ Members of SBI Global Factors Limited was held during the Financial Year 2019-20.

9. General Shareholder Information:

Financial Year	April 01, 2019 to March 31, 2020
Registrar and Transfer Agents	Datamatics Financial Services Limited
Address for correspondence	6th 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 2019-20 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	**M N Aravind Kumar**
SVP and Chief Financial & Risk Officer	Managing Director & C.E.O.

Date : April 17, 2020

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, 2020** 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: 1st June, 2020

CS Rajkumar R. Tiwari
Practising Company Secretary
FCS No. 4227 C P No. 2400
UDIN: F004227B000305979

Management Discussion and Analysis

Global Economic Scenario

Due to Covid-19 pandemic, the macroeconomic and financial landscape has deteriorated. In 2020, the global economy is expected to plunge into the worst recession since the Great Depression, far worse than the Global Financial Crisis. The World Trade Organisation sees global merchandise trade contracting by as much as 13-32 per cent in 2020. Global financial markets remain volatile, and emerging market economies are grappling with capital outflows and volatile exchange rates. Crude oil prices remain in a state of flux, despite the agreement on production cuts by OPEC plus countries.

Macroeconomic Perspective

Domestic economic activity has been impacted severely by the 2 months lockdown. There is a collapse in demand beginning in March 2020 across both urban and rural segments. Electricity and petroleum products consumption – indicators of day to day demand – have plunged into steep declines. The double whammy in terms of losses of both demand and production has, in turn, taken its toll on fiscal revenues. Investment demand has been virtually halted by a decline of 36 per cent in the production of capital goods in March.

The biggest blow from COVID-19 has been to private consumption, which accounts for about 60 per cent of domestic demand. The production of consumer durables fell by 33 per cent in March 2020, accompanied by a 16 per cent decline in the output of non-durables. Similar indications are reflected in surveys of the fast moving consumer goods space. In the production sectors, industrial production shrank by close to 17 per cent in March 2020, with manufacturing activity down by 21 per cent. The output of core industries, which constitutes about 40 per cent of overall industrial production, contracted by 6.5 per cent.

Amidst this encircling gloom, agriculture and allied activities have provided a beacon of hope on the back of an increase of 3.7 per cent in foodgrains production to a new record. The combined impact of demand compression and supply disruption will depress economic activity in the first half of the year. Assuming that economic activity gets restored in a phased manner, especially in the second half of this year, and taking into consideration favourable base effects, it is expected that the combination of fiscal, monetary and administrative measures being currently undertaken would create conditions for a gradual revival in activity in the second half of 2020-21. Given all these uncertainties, GDP growth in 2020-21 is estimated to remain in negative territory, with some pick-up in growth impulses from H2: 2020-21 onwards.

In the external sector, the contraction in exports in March 2020 at (-) 34.6 per cent has turned out to be much more severe than during the global financial crisis. Barring iron ore, all exporting sectors showed a decline in outbound shipments. Merchandise imports also fell by 28.7 per cent in March across the board, barring transport equipment.

Financial Markets and Liquidity Conditions

As regards the status of banking operations since the nationwide lockdown was imposed by the Government of India from March 25, 2020, the RBI has taken a number of steps to ensure normal business functioning by the entire banking sector. As a result, the payment infrastructure is running seamlessly. Banks/FIs have been required to put in place business continuity plans to operate from their disaster recovery (DR) sites and/or to identify alternate locations for critical operations so that there is no disruption in customer services.

Surplus liquidity in the banking system has increased sharply in the wake of sustained government spending. As announced on March 27, the RBI undertook three auctions of targeted long term repo operations (TLTRO), injecting cumulatively ₹75,041 crore to ease liquidity constraints in the banking system and de-stress financial markets. Another TLTRO action of ₹25,000 cr was conducted on April 17, 2020. In response to these auctions, financial conditions have eased considerably, as reflected in the spreads on money and bond market instruments. The redemption pressures faced by mutual funds have moderated.

RBI has undertaken measures to target liquidity provision to sectors and entities which are experiencing liquidity constraints and/or hindrances to market access. Long term repo operations(LTROs) to ensure adequate liquidity at the longer end of the yield curve, exemptions from the cash reserve ratio for the equivalent of incremental credit disbursed by banks as loans in certain select areas/segments and targeted LTROs or TLTROs fall in this class of sector-specific measures. The disruptions caused by COVID-19 have, however, more severely impacted small and mid-sized corporates, including non-banking financial companies (NBFCs) and micro finance institutions (MFIs), in terms of access to liquidity.

RBI has provided special refinance facilities for a total amount of ₹50,000 crore to NABARD, SIDBI and NHB to enable them to meet sectoral credit needs. This comprises ₹25,000 crore to NABARD for refinancing regional rural banks (RRBs), cooperative banks and micro finance institutions (MFIs); ₹15,000 crore to SIDBI for on-lending/refinancing; and ₹10,000 crore to NHB for supporting housing finance companies (HFCs).

Regulatory Measures taken by RBI

Economic activity has come to a standstill during the period of the lockdown, with consequential lingering effects which have unambiguously affected the cash flows of households and businesses. RBI has permitted lending institutions (LIs) to grant a moratorium of six months on payment of current dues falling between March 1 and August 31, 2020. The lending institutions have been permitted to restore the margins for working capital to their original levels by March 31, 2021. The measures pertaining to reassessment of working capital cycle were extended up to March 31, 2021. In respect of all accounts for which lending institutions decide to grant moratorium or deferment, and which were standard as on March 1, 2020, the 90-day NPA norm shall exclude the moratorium period, i.e., there would an asset classification standstill for all such accounts from March 1, 2020 to August 31, 2020.

NBFCs, which are required to comply with Indian Accounting Standards (IndAS), would be guided by the guidelines duly approved by their boards and as per advisories of the Institute of Chartered Accountants of India (ICAI) in recognition of impairments.

Measures taken by SBI Global Factors Ltd to mitigate the impact of Covid-19

Following measures have been taken by the Company to mitigate the Impact on account of Covid-19 :

- In respect of 'Terms Loans' Board's approval is in place to grant a moratorium of upto 3 months on payment of all installments falling due between 1.3.2020 and 31.5.2020, in accordance with the RBI's notification dated 27.3.2020 titled 'Covid-19- Regulatory Package'.

- For Standard Assets, comprising Domestic/ Export/ Reverse Factoring Facilities and 'Factoring Unit' purchased on TReDS as of 1.3.2020, Board's approval obtained to grant on a case-to-case basis in respect of requests received upto 31.5.2020, extension / deferment upto maximum 3 months from the invoice due date in respect of invoices falling due for payment during 1.3.2020 till 31.5.2020

- Board's approval obtained for revision in the 'Prudential Norm for 'Sub-Standard Asset Classification' from "3 months" to "6 months" in respect of the 'Factoring Assets Portfolio' in terms of extant RBI Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016' dated 1.9.2016 (updated as of 17.2.2020).

- Entire Export Factoring Portfolio Backed by Import Factor's Credit Cover is under the FCI Framework. Client's request for extension of time for payment of the invoice by overseas debtors being examined on a case-to-case basis subject to receipt of the Import Factor's consent for the extended credit term.

- Extension of time for payment of the Bills Discounted Under LC granted only after receipt of Due Date Confirmation for the extended period from the LC Issuing Bank.

- Created Additional Provision @ 0.25% (amounting to Rs.1.21 Cr) on Standard Unsecured Assets pertaining to Domestic Factoring, Export Factoring and TReDS as on 31.3.2020.

Factoring-Future prospects and enablers required

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; setting up of Credit Guarantee Fund for Factoring, recognition of factoring as a necessary and complementary financial service to banking; and compulsory acceptance of assignment of receivables by Corporates, are some of the urgent issues which need attention.

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 2020, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS Financial Statements for the financial year ended 31st March 2020. These matters were addressed in the context of our audit of the standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

	Key Audit Matters	How our audit addressed the key audit matter
1.	**Transition to Ind AS accounting framework**	
	The company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018. For periods up to and including the year ended March 31, 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended March 31, 2020 together with the comparative financial information for the previous year ended March 31, 2019 and the transition date Balance Sheet as at April 1, 2018 have been prepared under Ind AS. The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India directions. In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.	• Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new frame work. • Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date. • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Tested the disclosures prescribed under Ind AS.
2.	**Impairment of financial assets (expected credit losses)**	
	Recognition and measurement of impairment of loans and advances involve significant management judgement. With the applicability of Ind AS 109 credit loss assessment is now based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.	Our audit procedure included: • Evaluation of the appropriateness of the impairment principles based on the requirements of Ind AS 109. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charges. • Testing of management review controls over measurement of impairment allowances and disclosures in financial statements. • We focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • Test of calculation of impairment allowance on sample basis for assessing the completeness, accuracy and relevance of data.

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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.

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

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

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

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

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

   v. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

   i. The Company has disclosed the impact of pending litigations as on 31st March, 2020 on its financial position in its standalone financial statements to the extent determinable/ ascertainable – Refer Note 27 to the standalone financial statements.

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

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

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

   In our opinion, the managerial remuneration for the year ended 31 March 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

Directions of C&AG

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

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 02-May-2020
Place: Mumbai

(SACHIN VYAS)
Partner
M. No. 419656
UDIN: 20419656AAAADI8110

ANNEXURE – A to the Independent Auditor's Report of even date on the Standalone Financial Statements of SBI GLOBAL FACTORS LTD for the period ended 31st March 2020

Statement on the matters specified in paragraphs 3 and 4 of Companies (Auditor's Report) Order, 2016

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

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

(b) The 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, the last physical verification of fixed assets was conducted on 31-Mar-2019 and no material descripancies were noticed on such verification.

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 still held in the erstwhile name of the Company.

Particulars	Gross Value (Amt in lakhs)	Net Value (Amt in lakhs)	Remarks
Office Premises in Mumbai	797.25	559.95	In the erstwhile name of Global Trade Finance Limited
Office Premises in Delhi	146.72	111.28	In the erstwhile name of Global Trade Finance Limited
Flat in Mumbai	47.83	35.39	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 2020 for a period of more than six months from the date they become payable.

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

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

viii. 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 Ind AS.

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.

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 02-May-2020
Place: Mumbai

(SACHIN VYAS)
Partner
M. No. 419656
UDIN: 20419656AAAADI8110

ANNEXURE – B to the Independent Auditor's Report of even date on the Standalone Financial Statements of SBI GLOBAL FACTORS LTD for the period ended 31st March 2020

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

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

We have audited the internal financial controls over financial reporting of SBI GLOBAL FACTORS LIMITED, ("the Company"), as of March 31, 2020 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 02-May-2020
Place: Mumbai

(SACHIN VYAS)
Partner
M. No. 419656
UDIN: 20419656AAAADI8110

Annexure "C" to the Independent Auditor's Report of even date on the Standalone Financial Statements of SBI GLOBAL FACTORS LTD for the period ended 31st March 2020

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

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

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

Date: 02-May-2020
Place: Mumbai

(SACHIN VYAS)
Partner
M. No. 419656
UDIN: 20419656AAAADH1377

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, 2020 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, 2020 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 2020, books of accounts and records of the Company as produced for our examination and according to the information and explanations given to us, we report that:

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

- The Company is entitled to continue to hold such certificate of registration in terms of its principal business criteria as on 31 March, 2020;

- 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 22 April 2019 for non-acceptance of any public deposits;

- The Company has not accepted any public deposits during the year ended 31 March 2020;

- 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 2020;

- The Statement of capital funds, risk assets/ exposures and risk asset ratio (NBS-7) has not been submitted to the Bank till the date of this report but can be submitted to the bank within extended period up to May 15, 2020. The Company has correctly arrived at Capital Adequacy Ratio (CRAR) which has been duly disclosed in the audited financial statements and such ratio is in compliance with the minimum CRAR ratio prescribed by the Bank.

- The Company is not a NBFC-MFI as defined in the Master Circular- Non-Banking Financial Company -- Micro Finance Institution ('NBFC-MFI') -- Directions, with reference to the business carried on by it during the year ended 31 March 2020.

Restriction on Use

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

For Vyas & Vyas
Chartered Accountants
FRN: 000590C

Date: 02-May-2020
Place: Mumbai

(SACHIN VYAS)
Partner
M. No. 419656
UDIN: 20419656AAAADH1377

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 2020

The preparation of financial statements of SBI Global Factors Limited for the year ended 31 March 2020 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 02 May 2020.

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 2020 under section 143(6)(a) of the Act.

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

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

Place : Mumbai
Date : 24.07.2020

Balance Sheet

As at March 31, 2020

					(₹ in Lakhs)
	Particulars	**Note No.**	**March 31, 2020**	**March 31, 2019**	**April 01, 2018**
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and cash equivalents	2	187	4,149	1,421
(b)	Derivative financial instruments		-	-	15
(c)	Loans	3	113,956	112,667	101,425
(d)	Investments	4	0	0	1,002
(e)	Other Financial assets	5	3,001	2,055	255
			117,144	**118,872**	**104,118**
(2)	**Non-financial Assets**				
(b)	Current tax assets (Net)	6	843	1,118	1,478
(c)	Deferred tax Assets (Net)	7	5,431	7,465	7,726
(d)	Property, Plant and Equipment	8	1,231	766	804
(e)	Capital Work in Progress		-	-	6
(f)	Other Intangible assets	8	11	9	0
(g)	Other non-financial assets	9	346	359	167
			7,863	**9,716**	**10,181**
	Total Assets		**125,007**	**128,588**	**114,299**
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Debt Securities	10	57,222	63,374	14,972
(b)	Borrowings (Other than Debt Securities)	11	31,726	30,720	65,764
(c)	Other financial liabilities	12	1,757	1,516	694
			90,705	**95,609**	**81,431**
2.	**Non-Financial Liabilities**				
(a)	Provisions	13	201	100	78
(b)	Other non-financial liabilities	14	855	1,111	1,189
			1,057	**1,210**	**1,267**
3.	**EQUITY**				
(a)	Equity Share capital	15	15,989	15,989	15,989
(b)	Other Equity	16	17,256	15,780	15,612
			33,245	**31,768**	**31,601**
	Total Liabilities and Equity		**125,007**	**128,588**	**114,299**

See accompanying notes to the financial statements

As per our report of even date

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

Sachin Vyas
Partner
M.No. 419656
Place : Mumbai
Date : 02nd May, 2020

For and on behalf of the Board of Directors

Dinesh Kumar Khara
Chairman
DIN :- 06737041

M N Aravind Kumar
Managing Director & CEO
DIN :- 08165688

Pankaj Gupta
Chief Financial & Risk Officer
Place : Mumbai
Date : 02nd May, 2020

Nandan Nimbkar
Company Secretary

Statement of Profit and Loss

For the Year Ended March 31, 2020

(₹ in Lakhs)

	Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
	Revenue from operations :			
(i)	Interest income	17	10,316	9,109
(ii)	Fees and commission income	18	344	313
(iii)	Sale of services	19	505	560
(iv)	Others	20	514	448
(v)	Reversal of provision	21	7,257	905
(1)	**Total revenue from operations**		**18,936**	**11,336**
(2)	**Other income**		186	434
(3)	**Total income**		**19,122**	**11,770**
	Expenses :			
(i)	Finance costs	22	6,182	5,706
(ii)	Fees and commission expense	23	140	174
(iii)	Net loss on fair value changes		-	9
(iv)	Net loss on derecognition of financial instruments under amortised cost category	24	6,672	3,355
(v)	Employee benefits expenses	25	963	925
(vi)	Depreciation, amortization and impairment		259	49
(vii)	Others expenses	26	879	1,123
(4)	**Total expenses**		**15,095**	**11,341**
(5)	Profit / (loss) before exceptional items and tax		4,028	429
(6)	Exceptional items		-	-
(7)	**Profit/(loss) before tax**		4,028	429
(8)	**Tax Expense:**	38		
	Current Tax / Tax for previous year		234	-
	Deferred Tax		2,117	261
(9)	Profit/(loss) for the period from continuing operations		**1,677**	**168**
(10)	Profit/(loss) from discontinued operations		-	-
(11)	Tax Expense of discontinued operations		-	-
(12)	Profit/(loss) from discontinued operations(After tax)		-	-
(13)	Profit/(loss) for the year		**1,677**	**168**
(14)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		(35)	(1)
	(ii) Income Tax relating to items that will not be re-classified to profit or loss		10	0
	Subtotal (A)		**(24)**	**(0)**
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		**(24)**	**(0)**
(15)	**Total Comprehensive Income for the year**		**1,652**	**168**
(16)	**Earnings per equity share (for continuing operations)**	29		
	Basic - Non Annualised (In Rs.)		1.05	0.11
	Diluted - Non Annualised (In Rs.)		1.05	0.11

See accompanying notes to the financial statements

As per our report of even date

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

Sachin Vyas
Partner
M.No. 419656
Place : Mumbai
Date : 02nd May, 2020

For and on behalf of the Board of Directors

Dinesh Kumar Khara
Chairman
DIN :- 06737041

M N Aravind Kumar
Managing Director & CEO
DIN :- 08165688

Pankaj Gupta
Chief Financial & Risk Officer
Place : Mumbai
Date : 02nd May, 2020

Nandan Nimbkar
Company Secretary

Statement of Changes in Equity for the Year Ended March 31, 2020

A. Equity Share Capital

₹ in Lakhs

As at 1st April, 2018	Movement during the Year	As at 31st March, 2019	Movement during the Year	As at 31st March, 2020
15,989	-	15,989	-	15,989

B. Other Equity

₹ in Lakhs

Particulars	Reserves & Surplus								
	Capital Redemption Reserve	Reserve Fund*	Securities Premium Reserve	General Reserve	Retained Earnings	Transition reserve	Impairment Reserve #	Other items of Other Comprehensive Income (Employee Benefit)	Total
Balance as at 1st April, 2018	**1,000**	**6,374**	**21,693**	**11,423**	**(24,421)**	**(457)**	**-**	**-**	**15,612**
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	107	-	-	(107)		-	-	-
Dividend	-	-	-	-		-	-	-	-
Profit for the year	-	-	-	-	168		-	(0)	168
Balance as at 31st March, 2019	**1,000**	**6,481**	**21,693**	**11,423**	**(24,360)**	**(457)**	**-**	**(0)**	**15,780**
Adjustment for Ind AS 116 (Lease)	-	-	-	-	(176)	(176)	-	-	(352)
Restated balance at the beginning of the reporting period	**1,000**	**6,481**	**21,693**	**11,423**	**(24,360)**	**(633)**	**-**	**(0)**	**15,604**
Transfer to Reserves u/s. 45-IC of RBI Act, 1934		335			(335)		-	-	-
Transfer to Impairment Reserve				(854)	(1,341)		2,196		-
Dividend	-	-	-	-		-	-	-	-
Profit for the year	-		-	-	1,677		-	(24)	1,652
Balance as at 31st March, 2020	**1,000**	**6,816**	**21,693**	**10,569**	**(24,360)**	**(633)**	**2,196**	**(25)**	**17,256**

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

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

See accompanying notes to the financial statements

As per our report of even date

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

Sachin Vyas
Partner
M.No. 419656
Place : Mumbai
Date : 02nd May, 2020

For and on behalf of the Board of Directors

Dinesh Kumar Khara
Chairman
DIN :- 06737041

M N Aravind Kumar
Managing Director & CEO
DIN :- 08165688

Pankaj Gupta
Chief Financial & Risk Officer
Place : Mumbai
Date : 02nd May, 2020

Nandan Nimbkar
Company Secretary

Cash Flow Statement

For the Year Ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020		March 31, 2019	
Cash Flow from Operating Activities:				
Net Profit before Tax		4,028		429
Adjustments for:				
Depreciation / Amortisation	259		49	
Interest Cost	1,942		2,727	
Discount on issue of Commercial Paper	4,092		2,814	
Amortisation of Forward Premium	-		33	
Sundry Balance Written Off	0		(0)	
Foreign Exchange (Gain)/Loss (Net)	2		8	
Fair Value Gain / (Loss) on MF	-		1	
(Profit) / Loss on Sale of Fixed Assets	0		(1)	
Liabilities no longer required Written Back	(5)		(9)	
Impairment of assets	(7,257)		(323)	
Bad Debts Written Off	6,672		3,275	
Provision for Leave Encashment	5		(3)	
Provision for Gratuity	46		9	
Profit on Sale of Current Investments	(82)		(66)	
OCI Impact	(35)		(1)	
		5,639		8,515
Operating profit before Working Capital changes		**9,666**		**8,943**
Increase / (Decrease) in Debt Securities	266		5,869	
Increase / (Decrease) in Borrowings (Other than Debt Securities)	3,401		400	
(Increase) / Decrease in Other Financial Liabilities	(703)		85	
Increase / (Decrease) in Provisions	51		6	
Increase / (Decrease) in Other Non Financial Liabilities	(251)		415	
(Increase)/Decrease in Other Non - Financial Assets	13		(21)	
(Increase)/Decrease in Other Financial Assets	(945)		24	
(Increase)/Decrease in Loans	(704)		(24,999)	
		1,126		(18,221)
Cash (used)/generated in and from Operating Activities		**10,793**		**(9,277)**
Direct Taxes paid (net)		41		29
Net Cash (used)/generated in and from Operating Activities (A)		**10,834**		**(9,248)**
Cash Flow from Investing Activities:				
Purchase of Fixed Assets		(30)		(53)
Sale of Fixed Assets		0		8
Purchase of Current Investments		(346,690)		(258,900)
Sale of Current Investments		346,772		257,966
Net cash from Investing Activities (B)		**52**		**(979)**
Cash Flow from Financing Activities:				
Interest Cost		(1,862)		(1,679)
Discount on issue of Commercial Paper		(4,090)		(2,344)
Premium on Forward Contract		-		(43)
Repayment of Loans		(119,809)		(63,330)
Loan Taken		117,413		94,352
Commercial Paper Repaid		(279,500)		(205,000)
Commercial Paper Taken		273,000		191,000
Net Cash generated from Financing Activities (C)		**(14,848)**		**12,956**
Net increase in Cash and Cash Equivalents (A + B + C)		**(3,963)**		**2,728**
Cash and Cash Equivalents as at March - 20 / March - 19				
Cash in Hand		1		1
Stamp in Hand		-		1
Cash & Bank Balances in Current Account with Banks		186		4,148
		187		**4,149**
Less: Cash and Cash Equivalents as at Mar-19/Mar-18		4,149		1,421
		(3,963)		**2,728**

Note : 1. Cash Flow Statement has been reported using the Indirect Method.
2. Previous Year figures have been regrouped / reclassified / rearranged wherever necessary.

See accompanying notes to the financial statements

As per our report of even date

For Vyas & Vyas
Chartered Accountants
Firm Registration No. 000590C
Sachin Vyas
Partner
M.No. 419656
Place: Mumbai,
Date : 02nd May, 2020

For and on behalf of the Board of Directors

Dinesh Kumar Khara
Chairman
DIN :- 06737041

M N Aravind Kumar
Managing Director & CEO
DIN :- 08165688

Pankaj Gupta
Chief Financial & Risk Officer
Place: Mumbai
Date: 02nd May, 2020

Nandan Nimbkar
Company Secretary

Note 1: Significant Accounting Policies

1.1: Corporate Information:

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

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

(A) Significant Accounting Policies:

i. Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards ("the Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

For all periods upto and including the financial year ended March 31, 2019, the Company had prepared its Financial Statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS Financial Statements of the Company. The date of transition to Ind AS is April 01, 2018. Refer note 1.4 below for the details of first-time adoption exemptions availed by the Company.

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

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

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended with effect from April 01, 2017. Accordingly, the Company has prepared these Financial Statements, which comprise the Balance Sheet as at March 31,2020, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the period ended March 31, 2020, and accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

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

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

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

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

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

iii. Revenue Recognition:

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

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

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

Rendering of Services

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

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

New Sanction

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

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

Facility Set-Up fees on enhancement or adhoc limits:
The facility set-up fee is charged and recognized as income, only when there is reasonable certainty of its receipt after execution of documents and at the time of first factoring under the enhanced jadhoc core limit.

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

iv. Functional currency

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The Company has accordingly assessed INR as its functional currency. The transactions in currencies other than the entity's functional currency for the month are recorded at the exchange rates prevailing on the previous month end rate. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the dates when fair value was determined. Non-monetary items measured at historic cost are not translated. In case of assets and liabilities covered by forward contracts, the forward premium is recognized over the life of the Contract and the difference between the year-end rate and rate on date of contract is recognized as exchange difference. Exchange difference arising on monetary items are recognised in the statement of profit and loss in the year in which they arise.

v. Borrowing Costs

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

vi. Employee Benefits

Retirement benefit costs and termination benefits

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

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

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

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

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

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

Short-term and other long-term employee benefits

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

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

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

vii. Taxes

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

Current Taxes

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

Deferred Taxes

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

Current and Deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they are relating to items that are recognized in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilitie net basis.

viii. Property, plant and equipment

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

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

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

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

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

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

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

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

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

Lease Accounting as per Ind AS 116

IND AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset value is low. As per this standard a lease liability is initially recognised and measured at an amount equal to present value of minimum lease payments during the lease term that are not yet paid.

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

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

ix. Intangible Assets and amortization thereof

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

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

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

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

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

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

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

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

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

xi. Provisions

Provisions involving substantial degree of estimation in measurement are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. lf the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

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

Onerous contracts

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

xii. Financial Instruments

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

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

A. Financial assets

a) Recognition and initial measurement

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

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

b) Classification of financial assets

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

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

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

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

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

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

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

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

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

c) **Business Model Test:**

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

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

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

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

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

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

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors.

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

e) Derecognition of financial assets

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

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

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

Modification of contractual cash flows

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

f) Impairment of financial assets

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

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

No ECL is recognized on equity investments.

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

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

Stage 1: 12-months ECL

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

Stage 2: Lifetime ECL- not credit impaired

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

Stage 3: Lifetime ECL- credit impaired

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

Determining the stage for impairment

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

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

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

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

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

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

Provision for impairment losses.
ECL are recognised using a provision for impairment losses in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECL is based on the three-stage approach as applied to ·financial assets at

amortised cost. The Company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

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

g) Effective interest method

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

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

h) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

Financial liabilities and equity instruments

1) Classification as debt or equity

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

2) Equity instruments

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

3) Financial liabilities

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

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.
  A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

4) Other financial liabilities:

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

5) Derecognition of financial liabilities:

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

xiii. Cash and Cash Equivalent:

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

xiv. Earnings Per Share:

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

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

xv. Statement of Cash Flow

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

xvi. Commitments

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

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

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

xvii. Segment Reporting

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

1.3 Key Estimates and Judgements:

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

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

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

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

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs 1 assumptions used.

ii. Fair Value Measurements

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

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

iii. Income Taxes

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

iv. Evaluation of Business Model

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

v. Provisions and Liabilities

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

1.4 First Time Adoption of IND AS

These financial statements, for the year ended March 31,2020, are the first financial statements, the Company has prepared in accordance with IND AS. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

The Company has prepared the opening Standalone Balance Sheet as per IND AS as of April 1, 2018 (the transition date) by -

- recognising all assets and liabilities whose recognition is required by IND AS,
- not recognising items of assets or liabilities which are not permitted by IND AS,

- by reclassifying items from previous GAAP to IND AS as required under IND AS, and
- applying IND AS in measurement of recognised assets and liabilities.

The accounting policies have been applied in preparing the financial statements for the year ended March 31, 2020, comparative information for the year ended March 31, 2019 and the transition Balance Sheet as at April 1,2018. For the purpose of transition to IND AS, the Company has followed the guidance prescribed in IND AS 101- First time adoption of Indian Accounting Standards, with April 1, 2018 as the Transition date. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including balance sheet as at April 1, 2018.

This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at April l, 2018 and the financial statements as at and for the year ended March 31, 2019.

i. Estimates

The estimates at April 1, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

- FVPTL / FVOCI - equity and debt instrument
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with IND AS reflect conditions at April1, 2018, the date of transition to IND AS and as of March 31, 2019.

ii. Fair value measurement of Financial Assets or Financial Liabilities

As per IND AS 101, the Company has not fair valued the financial assets and financial liabilities retrospectively and has measured the same prospectively.

iii. Classification and Measurement of Financial Assets

The Company has classified financial assets at fair value through profit and loss or amortised cost on the basis of the facts and circumstances that exist at the date of transition to IND AS

iv. Derecognition of Financial Assets and Financial Liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2018 (the transition date). As per IND AS 101 exemption, the Company has not re-assessed the securitization/ assignment transactions entered before the transition date and the same is continued to be derecognised.

v. Deemed cost for property, plant and equipment and intangible assets

The Company has chosen to continue with carrying value for all of its property, plant and equipment and intangible assets as recognised in its financial statements as of April l, 2018 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

Notes forming part of the Financial Statements as at March 31, 2020

NOTE 2

Cash and cash equivalents (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(i) Cash on hand	1	1	1
(ii) Balances with Banks (of the nature of cash and cash equivalents)	186	4,148	1,419
(iii) Stamp in hand	-	1	1
Total	**187**	**4,149**	**1,421**

NOTE 3

Loans - At Amortised Cost (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(A)			
(i) Loans			
- Factoring*	122,592	129,409	127,710
Others			
Gold Pool	9,487	8,637	-
Total - Gross (A)	**132,079**	**138,047**	**127,710**
Less: Impairment Loss Allowance (Expected Credit Loss)	(18,123)	(25,380)	(26,285)
Total - Net (A)	**113,956**	**112,667**	**101,425**
(B)			
(i) Secured by tangible assets	5,691	8,259	7,092
(ii) Secured by intangible assets	55,062	49,298	48,406
(iii) Unsecured	71,326	80,490	72,212
Total - Gross (B)	**132,079**	**138,047**	**127,710**
Less: Impairment Loss Allowance (Expected Credit Loss)	(18,123)	(25,380)	(26,285)
Total - Net (B)	**113,956**	**112,667**	**101,425**
(C)			
(i) Loans in India	132,079	138,047	127,710
Total - Gross (C) (i)	**132,079**	**138,047**	**127,710**
Less: Impairment Loss Allowance (Expected Credit Loss)	(18,123)	(25,380)	(26,285)
Total - Net (C) (i)	**113,956**	**112,667**	**101,425**
(ii) Loans outside India	-	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-	-
Total - Net (C) (ii)	-	-	-
Total (C) (i+ii)	**113,956**	**112,667**	**101,425**

* Factoring business has been reclassified from Other Receivables to Loans as per Schedule III Division III of Companies Act, 2013

NOTE 4

INVESTMENTS

(₹ in Lakhs)

Investments	March 31, 2020				March 31, 2019				April 01, 2018			
	Amor-tised cost	At Fair Value Through profit or loss	At Deemed Cost	Total	Amor-tised cost	At Fair Value Through profit or loss	At Deemed Cost	Total	Amor-tised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Mutual Funds		-		-		-		-		1,002		1,002
Equity Shares of SBI Foundation Fellow Subsidiary (1,000 Equity Shares @ Rs. 10/- each)		0		0		0		0		0		0
JMFARC - IRIS December 2016 - Trust (Security Receipt of JM Financial Asset Reconstruction Company Private Limited)		383		383		383		383		383		383
Total – Gross (A)		**383**		**383**		**383**		**383**		**1,384**		**1,384**
Impairment		(383)		(383)		(383)		(383)		(383)		(383)
Total - Net (A)		0		0		0		0		1,002		1,002
(i) Investments outside India		-		-		-		-		-		-
(ii) Investments in India		0		0		0		0		1,002		1,002
Total (B)		**0**		**0**		**0**		**0**		**1,002**		**1,002**

NOTE 5

Other Financial Assets (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Interest Accrued not Received	-	20	-
Security Deposits	248	262	251
Collection Receivable From Muthoot	2,739	1,339	-
Unamortised premium on Forward Contract	-	-	3
Other Receivable	14	435	-
Total	**3,001**	**2,055**	**255**

NOTE 6

Current Tax Assets (Net) (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Advance tax and tax deducted at source (Net of provision for tax)	843	1,118	1,478
Total	**843**	**1,118**	**1,478**

NOTE 7

Deferred Tax Assets (Net) (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Deferred Tax Asset	5,431	7,465	7,726
Total	**5,431**	**7,465**	**7,726**

Note 8 : Property Plant and Equipment And Intangible Assets

(₹ in Lakhs)

Description of Assets	Buildings	Right of use Building	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Tangibles Total	Intangibles Assets Software	Total assets
I. Gross Block									
Balance as at April 01, 2018	**740**	**-**	**48**	**7**	**6**	**2**	**804**	**0**	**804**
Additions	-	-	5	2	4	-	11	13	23
Other -Deductions/Adjustments	-	-	0	1	3	-	4	0	4
Balance as at March 31, 2019	**740**	**-**	**53**	**8**	**7**	**2**	**810**	**13**	**823**
Additions	-	697	4	12	5	2	720	8	727
Other -Deductions/Adjustments	-	-	2	2	-	-	4	-	4
Balance as at March 31, 2020	**740**	**697**	**55**	**18**	**12**	**5**	**1,526**	**20**	**1,547**
II. Accumulated depreciation and impairment									
Balance as at April 01, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation expense for the year	17	-	21	2	2	2	45	4	49
Other -Deductions/Adjustments	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**17**	**-**	**21**	**2**	**2**	**2**	**45**	**4**	**49**
Depreciation expense for the year	17	214	18	3	2	0	254	5	259
Other -Deductions/Adjustments	-	-	2	2	-	-	3	-	3
Balance as at March 31, 2020	**33**	**214**	**38**	**4**	**3**	**3**	**295**	**9**	**304**
Carrying Value As at March 31,2020	**707**	**483**	**17**	**14**	**8**	**2**	**1,231**	**11**	**1,242**
At March 31, 2019	723	-	32	6	5	(0)	766	9	774
At March 31, 2018	740	-	53	8	7	2	810	13	823

NOTE 9			
Other Non-Financial Assets			**(₹ in Lakhs)**
Particulars	**As at**		
	March 31, 2020	**March 31, 2019**	**April 01, 2018**
Indirect Tax Credit	109	101	78
Pre-paid expenses	60	77	53
Advance paid to CERSAI	0	0	1
Advance to employees	11	14	3
Others*	166	166	32
Total	**346**	**359**	**167**

*Rs 160 lakhs pertains to payment made to SBI for salary to deputed staff against which invoces are not received

NOTE 10			
Debt Securities - At Amortised Cost			**(₹ in Lakhs)**
Particulars	**As at**		
	March 31, 2020	**March 31, 2019**	**April 01, 2018**
(1) UNSECURED:			
Non Convertible Debentures - Listed*	14,988	14,979	14,972
(2) UNSECURED:			
Commercial Papers #	42,234	48,395	-
Total (A) (1+2)	**57,222**	**63,374**	**14,972**
Debt securities in India	57,222	63,374	14,972
Debt securities outside India	-	-	
Total (B)	**57,222**	**63,374**	**14,972**

* Includes issue expenses amortised as per EIR

Maturity Profile of Non-Convertible Debentures			**(₹ in Lakhs)**
Description	**Date of Maturity**	**Rate of Interest**	**As at March 31, 2020**
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2011-12 (Series - SBIGFL - 09) of Rs. 10 Lakhs each	July 29, 2021	9.22%	10,000
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2010-11 (Series - SBIGFL - 08) of Rs. 10 Lakhs each	August 25, 2020	8.75%	5,000
Adjustments on account of effective rate of interest			(12)
Total			**14,988**

Maturity Profile of Non-Convertible Debentures			**(₹ in Lakhs)**
Description	**Date of Maturity**	**Rate of Interest**	**As at March 31, 2019**
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2011-12 (Series - SBIGFL - 09) of Rs. 10 Lakhs each	July 29, 2021	9.22%	10,000
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2010-11 (Series - SBIGFL - 08) of Rs. 10 Lakhs each	August 25, 2020	8.75%	5,000
Adjustments on account of effective rate of interest			(21)
Total			**14,979**

Maturity Profile of Non-Convertible Debentures			(₹ in Lakhs)
Description	Date of Maturity	Rate of Interest	As at April, 01, 2018
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2011-12 (Series - SBIGFL - 09) of Rs. 10 Lakhs each	July 29, 2021	9.22%	10,000
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2010-11 (Series - SBIGFL - 08) of Rs. 10 Lakhs each	August 25, 2020	8.75%	5,000
Adjustments on account of effective rate of interest			(28)
Total			**14,972**

# The Details of Commercial Papers are as under			(₹ in Lakhs)
Particulars	Date of Maturity	Discounting Rate	As at March 31, 2020
HDFC Mutual Fund - CP	April 28, 2020	6.40%	9,000
HDFC Mutual Fund - CP	May 19, 2020	6.07%	10,000
HDFC Mutual Fund - CP	May 22, 2020	6.07%	5,500
Birla Mutual Fund - CP	April 24, 2020	6.50%	5,500
Birla Mutual Fund - CP	May 20, 2020	6.10%	5,000
Tata Mutual Fund - CP	April 27, 2020	6.50%	7,500
Adjustments on account of effective rate of interest			(266)
Total			**42,234**

			(₹ in Lakhs)
Particulars	Date of Maturity	Discounting Rate	As at March 31, 2019
HDFC Mutual Fund - CP	May 24, 2019	8.18%	7,000
HDFC Mutual Fund - CP	May 27, 2019	8.18%	7,000
HDFC Mutual Fund - CP	June 12, 2019	8.12%	4,000
HDFC Mutual Fund - CP	June 20, 2019	8.02%	8,000
HDFC Mutual Fund - CP	June 21, 2019	8.02%	7,000
Icici Prudential Money Market Fund - CP	May 02, 2019	7.95%	9,000
Icici Prudential Money Market Fund - CP	May 03, 2019	7.95%	7,000
Adjustments on account of effective rate of interest			(605)
Total			**48,395**

NOTE 11

Borrowings (Other than Debt Securities) - At Amortised Cost			(₹ in Lakhs)
Particulars	As at		
	March 31, 2020	March 31, 2019	April 01, 2018
UNSECURED			
(a) Term Loans			
(i) from Banks *		-	6,000
(b) Loans from Related Party #	31,726	30,720	56,012
(c) Bank overdraft	-	-	3,752
Total (A)	**31,726**	**30,720**	**65,764**
Borrowings in India	23,772	24,000	53,752
Borrowings outside India	7,954	6,720	12,012
Total (B)	**31,726**	**30,720**	**65,764**

* Includes Short term loan Facility from banks other than State Bank of India

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

			(₹ in Lakhs)
Description	**Date of Maturity**	**Rate of Interest**	**As at March 31, 2020**
Working Capital Demand Loan from SBI	April 07, 2020	7.65%	6,500
Working Capital Demand Loan from SBI	April 09, 2020	7.65%	10,000
Working Capital Demand Loan from SBI	April 13, 2020	7.65%	5,000
Bank Overdraft facility from SBI	-	8.75%	2,272
Foreign Currency Short Term Loan Facility from SBI			
USD 39.24 Lakhs	April 03, 2020	1 Month LIBOR plus 0.9%	2,969
Foreign Currency Cash Credit Loan			
(USD 42.95 lakhs ,GBP 7.57 lakhs, EUR 12.41 lakhs)	-	3 Month LIBOR plus 0.9%	4,985
Total			**31,726**

			(₹ in Lakhs)
Description	**Date of Maturity**	**Rate of Interest**	**As at March 31, 2019**
Working Capital Demand Loan from SBI	April 05, 2019	8.25%	8,000
Working Capital Demand Loan from SBI	April 04, 2019	8.25%	6,000
Working Capital Demand Loan from SBI	April 08, 2019	8.25%	5,000
Working Capital Demand Loan from SBI	April 08, 2019	8.25%	5,000
Foreign Currency Short Term Loan Facility from SBI			
USD 41.44 Lakhs	April 05, 2019	3 Months LIBOR plus 1%	2,866
Foreign Currency Cash Credit Loan			
(USD 35.73 lakhs ,GBP 8.92 lakhs, EUR 7.41 lakhs)	-	3 Months LIBOR plus 1.5%	3,854
Total			**30,720**

			(₹ in Lakhs)
Description	**Date of Maturity**	**Rate of Interest**	**As at April 01, 2018**
Short Term Loan Facility taken from HDFC Bank	April 27, 2018	9.00%	6,000
Bank Overdraft facility from Axis Bank	-	9.15%	3,752
Working Capital Demand Loan from SBI	April 06, 2018	7.95%	3,500
Working Capital Demand Loan from SBI	April 05, 2018	7.80%	6,000
Working Capital Demand Loan from SBI	April 06, 2018	7.80%	8,000
Working Capital Demand Loan from SBI	April 10, 2018	7.80%	4,000
Working Capital Demand Loan from SBI	April 09, 2018	7.80%	10,000
Working Capital Demand Loan from SBI	April 11, 2018	7.80%	10,000
Working Capital Demand Loan from SBI	April 10, 2018	7.80%	2,500
Foreign Currency Short Term Loan Facility from SBI			
USD 22.39	April 03, 2018	3 Months LIBOR plus 1%	1,459
USD 18.17	April 27, 2018	3 Months LIBOR plus 1%	1,184
Foreign Currency Cash Credit Loan			
(USD 110.52 lakhs; GBP 10.72 lakhs and EUR 14.56 lakhs)	-	3 Months LIBOR plus 1.5%	9,369
Total			**65,764**

NOTE 12			
Other Financial Liabilities :			**(₹ in Lakhs)**
Particulars	**As at**		
	March 31, 2020	**March 31, 2019**	**April 01, 2018**
(a) Interest accrued but not due;	429	426	486
(b) Oustanding Expenses	264	248	115
(c) Others (specify nature)			
Lease Liability	703	-	-
Book overdraft	-	202	-
Liability against collection of factoring receivables	362	641	94
Total	**1,757**	**1,516**	**694**

NOTE 13			
Provisions			**(₹ in Lakhs)**
Particulars	**As at**		
	March 31, 2020	**March 31, 2019**	**April 01, 2018**
(a) Provision for employee benefits; and	106	55	43
(b) Others			
Ex Gratia Payable	70	45	35
Provision for GST	26	-	-
Total	**201**	**100**	**78**

NOTE 14			
Other Non-financial liabilities			**(₹ in Lakhs)**
Particulars	**As at**		
	March 31, 2020	**March 31, 2019**	**April 01, 2018**
(a) Revenue received in advance;	825	1,075	1,149
(b) Others			
Statutory lliability	28	27	33
Liability for stale cheque	2	8	7
Total	**855**	**1,111**	**1,189**

NOTE 15

Equity (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(a) Authorised share capital:			
180,000,000 (Previous Year 180,000,000) Equity Shares of Rs.10 each	18,000	18,000	18,000
120,000,000 (Previous Year 120,000,000) Preference Shares of Rs.10 each	12,000	12,000	12,000
	30,000	**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	15,989
	15,989	**15,989**	**15,989**

a. Includes 15,625,000 shares issued on Right issue of capital in FY 2010-11

b. 13,77,86,585 (Previous Year 13,77,86,585) shares are held by the Holding Company, State Bank of India and its Nominees.

Disclosure with respect to Shareholding in excess of 5%

Name of the Equity Shareholder	% of Issued, Subscribed, and Paid up Equity Share Capital	No. of shares held as on 31.03.2020	No. of shares held as on 31.03.2019
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

Reconciliation of Shares (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Number of shares at the beginning	159,885,365	159,885,365	159,885,365
Number of shares at the end	159,885,365	159,885,365	159,885,365

Rights, Preferences and Ristrictions attached to Shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

NOTE 16			
Other Equity			**(₹ in Lakhs)**
Particulars	**As at**		
	March 31, 2020	**March 31, 2019**	**April 01, 2018**
Capital Redemption Reserves			
Opening Balance	1,000	1,000	1,000
Add: Transfer from Statement of Profit and Loss	-	-	-
Closing Balance	**1,000**	**1,000**	**1,000**
Securities Premium Account			
Opening Balance	21,693	21,693	21,693
Add: Additions during the year	-	-	-
Closing Balance	**21,693**	**21,693**	**21,693**
Reserve Fund *			
Opening Balance	6,481	6,374	6,374
Add: Transfer from Statement of Profit and Loss	335	107	
Closing Balance	**6,816**	**6,481**	**6,374**
Impairement Reserve #			
Opening Balance	-	-	-
Add: Transfer from Statement of Profit and Loss	1,341	-	-
Add: Transfer from General Reserve	854	-	-
Closing Balance	**2,196**	**-**	**-**
General Reserve****			
Opening Balance	11,423	11,423	11,423
Add: Transfer from contingency reserve	-	-	-
Less: Transfer to Impairement Reserve	854	-	-
Closing Balance	**10,569**	**11,423**	**11,423**
Surplus in the Statement of Profit and Loss			
Opening Balance	(24,817)	(24,878)	(24,097)
Ind AS 116 Impact on opening reserves as on 01.04.2019	(176)		
Add: Total Comprehensive Income for the year	1,652	168	(781)
	(23,341)	**(24,710)**	**(24,878)**
Less :-			
Transfer to Reserve Fund*	335	107	-
Transfer to Impairement Reserve	1,341	-	-
Closing Balance	(25,018)	(24,817)	(24,878)
Total	**17,256**	**15,780**	**15,612**
* Created in accordance with provision of section 45-IC of The Reserve Bank of India Act, 1934			
# Created in accordance with circular no. 109/22.10.106/2019-20 of The Reserve Bank of India dated 13th March 2020			
**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.			

NOTE 17

Interest Income (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount charges	10,316	9,109
Total	**10,316**	**9,109**

NOTE 18

Fees & Commission Income (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Processing Charges	344	313
Total	**344**	**313**

NOTE 19

Sale of Service (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Factoring Charges	505	560
Total	**505**	**560**

NOTE 20

Others (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Bad Debts Recovery in Written off Accounts	514	448
Total	**514**	**448**

NOTE 21

Reversal of provision on Financial Instruments (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loans	7,257	905
Total	**7,257**	**905**

NOTE 22		
Finance Cost		**(₹ in Lakhs)**
Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Interest Expenses on debts classified as amortised category		
Non-Convertible Redeemable Debentures	1,377	1,366
Short Term Loans (including Cash Credit & Overdraft)	402	1,302
Discount on Issue of Commercial Papers	4,092	2,816
Interest on Financial Asset Sold	95	66
Interest Expense on Lease Liability	68	-
Other Borrowing Costs		
Bank Charges	60	46
Credit Rating Fees and Other Charges	79	73
Other Finance Cost	9	5
Forward Premium	-	33
Total	**6,182**	**5,706**

Note 23		
Fees and Commission Expense		**(₹ in Lakhs)**
Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Import Factor Commission	140	174
Total	**140**	**174**

Note 24		
Net loss on derecognition of financial instruments under amortised cost category		**(₹ in Lakhs)**
Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Loss on Derecognition of Financial Instruments	6,672	3,355
Total	**6,672**	**3,355**

NOTE 25		
Employee Benefits Expenses		**(₹ in Lakhs)**
Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Salaries and Wages	881	857
Contribution to Provident and Other Funds	35	21
Staff Welfare Expenses	47	47
Total	**963**	**925**

NOTE 26		
Other Expenses		**(₹ in Lakhs)**
Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Rent, Rates and Taxes	24	364
Repairs and Maintenance - Building	23	22
Repairs and Maintenance - Others	123	133
Travelling and Conveyance	80	72
Directors Sitting Fees	25	19
Advertisement & Publicity Expenses	5	4
Communication expense	57	55
Printing and Stationery	11	10
Legal and Professional Charges	164	135
Auditor's fees and expenses	23	18
Electricity Expenses	53	51
Membership and subscription	10	11
Outsourcing Costs	51	53
Security Charges	17	19
Contribution towards CSR activites	1	0
Miscellaneous Expenses	213	158
Total	**879**	**1,123**

27	Contingent Liabilities :		
			₹ in Lakhs
	Particulars	**March 31, 2020**	**March 31, 2019**
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)	57	221
iii	Direct Tax matters - Income Tax	48	48
iv	Direct Tax matters - Tax Deducted at Source	0	0
		137	**301**

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

28 Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act).

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any, relating to the amount unpaid at the year end together with the interest paid/payable as required under the said Act have not been given.

		₹ in Lakhs
Particulars	**March 31, 2020**	**March 31, 2019**
a i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	Nil	Nil
a ii) Interest on a) (i) above	Nil	Nil
b i) Amount of Principal paid beyond the appointed Date	Nil	Nil
b ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	Nil	Nil
c) Amount of Interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the said Act	Nil	Nil
d) Amount of Interest accrued and due	Nil	Nil
e) Amount of further interest remaining due and payable Even in succeeding years	Nil	Nil

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

29 Earnings Per Share:			
		March 31, 2020	March 31, 2019
Net Profit attributable to ordinary equity holders (₹ in Lakhs)		1,677	168
Profit available to Equity Shareholders (₹ in Lakhs)	(A)	1,677	168
Adjusted Net Profit for Diluted Earnings Per Share (₹ in Lakhs)	(B)	1,677	168
Weighted average number of Equity Shares outstanding during the year	(C)	159,885,365	159,885,365
Weighted average number of Diluted Equity Shares outstanding during the year	(D)	159,885,365	15,98,85,365
Nominal Value of Equity Shares (Rs.)		10	10
Basic Earnings Per Share (Rs.)	(A) / (C)	1.05	0.11
Diluted Earnings Per Share (Rs.)	(B) / (D)	1.05	0.11

30 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, 2020 are as follows:			
		Currency	Amount
	Currency	₹ in Lakhs	₹ in Lakhs
(a) Assets (Receivables)			
	USD	82	6,205
		(77)	(5,321)
	EUR	12	1,028
		(7)	(579)
	GBP	8	718
		(9)	(814)
(b) Liability (Payables)			
	USD	0	3
		(0)	(8)
	EUR	0	0
		(0)	(0)
	GBP	0	0
		(0)	(0)
(c) Loans Payable			
	USD	82	6,218
		(77)	(5,336)
	EUR	12	1,027
		(7)	(576)
	GBP	8	708
		(9)	(807)
As the Company has Foreign Currency outstanding Receivables & Payables which offset each other, the net foreign currency exposure is minimal.			

31 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. M N Aravind Kumar (w.e.f. 1st July, 2018)	MD & CEO
Mr. Pankaj Gupta	SVP & CF&RO
Mrs. Amita Joshi (upto 30th Nov, 2019)	Company Secretary
Mr. Nandan Nimbkar (w.e.f. 1st Dec, 2019)	Company Secretary
c Enterprises over which Key Management Personnel (KMP) & his relatives can exercise significant influence	
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: **(₹ 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 *	-			-	-
	Previous Year				**(47)**	**(47)**
	Remuneration to SVP & CF&RO*	-			48	48
	Previous Year				(46)	(46)
	Remuneration to Company Secretary*				45	45
	Previous Year				(20)	(20)
	Salary (Including Perquisite) paid to Deputed Staff**	-	0	-	19	20
	Previous Year	(391)	-	-		(391)
	Other Receiving of Services/ Reimbursement of Expenses	-	-	-	-	-
	Previous Year	(1,299)	(14)	-	-	(1,313)
	Interest on Financial assets sold	520				520
	Previous Year	(66)				(66)
	Stamp Duty on sale of TREDS to SBI	95				95
	Previous Year	-				-
	Total - Current Year	615	0	-	113	727
	Total - Previous Year	(1,691)	(14)	-	(113)	(1,817)
2	**INCOME**					
	Rendering of Services/ Reimbursement of Expenses				-	-
	Previous Year	-	-		-	-
	Rental Income	-				-
	Previous Year	(2)				(2)
	Dividend on Preference / Equity Shares / Mutual fund					-
	Previous Year					-
	Profit on sale of Units of Mutual fund	-	-	-	-	-
	Previous Year		(26)			(26)
	Total - Current Year	-	-	-	-	-
	Total - Previous Year	(2)	(26)	-	-	(29)
3	**SHARE CAPITAL**					
	Equity Share Capital	-				-
	Previous Year	(13,779)				(13,779)
	Share Premium	13,779				13,779
	Previous Year	(16,437)				(16,437)
	Total - Current Year	**13,779**	**-**	**-**	**-**	**13,779**
	Total - Previous Year	**(30,216)**	**-**	**-**	**-**	**(30,216)**

4	**ASSETS**					
	Amounts Receivable / Advance	-	-	-		-
	Previous Year	(1)	(4)			(5)
	Bank Balances	1	11	-	-	12
	Previous Year	(3,407)				(3,407)
	Unexpired Amount of CP	24				24
	Previous Year	-				-
	Security Deposit				-	-
	Previous Year				(5)	(5)
	Total - Current Year	**24**	**11**	**-**	**-**	**36**
	Total - Previous Year	**(3,407)**	**(4)**	**-**	**(5)**	**(3,416)**
5	**INVESTMENTS :**					
	Investments in Equity shares		11			11
	Previous Year		(0)			(0)
6	**LIABILITY**					
	Unsecured Loans	-	-	-	-	-
	Previous Year	(30,720)				(30,720)
	Salary Payable / Amounts Payable / Interest Payable	-	-	-	-	-
	Previous Year	(170)	-	-	(5)	(175)
	Total - Current Year	**-**	**-**	**-**	**-**	**-**
	Total - Previous Year	**(30,889)**	**-**	**-**	**(5)**	**(30,895)**
6	**TRANSACTIONS**					
	Purchase of Shares (Transfer of shares from of Subsidiary Company	-	-	-	-	-
	Previous Year	-				-
	Purchase of Fixed Assets	-	-	-	-	-
	Previous Year	-	-	-	-	-
	Sale of Fixed Assets	-	-	-	-	-
	Previous Year	-	-	-	-	-
	Commercial Papers Taken	-	-	-	-	-
	Previous Year	-				-
	Commercial Papers Repaid	-	-	-	-	-
	Previous Year	-				-
	Loan Taken	-	-	-	-	-
	Previous Year	(241,943)				(241,943)
	Repayment of Loan	146,426	-	-	-	146,426
	Previous Year	(267,236)				(267,236)
	Investment in Schemes of Mutual Fund	147,692	-	-	-	147,692
	Previous Year	-	(86,500)	-	-	(86,500)
	Redemption of Schemes of Mutual Fund	-	6,000	-	-	6,000
	Previous Year	-	(87,526)	-	-	(87,526)
	Refund of Security Deposit				-	-
	Previous Year				-	-

Note :- Transactions above are inclusive of Goods and Services Tax, wherever applicable.

* Includes Ex-gratia amount of Rs. 2 Lakh paid in the current reporting Year out of provision created in FY 2018-19.

** Includes amount paid towards Remuneration and CEO and SVP & CF & RO

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

33 Auditors' Remuneration:

₹ in Lakhs

	March 31, 2020	March 31, 2019
For Statutory Audit	10	10
For Limited Review	5	3
For Tax Audit	3	2
For Other Services (Including certification)	4	3
For Out of pocket expenses	1	0
TOTAL	**23**	**18**

34 Expenditure in Foreign Currency (On Accrual basis)

₹ in Lakhs

	March 31, 2020	March 31, 2019
Correspondent Fees	140	174
Membership and Subscription	1	1
Interest on Short Term Loans	185	287
Others	11	14
TOTAL	**337**	**476**

35 Earnings in Foreign Currency:

₹ in Lakhs

	March 31, 2020	March 31, 2019
Income from Factoring :		
Interest	309	409
Factoring Charges	226	308
Processing Charges	54	53
Miscellanous Income	1	2
TOTAL	**589**	**772**

36 Book value of Investments in Security Receipt

₹ in Lakhs

Particulars	Backed by NPAs sold by the Company as underlying		Backed by NPAs sold by the other banks/FI/ NBFC as underlying		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
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

37 Investments in security receipts

₹ in Lakhs

	Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i	Book value of SRs 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**	**-**	**-**

38 Taxes on Income:		
Income Tax		
The components of income tax expense for the year ended 31st March 2020 and year ended 31st March 2019 are:		
		₹ in Lakhs
Particulars	**March 31, 2020**	**March 31, 2019**
Current Tax		
In respect of Current Year	-	-
In respect of prior years	234	
Deferred Tax		
In respect to of Current Year	2,117	261
Total Income Tax expense recognised in statement of profit and loss	**2,351**	**261**
OCI Section		
Remeasurement of the defined benefit liabilities	10	-
Income tax charges to OCI	10	-
Reconciliation of the total charge:		
A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2020 and year ended 31st March 2019 is as follows		
		₹ in Lakhs
Particulars	**March 31, 2020**	**March 31, 2019**
Accounting profit before tax	4,028	429
Income tax expense calculated at 29.12% (Previous Year 29.12%)	1,173	125
Adjustments in respect of current income tax of previous year	234	
Deferred tax assets on losses not recognised	934	136
Others	10	
Income tax expense recognised in statement of profit and loss	2,351	261

Movement in Deferred Tax (Assets) / Liabilities

				₹ in Lakhs
Particulars	**March 31, 2020**			
	(DTA) / DTL As at April 01, 2019	**Statement of Profit and Loss**	**OCI**	**(DTA) / DTL As at March 31, 2020**
Fixed Asset: temporary difference on account of Depreciation and Amortisation	70	7		78
Bonus Disallowed due to non-payment	(13)	(7)		(20)
Provision for Gratuity	(5)	(13)		(18)
Provision for Leave Encashment	(11)	(1)		(13)
Provision for Expenses	(1)	0		(1)
Provision for doubtful debts on Non Performing Investments	(111)	-		(111)
Impairement allowances of Financial Assets	(7,391)	2,113		(5,277)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(3)	-		(3)
Leases	(72)	8		(64)
Others - OCI		10	(10)	-
Total	**(7,538)**	**2,117**	**(10)**	**(5,431)**

				₹ in Lakhs
Particulars	**March 31, 2019**			
	(DTA) / DTL As at April 01, 2018	**Statement of Profit and Loss**	**OCI**	**(DTA) / DTL As at March 31, 2019**
Fixed Asset: temporary difference on account of Depreciation and Amortisation	63	7		70
Bonus Disallowed due to non-payment	(10)	(3)		(13)
Provision for Gratuity	(2)	(3)		(5)
Provision for Leave Encashment	(10)	(1)		(11)
Provision for Expenses	(1)	(0)		(1)
Provision for doubtful debts on Non Performing Investments	(111)	-		(111)
Impairement allowances of Financial Assets	(7,654)	264		(7,391)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate		(3)		(3)
Total	**(7,726)**	**261**		**(7,465)**

39 Retirement Benefit Plan

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

Defined Contribution Scheme

₹ in Lakhs

Description	March 31, 2020	March 31, 2019
Employer's Contribution to Provident Fund	11	11
Employer's Contribution to Pension Fund	12	10
Total	**24**	**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 employment benefits are:-

Acturial Assumptions	March 31, 2020	March 31, 2019
Discount Rate	6.80%	8.00%
Future Salary Increases	10.00%	7.50% p.a.
Retirement Age	60 Years	60 Years
Mortality Rate	IALM (2012-14) Ultimate Mortality Table	IALM (2012-14) Ultimate Mortality Table
Method	Projected Unit Credit Method	Projected Unit Credit Method

b) Changes in Present Value of Obligation

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
a) Present Value of obligation at the beginning of the year	104	94
b) Interest Cost	8	7
c) Past Service Cost	-	-
d) Current Service Cost	10	8
e) Benefits Paid	-	(10)
f) Actuarial (gain) / loss on Obligation	18	6
g) Present Value of obligation at the end of the year	141	104

c) Changes in Fair Value of Plan Assets

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
a) Fair value of plan assets at the beginning of the year	88	87
b) Expected Return	7	6
c) Past Service Cost	-	-
d) Contributions	-	-
e) Benefits Paid	-	(10)
f) Actuarial gain / (Loss) on Plan Assets	(16)	5
g) Fair value of plan assets at the end of the year	79	88
h) Funded Status	(63)	(16)

d) Acturial gain/loss recognized

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
a) Actuarial (gain) / loss for the year - Obligation	18	6
b) Actuarial (gain) / loss for the year - Plan Assets	(16)	5
c) Actuarial (gain) / loss recognized in the year	35	1

e) Amounts to be recognized in the Balance Sheet:

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
a) Present Value of obligation at the end of the year	141	104
b) Fair value of plan assets at the end of the year	79	88
c) Funded Status	(63)	(16)
d) Net liability recognized in the Balance Sheet	63	16

f) Expenses reognized in the Statement of Profit & Loss:

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
a) Current Service Cost	10	8
b) Past Service Cost	-	-
c) Interest Cost	8	7
d) Return on plan assets	(7)	(6)
e) Net Actuarial (gain) / loss recognized in the year	35	1
f) Interest on Fund Balance not recognised earler	-	-
g) Expenses/(Income) recognized in the Statement of Profit & Loss	46	9

g) Investment Details of Plan Assets

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
Assets managed by insurance scheme (100%)	79	88

h) Balance Sheet Reconciliation

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
Opening Net Liability	(16)	(7)
Expenses as above	46	9
Employers Contribution	-	-
Amount Recognised in Balance sheet	(63)	(16)

I) Amount Recognised in current year and previous two years			
	March 31, 2020	**March 31, 2019**	**March 31, 2018**
Defined Benefit Obligation	141	104	94
Plan Assets	79	88	87
(Surplus)/Deficit	63	16	7
Experience adjustments on plan liabilities Loss/ (Gain)	18	6	1
Experience adjustments on plan Assets (Loss)/Gain	(16)	5	(1)

J) Maturity Analysis of Projected Benefit Obligation: From the Fund		
	March 31, 2020	**March 31, 2019**
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	10	20
2nd Following Year	10	7
3rd Following Year	12	7
4th Following Year	10	9
5th Following Year	11	7
Sum of Years 6 To 10	71	47

K) Sensitivity analysis

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

	March 31, 2020		**March 31, 2019**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	131	154	97	112
Withdrawal Rate (1% movement)	140	143	105	104
Future salary growth (1% movement)	152	131	113	97

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, 2020	**March 31, 2019**
Privileged Leave	43	38

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

40. Maturity Analysis of Assets and Liabilities:

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

₹ in Lakhs

Particulars	March 31, 2020			March 31, 2019			April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial Assets									
Cash and Cash Equivalents	187	-	187	4,149	-	4,149	1,421	-	1,421
Derivative Financial Instruments	-	-	-	-	-	-	15	-	15
Loans	113,956	-	113,956	112,667	-	112,667	101,425	-	101,425
Investments	-	0	0	-	0	0	1,002	0	1,002
Other Financial Assets	2,739	262	3,001	1,358	697	2,055	-	255	255
Non-Financial Assets									
Current Tax Assets (Net)	-	843	843	-	1,118	1,118	-	1,478	1,478
Deferred Tax Assets (Net)	-	5,431	5,431	-	7,465	7,465	-	7,726	7,726
Property, Plant and Equipment		1,231	1,231	-	766	766	-	804	804
Capital Work in Progress	-	-	-	-	-	-	-	6	6
Other Intangible Assets	-	11	11	-	9	9	-	0	0
Other Non-Financial Assets	180	166	346	192	166	359	134	32	167
Total Assets	**117,062**	**7,944**	**125,007**	**118,367**	**10,221**	**128,588**	**103,997**	**10,302**	**114,299**
Liabilities									
Financial Liabilities									
Debt Securities	47,230	9,992	57,222	48,395	14,979	63,374	-	14,972	14,972
Borrowings (Other than Debt Securities)	31,726	-	31,726	30,720	-	30,720	65,764	-	65,764
Other Financial Liabilities	1,054	703	1,757	1,516	-	1,516	694	-	694
Non-Financial Liabilities			**-**			**-**			**-**
Provisions	-	201	201	-	100	100	-	78	78
Other Non-Financial Liabilities	855	-	855	1,111	-	1,111	1,189	-	1,189
Total Liabilities	**80,865**	**10,896**	**91,762**	**81,741**	**15,078**	**96,820**	**67,648**	**15,050**	**82,698**
Net			**33,245**			**31,768**			**31,601**

41 Capital

i Capital Management

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

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

Regulatory Capital	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Tier I Capital	25,547	24,217	23,822
Tier II Capital	2,000	5,000	8,000
Total Capital	**27,547**	**29,217**	**31,822**
Risk Weighted Assets	**124,724**	**122,034**	**110,204**
CRAR			
Tier I Capital (%)	20.48%	19.84%	21.62%
Tier II Capital (%)	1.60%	4.10%	7.26%

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

ii ICAAP Document & Stress Scenarios:

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

Likely stress scenarios which are built and discussed in ICAAP are

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

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

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

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

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

iii Categories of Financial Instruments:

(Rs. In Lakhs)

Particulars	**As at March 31, 2020**			
	Amortised cost	**At Fair Value Through profit or loss**	**At Deemed Cost**	**Total**
Financial Assets				
Cash and Cash Equivalents	187			187
Loans	113,956			113,956
Investments		0		0
Other Financial Assets	3,001			3,001
Total	**117,144**	**0**	**-**	**117,144**
Financial Liabilities				
Debt Securities	57,222			57,222
Borrowings (Other than Debt Securities)	31,726			31,726
Other Financial Liabilities	1,757			1,757
Total	**90,705**	**-**	**-**	**90,705**

Particulars	**As at March 31, 2019**			
	Amortised cost	**At Fair Value Through profit or loss**	**At Deemed Cost**	**Total**
Financial Assets				
Cash and Cash Equivalents	4,149			4,149
Loans	112,667			112,667
Investments		0		0
Other Financial Assets	2,055			2,055
Total	**118,872**	**0**	**-**	**118,872**
Financial Liabilities				
Debt Securities	63,374			63,374
Borrowings (Other than Debt Securities)	30,720			30,720
Other Financial Liabilities	1,516			1,516
Total	**95,609**	**-**	**-**	**95,609**

Particulars	As at April 1, 2018			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,421			1,421
Derivative Financial Instruments		15		15
Loans	101,425			101,425
Investments		1,002		1,002
Other Financial Assets	255			255
Total	**103,101**	**1,017**	**-**	**104,118**
Financial Liabilities				
Debt Securities	14,972			14,972
Borrowings (Other than Debt Securities)	65,764			65,764
Other Financial Liabilities	694			694
Total	**81,431**	**-**	**-**	**81,431**

42 Fair Value Measurement

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

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

Fair Value Hierarchy

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

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

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

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

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

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

				As at March 31, 2018
Particluars	**At FVTPL**			
	Level-1	**Level-2**	**Level-3**	**Total**
Investments	1,002	-	-	1,002

Fair value technique
Investment at fair value through profit and loss

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

Other Financial Assets and Liabilities

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

43 Financial Risk Management

1 Introduction

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

2 Risk Management Framework

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

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

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

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

- Credit Manual – Covering Client Risk, Country Risk, Concentration Risk, Counter Party Risk.
- Operations Manual – For conducting entire gamut of operations of factoring transactions in a systematic manner in accordance with the laid down procedures and instructions so as to prevent Fraudulent and Suspicious transactions.
- Asset Liability Management Policy manual – Liquidity Risk, Investment Manual – For Market (Interest Rate) Risk and Liquidity Risk and Foreign Exchange Operations manual.
- IT Policy and IT Security Policy and BCMS – for IT & IT Systems
- Accounting Policy manual – For Accounts
- HR Policy –Employee Risk
- Compliance Policy – Compliance Risk
- Fraud Risk Management Policy –Fraud Risk
- Risk Management Policy
- KRIs, RCSA Template, RCSA Manual, Loss Data Manual, KRI Manual & OR
- Policy on outsourcing of financial services for NBFC
- Sale of NPAs to ARC
- Cyber Security Manual
- Policy on Preservation of Documents

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

(i) The Board of Directors (BOD)

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

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

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

The role of the Committee is as follows-:

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

(b) Executive Committee of the Board (ECB)

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

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

(c) Audit Committee of the Board (ACB)

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

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

(a) Asset-Liability Committee (ALCO)

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

Composition

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

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

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

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

A) Credit Risk

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

Credit Mitigation measures

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

- **Client wise Exposure Limit:**

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

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

Debtors Exposure Limit:

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

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

Debtor Rating	Amount of Exposure (Rs. in crs)
A	40
B	30
C	10

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

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

B) Operational Risk

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

The operational risks relating to the specific business profile of the Company involve

i) Fraudulent Transactions
ii) Diversion of Funds
iii) Disruption of business

Operational Risk Mitigation measures

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

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

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

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

C) Market Risk

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

Interest Rate Risk

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

Market Risk Mitigation measures

The Majority of the Company's advances and Borrowings of the Company are short term in nature (upto 90 days). In case of any adverse movement in Interest Rate, the Company can easily pass on the increased cost of funds to the Clients.

Further, due to 100% backup lines of credit, in case of sharp increase in CP borrowing rates, Company can switch over to banks' lines of credit.

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

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

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

D) Liquidity Risk

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

The Liquidity Risk relating to the Company is inability to repay its borrowings from the market.
The Company has following sources of funds:
- Share Capital
- Reserves & Surplus
- Non Convertible Debentures
- Commercial Paper (1-90 days maturity)

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

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

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

E) Compliance Risk

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

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

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

Maturity Pattern Assets and liabilities as on 31st March 2020

Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Cash and cash equivalents	187	-	-	-	-	-	-	-	187
Loans	55,405	29,463	19,035	28,176	-	-	-	-	132,079
Investments*	-	-	-	-	-	383	-	0.10	383
Other Financial assets	2,739	-	-	-	-	262	-	-	3,001
Total	**58,330**	**29,463**	**19,035**	**28,176**	**-**	**645**	**-**	**0**	**135,650**
Debt Securities	21,901	20,333	-	4,997	-	9,992	-	-	57,222
Borrowings (other than Debt Securities)	26,741	-	4,985	-	-	-	-	-	31,726
Other Financials liabilities	628	-	-	426		703			1,757
Total	**49,270**	**20,333**	**4,985**	**5,422**	**-**	**10,695**	**-**	**-**	**90,705**

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

Maturity Pattern Assets and liabilities as on 31st March 2019

Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Cash and cash equivalents	4,149	-	-	-	-	-	-	-	4,149
Loans	56,537	26,546	23,381	31,583	-	-	-	-	138,047
Investments*	-	-	-	-	-	383	-	0	383
Other Financials assets	1,794	-	-	-	-	262	-	-	2,055
Total	**62,480**	**26,546**	**23,381**	**31,583**	**-**	**645**	**-**	**0**	**144,634**
Debt Securities	-	29,721	18,674	-	-	14,979	-	-	63,374
Borrowings (other than Debt Securities)	27,067	-	3,854	-	-	-	-	-	30,921
Subordinated Liabilities	-			-	-	-	-	-	-
Other Financials Liabilities	888	-	-	426	-		-	-	1,314
Total	**27,956**	**29,721**	**22,528**	**426**	**-**	**14,979**	**-**	**-**	**95,609**

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

Maturity Pattern Assets and liabilities as on 1st April 2018

Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Cash and cash equivalents	1,421	-	-	-	-	-	-	-	1,421
Bank Balance other than (a) above	-	-	-	-	-	-	-	-	-
Loans	52,126	30,757	22,625	21,976	226	-	-	-	127,710
Investments*	1,002	-	-	-	-	383	-	0	1,385
Other Financials assets	3					251			255
Total	**54,552**	**30,757**	**22,625**	**21,976**	**226**	**634**	**-**	**0**	**130,771**
Debt Securities	-	-	-	-	-	4,990	9,983	-	14,972
Borrowings (other than Debt Securities)	56,395	-	9,369	-	-	-	-	-	65,764
Subordinated Liabilities	-			-	-	-	-	-	-
Other Financials Liabilities	209	-	-	486	-		-	-	694
Total	**56,604**	**-**	**9,369**	**486**	**-**	**4,990**	**9,983**	**-**	**81,431**

* 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)

Segment Reporting

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

45 Leases

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

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

		₹ in Lakhs
	March 31, 2020	**April 1, 2019**
Right to use assets		
Buildings	483	627
Lease liabilities		
Lease liabilities	703	875

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

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

Depreciation charge of right-of-use assets		
Buildings	214	-
Interest expense (included in finance cost)	68	-
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	-	-
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	3	-
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)		-
The total cash outflow for leases during the year	314	-

46 Expected Credit Losses

Impairment Assessment

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

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

Definition of Default

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

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

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

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

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

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

For Domestic Factoring

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

For Export Factoring

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

The exposure is secured by the Payment Under Guarantee (PUG) cover given by the overseas Import factor. Therefore, additional 0.50 % provided towards future default seems adequate and thus total 1.00% of on the entire portfolio of Export factoring portfolio is provided.

Credit Quality Analysis – Classification on basis of risk pattern (Collective and Individual Basis)							
							₹in Lakhs
Particulars	**Stage 1**		**Stage 2**		**Stage 3**		**Total**
	Out-standing Loan	**Impair-ment Losses**	**Out-standing Loan**	**Impair-ment Losses**	**Out-standing Loan**	**Impair-ment Losses**	**Impair-ment Losses**
As at March 2020	105,509	870	5,933	42	20,638	17,211	18,123
As at March 2019	109,391	965	522	1	28,133	24,414	25,380
As at April 2018	95,497	596	4,819	4	27,393	25,685	26,285

Write off policy

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

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

47 First Time Adoption of IND AS

These financial statements, for the year ended March 31, 2020, are the first financial statements, the Company has prepared in accordance with IND AS. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

The Company has prepared the opening Standalone Balance Sheet as per IND AS as of April 1, 2018 (the transition date) by,

- recognising all assets and liabilities whose recognition is required by IND AS,
- not recognising items of assets or liabilities which are not permitted by IND AS,
- by reclassifying items from previous GAAP to IND AS as required under IND AS, and
- applying IND AS in measurement of recognised assets and liabilities.

The accounting policies have been applied in preparing the financial statements for the year ended March 31, 2020, comparative information for the year ended March 31, 2019 and the transition Balance Sheet as at April 1,2018. For the purpose of transition to IND AS, the Company has followed the guidance prescribed in IND AS 101- First time adoption of Indian Accounting Standards, with April 1, 2018 as the Transition date. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including balance sheet as at April 1, 2018.

This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at April 1, 2018 and the financial statements as at and for the year ended March 31, 2019.

i. Estimates

The estimates at April 1, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

- FVPTL / FVOCI - equity and debt instrument
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with IND AS reflect conditions at April 1,2018, the date of transition to IND AS and as of March 31, 2019.

ii Fair value measurement of Financial Assets or Financial Liabilities

As per IND AS 101, the Company has not fair valued the financial assets and financial liabilities retrospectively and has measured the same prospectively.

iii Classification and Measurement of Financial Assets

The Company has classified financial assets at fair value through profit or loss or amortised cost on the basis of the facts and circumstances that exist at the date of transition to IND AS

iv Impairment of Financial Assets

The Company has applied the impairment requirements of IND AS 109 retrospectively; however, as permitted by IND AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

v Derecognition of Financial Assets and Financial Liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2018 (the transition date). As per IND AS 101 exemption, the Company has not re-assessed the securitization/ assignment transactions entered before the transition date and the same is continued to be derecognised.

vi Deemed cost for property, plant and equipment and intangible assets

The Company has chosen to continue with carrying value for all of its property, plant and equipment and intangible assets as recognised in its financial statements as of April 1, 2018 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition .

Note 47
Equity Reconciliation

Balance Sheet **(Rs in Lakhs)**

	Particulars	As at March 31, 2019 (IGAAP)	Reconciliation	As at March 31, 2019 (IND AS)	As at March 31, 2018 (IGAAP)	Reconciliation	As at March 31, 2018 (IND AS)
	ASSETS						
(1)	**Financial Assets**						
(a)	Cash and cash equivalents	4,149	-	4,149	1,421	-	1,421
(b)	Derivative financial instruments	-		-	15	-	15
(c)	Loans	113,871	(1,204)	112,667	102,113	(688)	101,425
(d)	Investments	-	-	0	1,000	2	1,002
(e)	Other Financial assets	2,055	-	2,055	255		255
		120,076	**(1,204)**	**118,872**	**104,804**	**(686)**	**104,118**
(2)	**Non-financial Assets**						
(b)	Current tax assets (Net)	1,118	-	1,118	1,478	-	1,478
(c)	Deferred tax Assets (Net)	7,114	352	7,465	7,526	200	7,726
(d)	Property, Plant and Equipment	766	-	766	804	-	804
(e)	Capital Work in Progress	-	-	-	6	-	6
(f)	Other Intangible assets	9	-	9	-	-	0
(g)	Other non-financial assets	359	-	359	167	-	167
		9,365	**352**	**9,716**	**9,980**	**200**	**10,181**
	Total Assets	**129,441**	**(853)**	**128,588**	**114,785**	**(486)**	**114,299**
	LIABILITIES AND EQUITY						
	LIABILITIES						
(1)	**Financial Liabilities**						
(a)	Debt Securities	63,401	(27)	63,374	15,000	(28)	14,972
(b)	Borrowings (Other than Debt Securities)	30,720	-	30,720	65,764	-	65,764
(c)	Other financial liabilities	1,517	(1)	1,516	696	(1)	694
		95,637	**(28)**	**95,609**	**81,460**	**(29)**	**81,431**
2.	**Non-Financial Liabilities**						
(a)	Provisions	100	-	100	78	-	78
(b)	Other non-financial liabilities	1,111	-	1,111	1,189	-	1,189
		1,210	**-**	**1,210**	**1,267**	**-**	**1,267**
3.	**EQUITY**						
(a)	Equity Share capital	15,989	-	15,989	15,989		15,989
(b)	Other Equity	16,604	(825)	15,780	16,069	(457)	15,612
		32,593	(825)	31,768	32,058	(457)	31,601
	Total Liabilities and Equity	**129,441**	**(853)**	**128,588**	**114,785**	**(486)**	**114,299**

Note 47

Equity Reconciliation

Profit & Loss Account **(Rs in Lakhs)**

	Particulars	For the year ended March 31, 2019 IGAAP	IND AS Impact	For the year ended March 31, 2019 IND AS
	Revenue from operations :			
(i)	Interest income	9,109	0	9,109
(ii)	Fees and commission income	323	(10)	313
(iii)	Sale of services	560		560
(iv)	Others	448		448
(iv)	Reversal of provision	905		905
(1)	**Total revenue from operations**	**11,345**	**(10)**	**11,336**
(2)	**Other income**	**436**	**(2)**	**434**
(3)	**Total income**	**11,782**	**(12)**	**11,770**
	Expenses :			
(i)	Finance costs	5,714	(8)	5,706
(ii)	Fees and commission expense	174		174
(iii)	Net loss on fair value changes	-	9	9
(iv)	Net loss on derecognition of financial instruments under amortised cost category	2,847	507	3,355
(v)	Employee benefits expenses	925	(1)	925
(vi)	Depreciation, amortization and impairment	49	-	49
(vii)	Others expenses	1,125	(1)	1,123
(4)	**Total expenses**	**10,835**	**507**	**11,341**
(5)	Profit / (loss) before exceptional items and tax	947	(519)	429
(6)	Exceptional items	-		-
(7)	**Profit/(loss) before tax**	947	(519)	429
(8)	**Tax Expense:**			
	Current Tax / Tax for previous year	-		-
	Deferred Tax	412	(151)	261
(9)	**Profit / (loss) for the period from continuing operations**	**535**	**(367)**	**168**
(10)	Profit/(loss) from discontinued operations	-		-
(11)	Tax Expense of discontinued operations	-		-
(12)	Profit/(loss) from discontinued operations(After tax)	-		-
(13)	**Profit/(loss) for the year**	**535**	**(367)**	**168**
(14)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss	-	(1)	(1)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	0	0
	Subtotal (A)	**-**	**(0)**	**(0)**
	(i) Items that will be reclassified to profit or loss			
	(ii) Income Tax relating to items that will be reclassified to profit or loss			
	Subtotal (B)	**-**	**-**	**-**
	Other Comprehensive Income (A + B)	**-**	**(0)**	**(0)**
(15)	**Total Comprehensive Income for the year**	**535**	**(368)**	**168**
(16)	**Earnings per equity share (for continuing operations)**			
	Basic (₹) - Non Annualised	0.33		0.11
	Diluted (₹) Non Annualised	0.33		0.11

See accompanying notes to the financial statements

1 Loans

Under Previous GAAP, the Company has created provision for impairment of Factored Debts for incurred losses based on regulatory provisions issued by RBI. Under IND AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). Due to ECL model, the Company has reversed the Impairment loss on factored debts by ₹ 688 Lakhs on 1st April 2018 which has been eliminated against opening General Reserve. The impact of ₹ 501 Lakhs for year ended on March 31, 2019 has been recognised in the statement of profit and loss.

2 Fair Value of Investments

Invetsments under IGAAP were carried at cost or fair value whichever is lower. Under Ind AS these investments are classified as investments carried at fair value through profit and loss account and hence are fair valued. The difference between the carrying value as per previous Gaap and Ind AS is recorded in opeing reserves.

3 Deferred tax as per balance sheet approach

Previous GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of IND AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

4 Effective Interest Rate (EIR):

Borrowings and other financial liabilities which were recognised at historical cost under previous GAAP have been recognised at amortised cost under IND AS as on transition date with the difference been adjusted to opening General Reserve.

Under Previous GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under IND AS, such costs are included in the initial recognition amount of financial liabilities and recognised as interest expenses using the effective interest method. Consequently, borrowings on date of transition have decreased by ₹ 29.49 Lakhs and interest expense for the year ended March 31, 19 has increased by ₹ 1 Lakh.

Financial assets held on with an objective to collect contractual cash flows in the nature of principal and interest have been recognised at amortised cost on transition date as against historical cost under the previous GAAP with the difference been adjusted to the opening General Reserve.

Under Previous GAAP, transaction costs charged to customers was recognised upfront while under IND AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently, loan to customer, processing fees for the year ended 31st March, 2019 has decreased by 10 Lakhs and other expense which include service charges paid have been reduced by 1 Lakh and the same have been adjusted in Loans on March 2019.

5 Defined benefit obligation:

Both under Previous GAAP and IND AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, were charged to profit or loss. Under IND AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

6 Other Comprehensive Income:

Under IND AS, all items of income and expense recognised in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss and "other comprehensive income" includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

7 Statement of Cash Flows

The transition from Previous GAAP to IND AS has not had a material impact on the statement of cash flows.

48 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, 2020		March 31, 2019	
		Amount Outstand-ing	Amount Overdue	Amount Outstand-ing	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*)	15,413	-	15,397	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	42,234	-	48,395	-
	(f) Other Loans (specify nature)				-
	- Cash Credit	4,985	-	3,855	-
	- Working Capital Demand Loan	21,504	-	24,007	-
	- Short Term Loan Facility	2,969	-	2,866	-
	- Bank Overdraft				-

		ASSETS SIDE :	Amount Outstanding	
			March 31, 2020	March 31, 2019
			Rs. in lakhs	Rs. in lakhs
2	**Break-up of Loans and Advances including bills receivables [other than those included in (3) below:**			
	(a) Secured		60,753	57,557
	(b)Unsecured		71,326	80,490
	(Excludes Advance Payment of Tax)			
3	**Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities (net of provision)**			
	(i)	Lease assets including lease rentals under sundry debtors		
		(a) Financial lease	-	-
		(b) Operating lease	-	-
	(ii)	Stock on hire including hire charges under sundry debtors:		
		(a) Assets on hire	-	-
		(b) Repossessed Assets	-	-
	(iii)	Other loans counting towards AFC activities		
		(a) Loans where assets have been repossessed	-	-
		(b) Loans other than (a) above	-	-

Debts Shown under Sundry Debtors have not been Considered

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

5	**Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:**				
	Category		**Amount net of provisions**		
			Secured	**Unsecured**	**Total**
	1	**Related Parties**			
		(a) Subsidiaries			
		(b) Companies in the same group			
		(c) Other related parties	-	-	-
	2	Other than related parties		71,326	71,326
		(Previous Year)	-	80,490	80,490
		Total (Current year)	-	71,326	71,326
		Total (Previous year)	-	80,490	80,490

6	Investor group-wise classification of all investments (current and long term) (both quoted and unquoted):				
		March 31, 2020		March 31, 2019	
	Category	Market Value/ Break-up or fair value or NAV	Book value (net of provisions)	Market Value/ Break-up or fair value or NAV	Book value (net of provisions)
1	Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group *	-	0	-	0
	(c) Other related parties	-	-	-	-
2	Other than related parties @	383	-	383	-
	Total	383	0	383	0
	* Disclosed as zero as amount is less than lakhs				
	@ 100% Provision is held in books against Investment, therefore book value is zero				

7	Other Information		₹ in lakhs
	Particulars	March 31, 2020	March 31, 2019
(i)	Gross Non Performing Assets		
	(a) Related Party	-	-
	(b) Other than Related Parties	20,638	28,133
(ii)	Net Non-Performing Assets		
	(a) Related Party		
	(B) Other than Related Parties	3,427	3,719
(iii)	Assets acquired in satisfaction of debts	-	-

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

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

(ii)	March 31, 2020	March 31, 2019
(a) Credit rating and change in credit rating (if any);	No	No
(b) Debt-Equity ratio;	3.67	3.72
(c) (i) Previous 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)	29.01.2020	29.01.2019
(d) (i) Next due date for the payment of Interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2020	25.08.2019
- 9.22% Tier II Bonds (10 Years)	29.07.2020	29.07.2019
(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;	1,000	1,000
(f) Net Worth;	33,245	31,768
(g) Net Profit After Tax;	1,677	168
(h) Earnings Per Share:	1.05	0.11

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

A. Capital to Risk (weighted) Assets Ratio

₹ in Lakhs

Sr No.	Particulars	March 31, 2020	March 31, 2019
i.	CRAR (%)	22.09	23.94
ii	CRAR - Tier I Capital (%)	20.48	19.84
iii	CRAR - Tier II Capital (%)	1.60	4.10
iv	Amount of Subordinated debt as Tier II Capital (Rs In Lakhs)	2,000	5,000
v	Amount raised by issue of Perpetual Debt Instruments	-	-

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

B Investments

₹ in Lakhs

Sr No.	Particulars	March 31, 2020	March 31, 2019
1	**Value of Investments**	-	-
i	Gross Value of Investments	-	-
	a) In India	383	383
	b) Outside India	-	-
ii	Provisions for Depreciation		
	a) In India	383	383
	b) Outside India	-	-
iii	Net Value of Investments		
	a) In India	0	0
	b) Outside India	-	-
2	**Movement of provisions held towards depreciation on investments**		
i	Opening balance	383	383
ii	Add: Provisions made during the year	-	-
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

₹ in Lakhs

Sr No.	Particulars	March 31, 2020	March 31, 2019
i	Derivatives - Forward Contract	-	-
	For hedging	-	-

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.

₹ in Lakhs

Sr No.	Particulars	March 31, 2020	March 31, 2019
(i)	No. of Accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC. *	-	-
(iii)	Aggregate consideration @	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years.	-	-
(v)	Aggregate gain/loss over net book value.	-	-

2 Details of Assignment transactions undertaken by NBFCs

₹ in Lakhs

Sr No.	Particulars	March 31, 2020	March 31, 2019
(i)	No. of Accounts	2	1
(ii)	Aggregate value (net of provisions) of accounts sold	12,535	7,249
(iii)	Aggregate consideration	12,535	7,249
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

₹ in Lakhs

Sr No.	Particulars	March 31, 2020	March 31, 2019
(i)	No. of Accounts	3	1
(ii)	Aggregate value (net of provisions) of accounts purchased	30,000	10,000
(iii)	Aggregate consideration	30,000	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-Perforimg Assets purchased

₹ in Lakhs

Sr No.	Particulars	March 31, 2020	March 31, 2019
(i)	(a) No. of Accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructed during the year	-	-
	(b) Aggregate outstanding	-	-

B. Details of Non-Performing Financial Assets sold.

₹ in Lakhs

Sr No.	Particulars	March 31, 2020	March 31, 2019
(i)	No. of accounts sold	1	-
(ii)	Aggregate outstanding	3,415	-
(iii)	Aggregate Consideration received	755	-

F. Asset Liability Maturity Pattern of certain items of Assets and liabilities									
Particulars	**Up to 30/31 days**	**Over one month upto 2 months**	**Over 2 months upto 3 months**	**Over 3 months upto 6 months**	**Over 6 months upto 1 year**	**Over 1 year upto 3 years**	**Over 3 year upto 5 years**	**Over 5 years**	**Total**
Deposits	-	-	-	-	-	-	-	-	-
Loans	55,405	29,463	19,035	28,176	-	-	-	-	132,079
Investments	-	-	-	-	-	383	-	0	383
Borrowing									
- Bank Overdraft	2,272	-	-	-	-	-	-	-	2,272
- CC Facility $	-	-	4,985	-	-	-	-	-	4,985
- Short Term Loan Facility#	2,969	-	-	-	-	-	-	-	2,969
- WCDL	21,500	-	-	-	-	-	-	-	21,500
- Commercial Papers	21,901	20,333	-	-	-	-	-	-	42,234
Debentures	-	-	-	4,997	-	9,992	-	-	14,988
Interest on Debentures	-	-	-	426	-	-	-	-	426
Foreign Currency assets									
- Bank Accounts	136	-	-	-	-	-	-	-	136
Foreign Currency liability									
- Import Factoring Commission	13	-	-	-	-	-	-	-	13
- Interest Payable on Loan	3	-	-	-	-	-	-	-	3

* The Period of realisation of Investment shall be 5 years from the date of acquisition. The Period of realisation may be extended to a maximum of 8 Years from the date of acquisition by the Board of Directors of JMFARC (Securitisation Company)
$ Represents Foreign Currency Cash Credit Loan
# Includes Rs. 2,969 Lakhs Foreign Currency Loan maturing within one month

a) Exposure to Real Estate Sector *		**₹ in Lakhs**	
	Category	**March 31, 2020**	**March 31, 2019**
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	2,794
(ii)	Commercial Real Estate -		
(ii)	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	2,918	5,466
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(iii)	a. Residential		
(iii)	b. Commercial Real Estate		
	Total Exposure to Real Estate Sector @	**5,711**	**8,259**

* 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. 5,711 Lakhs (Previous Year 8,259 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

₹ in Lakhs

Type of Security	March 31, 2020	March 31, 2019
Insured through overseas Import Factor	7,824	6,532
Secured by way of Assignment of Receivables and through Residual / Subservient Charge	42,856	35,337
Fully Unsecured	20,647	38,630
Total	**71,326**	**80,499**

Miscelleneous

a) Registration obtained from other financial sector regulators - Not Applicable

b) Disclosure of Penalties imposed by RBI and other regulators - Not Applicable

c) Related Party Transactions - Disclosed in Note 31

d) Ratings assigned by credit rating agencies and migration of ratings during the year

Sr. No.	Rating Agency	Rating	Amount in Lakhs	Instrument / Facility	Validity Period **	
					From	To
i)	ICRA	[ICRA]AAA (Stable)	100,000	Long Term Fund Based Bank Lines	16-May-19	15-May-20
ii)	ICRA	[ICRA]AAA (Stable)	15,980	Subordinate Debt Programme	16-May-19	15-May-20
iii)	ICRA	[ICRA]A1+	100,000	Short Term Fund Based Bank Lines	16-May-19	15-May-20
iv)	ICRA	[ICRA]A1+	200,000	Short Term Debt Programme (Commercial Paper)	16-May-19	15-May-20
v)	CRISIL	CRISIL A1+	100,000	Commercial Paper Programme	20-Dec-19	19-Dec-20
vi)	CRISIL	CRISIL AAA/ Stable	15,000	Non-Convertible Debentures Programme (Long-Term)	20-Dec-19	19-Dec-20

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

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

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

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

g) Consolidated Financial Statements - Not Applicable

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

		₹ in Lakhs
i) Concentration of Deposits	**March 31, 2020**	**March 31, 2019**
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-
		₹ in Lakhs
ii) Concentration of Advances	**March 31, 2020**	**March 31, 2019**
Total Advances of twenty largest borrowers	74,320	73,780
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	56.27	53.44
		₹ in Lakhs
iii) Concentration of Exposures (i + ii)	**March 31, 2020**	**March 31, 2019**
Total Exposure to twenty largest borrowers /customers	74,320	73,780
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of NBFC on borrowers / customers	56.27	53.44

			₹ in Lakhs
iv) Concentration of NPAs		**March 31, 2020**	**March 31, 2019**
Total Exposure to top four NPA Accounts		8,297	10,723
b) Sector-wise NPAs			**₹ in Lakhs**
	Sector	**Percentage of NPAs to Total Advances in that sector**	
		March 31, 2020	**March 31, 2019**
1	Agriculture & allied activities	-	-
2	MSME	4	25
3	Corporate Borrowers	20	4
4	Services	2	13
5	Unsecured Personal Loan	-	-
6	Auto Loans	-	-
7	Other personal Loans	-	-

c) Movements of NPAs		₹ in Lakhs	
Particulars		**March 31, 2020**	**March 31, 2019**
i	Net NPAs to Net Advance (%)	2.98%	3.84%
ii	Movement of NPAs (Gross)		
	(a) Opening Balance	28,133	27,393
	(b) Additions during the year	443	4,880
	(c) Reductions during the year	7,939	4,140
	(d) Closing balance	20,638	28,133
iii	Movement of Net NPAs		
	(a) Opening Balance	3,719	1,708
	(b) Additions during the year	53	2,183
	(c) Reductions during the year	346	172
	(d) Closing balance	3,427	3,719
iv	Movement of Provisions of NPAs (Excluding Provision on Standard Assets)		
	(a) Opening Balance	24,414	25,685
	(b) Provision made during the year	390	2,697
	(c) Write off / write back of excess provisions	7,593	3,968
	(d) Closing Balance	17,211	24,414

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

g) Off Balance Sheet SPVs sponsored - Not Applicable

h) Disclosure of Complaints

Customer Complaint		₹ in Lakhs	
	Particulars	**March 31, 2020**	**March 31, 2019**
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	-	-

51. 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.

52. The Companies net profit for previous financial year was more than Rs. 5 crs and hence provision for CSR was applicable. As per provisions of the Companies Act, 2013, the Company was required to spend Rs. Nil (Previous Year Rs. Nil) on CSR activities for the year ended 31st March, 2020. The Company has during the year incurred expenditure relating to CSR activities amounting to Rs. 1.25 Lakh (Previous Year Rs. 0.48 Lakh) and the same is reflected in Note 27 under Other Expenses.

53. Input Tax Credit under Goods and Services Tax

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

54	Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IndAS 109 provisions and IRACP norms
	-1	-2	-3	-4	(5)=(3)-(4)	-6	(7) = (4)-(6)
	Performing Assets						
	Standard	Stage 1	105,509	870	104,639	528	342
		Stage 2	5,933	42	5,891	39	4
	Subtotal		**111,441**	**912**	**110,529**	**567**	**346**
	Non-Performing Assets (NPA)						
	Substandard	Stage 3	443	125	318	89	37
	Doubtful - up to 1 year	Stage 3	4,259	2,752	1,507	4,259	(1,507)
	1 to 3 years	Stage 3	2,263	1,045	1,218	1,731	(687)
	More than 3 years	Stage 3	13,377	13,093	284	13,377	(284)
	Subtotal for doubtful		**19,899**	**16,889**	**3,009**	**19,367**	**(2,478)**
	Loss	Stage 3	296	196	100	296	(100)
	Subtotal for NPA		**20,638**	**17,211**	**3,427**	**19,752**	**(2,541)**
	Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
		Stage 2	-	-	-	-	-
		Stage 3	-	-	-	-	-
	Subtotal		-	-	-	-	-
	Total	**Stage 1**	105,509	870	104,639	528	342
		Stage 2	5,933	42	5,891	39	4
		Stage 3	20,638	17,211	3,427	19,752	(2,541)
		Total	**132,079**	**18,123**	**113,956**	**20,318**	**(2,196)**

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

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

as on 31st March 2020

Sr. No.	Number of Significant Counterparties *	Amount	% of Total deposits	% of Total Liabilities
1	5	11,000	NA	11.99
2	3	42,500	NA	46.32
3	2	31,726	NA	34.57
Total	**10**	**85,226**	**NA**	**92.88**

as on 31st March 2019

Sr. No.	Number of Significant Counterparties *	Amount	% of Total deposits	% of Total Liabilities
1	5	11,000	NA	11.36
2	2	49,000	NA	50.61
3	2	30,720	NA	31.73
Total	**9**	**90,720**	**NA**	**93.70**

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

(ii) Top 20 large deposits (amount in Rupees crore and % of total deposits)
- Since the Company has been categorized as an NBFC NDSI, this is not applicable.

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

Sr. No.	Particulars of Lenders	March 31, 2020	% of Total Borrowings
1	HDFC Mutual Fund	24,500	27.54
2	State Bank of India (INR) (WCDL)	21,500	24.17
3	SBI London (FOREX)	7,954	8.94
4	TATA Mutual Fund	7,500	8.43
5	Birla Mutual Fund	10,500	11.80
6	CBT EPF-05-F-DM	4,000	4.50
7	CBT EPF-05-E-DM	3,000	3.37
8	State Bank of India (INR) (OD)	2,272	2.55
9	POSTAL LIFE INSURANCE FUND A/C UTI AMC	2,000	2.25
10	CBT EPF-11-E-DM	1,000	1.12
11	WIPRO SYSTEMS PROVIDENT FUND TRUST	1,000	1.12
	Total	**85,226**	**95.82**

Sr. No.	Particulars of Lenders	March 31, 2019	% of Total Borrowings
1	HDFC Mutual Fund	33,000	35.07
2	State Bank of India	24,000	25.51
3	ICICI Prudential Money Market Fund	16,000	17.00
4	SBI London (FOREX)	6,720	7.14
5	CBT EPF-05-F-DM	4,000	4.25
6	CBT EPF-05-E-DM	3,000	3.19
7	Postal Life Insurance Fund A/C UTI AMC	2,000	2.13
8	CBT EPF-11-E-DM	1,000	1.06
9	Wipro Systems Provident Fund Trust	1,000	1.06
10	Alcatel Lucent Staff Provident Fund Trust	500	0.53
11	Nalco EPF Trust	500	0.53
12	Postal Life Insurance Fund A/c SBIFMPL	500	0.53
13	Rural Postal Life Insurance Fund A/c UTI AMC	500	0.53
	Total	**92,720**	**98.54**

(iv) Funding concentration based on significant instrument/product as on 31st March 2020

Sr. No	Number of Instrument/product	Amount	% of Total Liabilities
1	TIER II Bonds	15,000	16.35
2	Commercial Papers	42,500	46.32
3	Bank Lines	31,727	34.58
	Total	**89,227**	**97.24**

as on 31st March 2019

Sr. No	Number of Instrument/product	Amount	% of Total Liabilities
1	TIER II Bonds	15,000	15.49
2	Commercial Papers	49,000	50.61
3	Bank Lines	30,720	31.73
	Total	**94,720**	**97.83**

(V) Stock Ratios: As per Ind AS			
Sr. No.	**Ratios**	**March 31, 2020**	**March 31, 2019**
a)	Commercial paper as a % of Total Public Funds	NA	NA
	Commercial paper as a % of Total Liabilities	46.03	49.99
	Commercial paper as a % of Total Assets	33.79	37.64
b)	Non-convertible debentures(Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA	NA
c)	Other Short-term liabilities as a % of Total Public Funds	NA	NA
	Other Short-term liabilities as a % of Total Liabilities	42.10	34.44
	Other Short-term liabilities as a % of Total Assets	30.90	25.93

As per our report of even date

For Vyas & Vyas
Chartered Accountants
Firm Registration No. 000590C
Sachin Vyas
Partner
M.No. 419656
Place: Mumbai
Date : 02nd May, 2020

For and on behalf of the Board of Directors

Dinesh Kumar Khara
Chairman
DIN :- 06737041

M N Aravind Kumar
Managing Director & CEO
DIN :- 08165688

Pankaj Gupta
Chief Financial & Risk Officer
Place : Mumbai
Date : 02nd May, 2020

Nandan Nimbkar
Company Secretary

Balance Sheet
As at March 31, 2020

(in US $)

	Particulars	March 31, 2020 *	March 31, 2019 **	April 01, 2018 ***
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	246,894	6,000,024	2,180,191
(b)	Derivative financial instruments	-	-	23,207
(c)	Loans	150,606,364	162,919,403	155,619,653
(d)	Investments	132	145	1,537,062
(e)	Other Financial assets	3,965,891	2,972,099	391,159
		154,819,282	**171,891,670**	**159,751,271**
(2)	**Non-financial Assets**			
(b)	Current tax assets (Net)	1,114,108	1,616,606	2,267,556
(c)	Deferred tax Assets (Net)	7,177,746	10,795,274	11,854,283
(d)	Property, Plant and Equipment	1,627,125	1,107,065	1,233,305
(e)	Capital Work in Progress	-	-	9,636
(f)	Other Intangible assets	14,859	12,389	384
(g)	Other non-financial assets	457,720	518,835	255,895
		10,391,558	**14,050,168**	**15,621,058**
	Total Assets	**165,210,841**	**185,941,839**	**175,372,330**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Debt Securities	75,625,734	91,640,793	22,972,548
(b)	Borrowings (Other than Debt Securities)	41,928,942	44,421,277	100,904,162
(c)	Other financial liabilities	2,322,686	2,191,549	1,065,573
		119,877,362	**138,253,619**	**124,942,283**
2.	**Non-Financial Liabilities**			
(a)	Provisions	265,908	144,061	119,866
(b)	Other non-financial liabilities	1,130,533	1,606,334	1,824,124
		1,396,442	**1,750,394**	**1,943,989**
3.	**EQUITY**			
(a)	Equity Share capital	21,130,690	23,119,856	24,531,702
(b)	Other Equity	22,806,347	22,817,970	23,954,355
		43,937,037	**45,937,826**	**48,486,057**
	Total Liabilities and Equity	**165,210,841**	**185,941,839**	**175,372,330**

* 1 US $ = 75.665 ** 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

Statement of Profit & Loss for the year ended 31st March, 2020

			(in US $)
	Particulars	**Year ended March 31, 2020 ***	**Year ended March 31, 2019 ****
	Revenue from operations :		
(i)	Interest income	13,633,976	13,172,540
(ii)	Fees and commission income	454,342	452,043
(iii)	Sale of services	667,583	809,659
(iv)	Others	679,002	648,520
(iv)	Reversal of provision	9,591,029	1,308,856
(1)	**Total revenue from operations**	**25,025,933**	**16,391,618**
(2)	**Other income**	**246,371**	**628,052**
(3)	**Total income**	**25,272,304**	**17,019,670**
	Expenses :		
(i)	Finance costs	8,169,979	8,251,568
(ii)	Fees and commission expense	184,397	251,744
(iii)	Net loss on fair value changes	-	13,109
(iv)	Net loss on derecognition of financial instruments under amortised cost category	8,817,344	4,850,956
(v)	Employee benefits expenses	1,273,185	1,337,173
(vi)	Depreciation, amortization and impairment	342,009	70,655
(vii)	Others expenses	1,162,328	1,624,453
(4)	**Total expenses**	**19,949,241**	**16,399,658**
(5)	Profit / (loss) before exceptional items and tax	5,323,062	620,012
(6)	Exceptional items	-	-
(7)	**Profit/(loss) before tax**	**5,323,062**	**620,012**
(8)	**Tax Expense:**		
	Current Tax / Tax for previous year	309,419	-
	Deferred Tax	2,797,450	377,066
(9)	Profit / (loss) for the period from continuing operations	**2,216,193**	**242,946**
(10)	Profit/(loss) from discontinued operations	-	-
(11)	Tax Expense of discontinued operations	-	-
(12)	Profit/(loss) from discontinued operations(After tax)	-	-
(13)	Profit/(loss) for the year	2,216,193	242,946
(14)	Other Comprehensive Income		
	(i) Items that will not be reclassified to profit or loss	(45,597)	(1,006)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	13,278	293
	Subtotal (A)	**(32,319)**	**(713)**
	(i) Items that will be reclassified to profit or loss	-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-
	Subtotal (B)	**-**	**-**
	Other Comprehensive Income (A + B)	(32,319)	(713)
(15)	**Total Comprehensive Income for the year**	**2,183,874**	**242,233**

* 1 US $ = 75.665 ** 1 US $ = 69.155

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

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Tel: 033 - 2475 6367
Fax: 033 - 2475 6383

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

New Delhi
906-907, Narain Manzil, 23 Barakhamba Road,
Connaught Place, New Delhi - 110 001
Tel: 011 - 4039 1651
Fax: 011 - 4160 8580

Pune
107 & 108, City Square Apartment, Plot No. 29/2,
City Survey No. 1723, KM Gandhi Path,
Shivaji Nagar (Bhamburda),
Pune - 411 005.
Tel: 020 - 2553 6700 / 2553 6701

BANKERS
State Bank of India,
Axis Bank,
HDFC Bank,
Standard Chartered Bank.

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

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

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

Ethos Legal Alliance
805, Arcadia, NCPA Marg,
Nariman Point, Mumbai - 400 021.

AUDITORS
M/s. Vyas & Vyas
Chartered Accountants
8, Kalpatru Building,
Dr. S.S. Rao Road,
Parel, Mumbai - 400 012.
Tel.: 022- 2410 1822
Email: info@vyasnvyas.com

SBIGFL - DEBENTURE TRUSTEE
IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai – 400 001.
Contact Person: Mr. Aditya Kapil (VP)
Contact Details: Tel: 91 022 4080 7001
Fax: (022)66311776 Mob: 9702943333
E-mail: adityakapil@idbitrustee.com
Website: http://www.idbitrustee.com

SBI Global Factors Ltd.
CIN U65929MH2001PLC131203
The Metropolitan, 6th Floor, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.
Tel.: 91 22 48890300 Fax: 91 22 26572719 Email: contact@sbiglobal.in