

SBI Global Factors Ltd
Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	March 31, 2021	March 31, 2020
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	2	972	187
(b) Loans	3	1,22,572	1,13,956
(c) Investments	4	0	0
(d) Other Financial assets	5	1,717	3,001
		1,25,261	1,17,144
(2) Non-financial Assets			
(a) Current tax assets (Net)	6	504	843
(b) Deferred tax Assets (Net)	7	4,616	5,431
(c) Property, Plant and Equipment	8	1,099	1,231
(d) Other Intangible assets	8	5	11
(e) Other non-financial assets	9	283	346
		6,508	7,863
Total Assets		1,31,769	1,25,007
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Debt Securities	10	57,675	57,222
(b) Borrowings (Other than Debt Securities)	11	36,674	31,726
(c) Other financial liabilities	12	1,231	1,757
		95,580	90,705
2. Non-Financial Liabilities			
(a) Provisions	13	254	201
(b) Other non-financial liabilities	14	852	855
		1,106	1,057
3. EQUITY			
(a) Equity Share capital	15	15,989	15,989
(b) Other Equity	16	19,094	17,256
		35,083	33,245
Total Liabilities and Equity		1,31,769	1,25,007
Significant accounting policies forming part of the financial statements	1		
See accompanying notes forming part of the financial statements	2-54		
As per our report of even date		For and on behalf of the Board of Directors <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C</p> <p><i>Sachin Vyas</i> Sachin Vyas Partner M.No. 419656</p> <p>Place : Mumbai Date : 29 April 2021</p> </div> <div style="width: 45%;"> <p><i>Ashwini Kumar Tewari</i> Ashwini Kumar Tewari Chairman DIN : 08797991</p> <p><i>Pankaj Gupta</i> Pankaj Gupta Chief Financial & Risk Officer</p> </div> <div style="width: 45%;"> <p><i>P. Hemant Kumar Pammi</i> P. Hemant Kumar Pammi Managing Director & CEO DIN :- 07969705</p> <p><i>Nandan Nimbkar</i> Nandan Nimbkar Company Secretary</p> </div> </div> <p>Place : Mumbai Date : 29 April 2021</p>	

UDIN - 21419656AAAAFE7171

SBI Global Factors Ltd

Statement of Profit & Loss for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations :			
(i) Interest income	17	9,827	10,316
(ii) Fees and commission income	18	362	344
(iii) Sale of services	19	476	505
(iv) Others	20	92	514
(v) Reversal of provision	21	2,799	7,257
(1) Total revenue from operations		13,556	18,936
(2) Other income		195	188
(3) Total income		13,751	19,124
Expenses :			
(i) Finance costs	22	4,543	6,184
(ii) Fees and commission expense	23	109	140
Net loss on derecognition of financial instruments under amortised cost category	24	4,234	6,672
(v) Employee benefits expenses	25	1,089	963
(v) Depreciation, amortization and impairment	8	232	259
(vi) Others expenses	26	872	879
(4) Total expenses		11,079	15,096
(5) Profit / (loss) before exceptional items and tax		2,672	4,028
(6) Exceptional items		-	-
(7) Profit/(loss) before tax		2,672	4,028
(8) Tax Expense:			
Current Tax / Tax for previous year		7	234
Deferred Tax		818	2,117
(9) Profit / (loss) for the period from continuing operations		1,847	1,677
(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		1,847	1,677
(14) Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(13)	(35)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		4	10
Subtotal (A)		(9)	(24)
(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)		(9)	(24)
(15) Total Comprehensive Income for the year		1,838	1,652
(16) Earnings per equity share (for continuing operations)	31		
Basic (In Rs.)		1.15	1.05
Diluted (In Rs.)		1.15	1.05
Significant accounting policies forming part of the financial statements	1		
See accompanying notes forming part of the financial statements	2-54		
As per our report of even date			
For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C			
Sachin Vyas Partner M.No. 419656			
Place : Mumbai Date : 29 April 2021			
		For and on behalf of the Board of Directors	
		Ashwini Kumar Tewari Chairman DIN :- 08797991	P. Hemant Kumar Pammi Managing Director & CEO DIN :- 07969705
		Pankaj Gupta Chief Financial & Risk Officer	Nandan Nimbkar Company Secretary
		Place : Mumbai Date : 29 April 2021	

Statement of Changes in Equity for the Year Ended March 31, 2021

A. Equity Share Capital

(₹ in Lakhs)		
As at 1st April, 2020	Movement during the Year	As at 31st March, 2021
15,989	-	15,989

B. Other Equity

Particulars	Reserves & Surplus							Other Items of Other Comprehensive Income (Employee Benefit)	Total
	Capital Redemption Reserve	Reserve Fund*	Securities Premium Reserve	General Reserve	Retained Earnings	Transition reserve	Impairment Reserve #		
Balance as at 1st April, 2020	1,000	6,816	21,693	10,569	(24,360)	(633)	2,196	(25)	17,256
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	370	-	-	(370)	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	1,847	-	-	(9)	1,837
Balance as at 31st March, 2021	1,000	7,186	21,693	10,569	(22,883)	(633)	2,196	(34)	19,094

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

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

See accompanying notes to the financial statements
As per our report of even date

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

Sachin Vyas
Partner
M.No. 419656

Place : Mumbai
Date : 29 April 2021



For and on behalf of the Board of Directors

Ashwini Kumar Tewari
Chairman
DIN : 08797991

Pankaj Gupta
Chief Financial & Risk Officer



P. Hemant Kumar Pammi
Managing Director & CEO
DIN : 07969705

Nandan Nimbkar
Company Secretary

Place : Mumbai
Date : 29 April 2021

SBI GLOBAL FACTORS Ltd

Cash Flow Statement for the Year Ended March 31, 2021

₹ in Lakhs

	March 31, 2021	March 31, 2020
Cash Flow from Operating Activities:		
Net Profit before Tax	2,672	4,028
Adjustments for:		
Depreciation / Amortisation	232	259
Interest Cost	1,664	1,942
Discount on issue of Commercial Paper	2,640	4,092
Amortisation of Forward Premium	93	-
Sundry Balance Written Off	(0)	0
Foreign Exchange (Gain)/Loss (Net)	(2)	2
(Profit) / Loss on Sale of Fixed Assets	(0)	0
Liabilities no longer required Written Back	(8)	(5)
Impairment of assets	(2,800)	(7,257)
Bad Debts Written Off	4,234	6,672
Provision for Leave Encashment	41	5
Provision for Gratuity	27	46
Profit on Sale of Current Investments	(59)	(82)
OCI Impact	(13)	(35)
	6,049	5,639
Operating profit before Working Capital changes	8,721	9,666
Increase / (Decrease) in Debt Securities	(4,931)	266
Increase / (Decrease) in Borrowings (Other than Debt Securities)	(2,581)	3,401
(Increase) / Decrease in Other Financial Liabilities	(611)	(703)
Increase / (Decrease) in Provisions	(15)	51
Increase / (Decrease) in Other Non Financial Liabilities	6	(251)
(Increase)/Decrease in Other Non - Financial Assets	63	13
(Increase)/Decrease in Other Financial Assets	1,284	(945)
(Increase)/Decrease in Loans	(10,049)	(704)
	(16,836)	1,126
Cash (used)/generated in and from Operating Activities	(8,115)	10,793
Direct Taxes paid (net)	332	41
Net Cash (used)/generated in and from Operating Activities (A)	(7,783)	10,834
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(33)	(30)
Sale of Fixed Assets	24	0
Purchase of Current Investments	(3,86,995)	(3,46,690)
Sale of Current Investments	3,87,054	3,46,772
Net cash from Investing Activities (B)	50	52
Cash Flow from Financing Activities:		
Interest Cost	(1,779)	(1,862)
Discount on issue of Commercial Paper	(2,641)	(4,090)
Premium on Forward Contract	(93)	-
Repayment of Loans	(1,13,241)	(1,19,809)
Loan Taken	1,20,772	1,17,413
Commercial Paper Repaid	(1,50,000)	(2,79,500)
Commercial Paper Taken	1,55,500	2,73,000
Net Cash generated from Financing Activities (C)	8,518	(14,848)
Net increase in Cash and Cash Equivalents (A + B + C)	785	(3,963)
Cash and Cash Equivalents as at March -21 /March - 20		
Cash in Hand	1	1
Stamp in Hand	-	-
Cash & Bank Balances in Current Account with Banks	971	186
	972	187
Less: Cash and Cash Equivalents as at Mar-20/Mar-19	187	4,149
	785	(3,963)

Note :

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

See accompanying notes to the financial statements

2-54

As per our report of even date

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

Sachin Vyas
Partner
M.No. 419656

Place : Mumbai
Date : 29 April 2021



For and on behalf of the Board of Directors

Ashwini Kumar Tewari
Chairman
DIN : 08797991

Pankaj Gupta
Chief Financial & Risk Officer

P. Hemant Kumar Pammi
Managing Director & CEO
DIN : 07969705

Nandan Nimkar
Company Secretary

Place : Mumbai
Date : 29 April 2021

Note 1: Significant Accounting Policies

1.1: Corporate Information:

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

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

(A) Significant Accounting Policies:

i. Compliance with Ind-AS

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

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

ii. Presentation of financial statements

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

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

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

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

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



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

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

iv. **Revenue Recognition:**

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

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

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

Rendering of Services

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

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

New Sanction

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

Facility Continuation Fees (FCF):

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

Facility Set-Up fees on enhancement or adhoc limits:

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

Discount charges and interest on advances:

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



v. **Functional currency**

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

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

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

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

vi. **Borrowing Costs**

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

vii. **Employee Benefits**

Retirement benefit costs and termination benefits

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

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

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

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

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



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

Short-term and other long-term employee benefits

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

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

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

viii.

Taxes

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

Current Taxes

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

Deferred Taxes

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

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

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

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

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

Current and Deferred tax for the year

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



ix. Property, plant and equipment

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

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

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

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

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

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

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

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

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

Lease Accounting as per Ind AS 116

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

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

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

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



x. Intangible Assets and amortization thereof:

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

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

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

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

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

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

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

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

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

xii. Provisions

Provisions involving substantial degree of estimation in measurement are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

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

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



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

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

Onerous contracts

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

xiii. Financial Instruments

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

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

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

A. Financial assets

a) Recognition and initial measurement

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

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

b) Classification of financial assets

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

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

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

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

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



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

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

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

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

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

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an 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 amortised cost and fair value is recognised in Statement of Profit and
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
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.

xiv. Cash and Cash Equivalent:

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

xv. Earnings Per Share:

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

For the purpose of calculating diluted earnings per share, the net profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the



dilutive potential equity shares by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares.

xvi. Statement of Cash Flow

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

xvii. Commitments

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

- i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and
- ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

xviii. Segment Reporting

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

1.3 Key Estimates and Judgements:

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

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

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

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

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

ii. Fair Value Measurements

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

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



iii. Income Taxes

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

iv. Evaluation of Business Model

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

v. Provisions and Liabilities

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



SBI Global Factors Ltd
Notes forming part of the Financial Statements as at March 31, 2021

NOTE 2

Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
(i) Cash on hand	1	1
(ii) Balances with Banks (of the nature of cash and cash equivalents)	971	186
Total	972	187

NOTE 3

Loans

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
(A)		
(i) Loans - at amortised cost		
- Factoring	1,37,598	1,22,592
Others		
- Gold Pool	297	9,487
Total - Gross (A)	1,37,895	1,32,079
Less: Impairment Loss Allowance (Expected Credit Loss)	(15,323)	(18,123)
Total - Net (A)	1,22,572	1,13,956
(B)		
(i) Secured by tangible assets	4,564	5,691
(ii) Secured by intangible assets	34,623	55,062
(iii) Unsecured	98,708	71,326
Total - Gross (B)	1,37,895	1,32,079
Less: Impairment Loss Allowance (Expected Credit Loss)	(15,323)	(18,123)
Total - Net (B)	1,22,572	1,13,956
(C)		
(i) Loans in India	1,37,895	1,32,079
Total - Gross (C) (i)	1,37,895	1,32,079
Less: Impairment Loss Allowance (Expected Credit Loss)	(15,323)	(18,123)
Total - Net (C) (i)	1,22,572	1,13,956
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
Total - Net (C) (ii)	-	-
Total (C) (i+ii)	1,22,572	1,13,956

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



NOTE 4
INVESTMENTS

Investments	March 31, 2021				(₹ in Lakhs) March 31, 2020			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Mutual Funds		-		-		-		-
Equity Shares of SBI Foundation Fellow Subsidiary (1,000 Equity Shares @ Rs. 10/- each)		0		0		0		0
JMFARC - IRIS December 2016 - Trust (Security Receipt of JM Financial Asset Reconstruction Company Private Limited)		383		383		383		383
Total – Gross (A)		383		383		383		383
Impairment		(383)		(383)		(383)		(383)
Total - Net (A)		0		0		0		0
(i) Investments outside India		-		-		-		-
(ii) Investments in India		0		0		0		0
Total (B)		0		0		0		0



NOTE 5**Other Financial Assets****(₹ in Lakhs)**

Particulars	As at	
	March 31, 2021	March 31, 2020
Security Deposits	246	248
Collection Receivable From Muthoot	1,429	2,739
Other Receivable	42	14
Total	1,717	3,001

NOTE 6**Current Tax Assets (Net)****(₹ in Lakhs)**

Particulars	As at	
	March 31, 2021	March 31, 2020
Advance tax and tax deducted at source (Net of provision for tax)	504	843
Total	504	843

NOTE 7**Deferred Tax Assets (Net)****(₹ in Lakhs)**

Particulars	As at	
	March 31, 2021	March 31, 2020
Deferred Tax Asset	4,616	5,431
Total	4,616	5,431



Note 8 : Property Plant and Equipment And Intangible Assets

Description of Assets	(₹ in Lakhs)							
	Buildings	Right of use Building	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Tangibles Total	Total assets
I. Gross Block								
Balance as at March 31, 2020	740	697	55	18	12	5	1,526	1,547
Additions	-	85	23	6	2	2	117	117
Other -Deductions/Adjustments	-	124	12	8	1	-	145	145
Balance as at March 31, 2021	740	658	66	16	13	7	1,498	1,519
II. Accumulated depreciation and impairment								
Balance as at March 31, 2020	33	214	38	4	3	3	295	304
Depreciation expense for the period	17	186	16	5	3	1	226	232
Other -Deductions/Adjustments	-	109	4	8	1	-	122	122
Balance as at March 31, 2021	50	291	50	1	5	3	399	415
Carrying Value As at March 31, 2021	690	367	16	15	8	4	1,099	1,104
At March 31, 2020	707	483	17	14	8	2	1,231	1,242



NOTE 9**Other Non-Financial Assets**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Indirect Tax Credit	86	109
Pre-paid expenses	47	60
Advance paid to CERSAI	0	0
Advance to employees	9	11
Others*	141	166
Total	283	346

*Rs 140 lakhs pertains to payment made to SBI for salary to deputed staff against which invoices are not received

NOTE 10**Debt Securities**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
- At Amortised Cost		
(1) UNSECURED:		
Non Convertible Debentures - Listed*	9,998	14,988
(2) UNSECURED:		
Commercial Papers #	47,677	42,234
Total (A) (1+2)	57,675	57,222
Debt securities in India	57,675	57,222
Debt securities outside India	-	-
Total (B)	57,675	57,222

* Includes issue expenses amortised as per EIR

Non-convertible debentures and any other borrowings are not guaranteed by any of directors and/or others.

Maturity Profile of Non-Convertible Debentures

(₹ in Lakhs)

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

Maturity Profile of Non-Convertible Debentures

(₹ in Lakhs)

Description	Date of Maturity	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	10,000
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2010-11 (Series - SBIGFL - 08) of Rs. 10 Lakhs each	August 25, 2020	5,000
Adjustments on account of effective rate of interest		(12)
Total		14,988

The Details of Commercial Papers are as under

(₹ in Lakhs)

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

Particulars	Date of Maturity	As at March 31, 2020
HDFC Mutual Fund - CP	April 28, 2020	9,000
HDFC Mutual Fund - CP	May 19, 2020	10,000
HDFC Mutual Fund - CP	May 22, 2020	5,500
Birla Mutual Fund - CP	April 24, 2020	5,500
Birla Mutual Fund - CP	May 20, 2020	5,000
Tata Mutual Fund - CP	April 27, 2020	7,500
Adjustments on account of effective rate of interest		(266)
Total		42,234



NOTE 11**Borrowings (Other than Debt Securities)**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
- At Amortised Cost		
UNSECURED		
(a) Term Loans		
(i) from Banks	-	-
(b) Loans from Related Party #	36,674	31,726
Total (A)	36,674	31,726
Borrowings in India	-	23,772
Borrowings outside India	36,674	7,954
Total (B)	36,674	31,726

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	As at March 31, 2021
Working Capital Demand Loan from SBI	May 13, 2021	5,000
Working Capital Demand Loan from SBI	May 24, 2021	5,000
Working Capital Demand Loan from SBI	May 27, 2021	10,000
Working Capital Demand Loan from SBI	June 11, 2021	12,000
Bank Overdraft facility from SBI	-	60
Foreign Currency Cash Credit Loan (USD 29.29 lakhs ,GBP 6.24 lakhs, EUR 21.49 lakhs)	-	4,614
Total		36,674

(₹ in Lakhs)

Description	Date of Maturity	As at March 31, 2020
Working Capital Demand Loan from SBI	April 07, 2020	6,500
Working Capital Demand Loan from SBI	April 09, 2020	10,000
Working Capital Demand Loan from SBI	April 13, 2020	5,000
Bank Overdraft facility from SBI	-	2,272
Foreign Currency Short Term Loan Facility from SBI		
USD 39.24 Lakhs	April 03, 2020	2,969
Foreign Currency Cash Credit Loan (USD 42.95 lakhs ,GBP 7.57 lakhs, EUR 12.41 lakhs)	-	4,985
Total		31,726

- No term loans, external commercial borrowings, commercial paper and any other borrowing is guaranteed by directors and / or others

NOTE 12**Other Financial Liabilities :**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
(a) Interest accrued but not due;	252	429
(b) Outstanding Expenses	289	264
(c) Others (specify nature)		
Lease Liability	549	703
Book overdraft	-	-
Liability against collection of factoring receivables	141	362
Total	1,231	1,757



**NOTE 13
Provisions**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
(a) Provision for employee benefits; and	163	106
(b) Others		
Ex Gratia Payable	70	70
Provision for GST	21	26
Total	254	201

NOTE 14**Other Non-financial liabilities**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
(a) Revenue received in advance;	813	825
(b) Others		
Statutory liability	39	28
Liability for stale cheque	1	2
Total	852	855

NOTE 15**Equity**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
(a) Authorised share capital:		
880,000,000 (Previous Year 180,000,000) Equity Shares of Rs.10 each	88,000	18,000
120,000,000 (Previous Year 120,000,000) Preference Shares of Rs.10 each	12,000	12,000
	1,00,000	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

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 31.03.2021
1) State Bank of India	86.18 (86.18)	13,77,86,585
2) Small Industries Development Bank of India (SIDBI)	6.53 (6.53)	1,04,44,172

Reconciliation of Shares

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Number of shares at the beginning	15,98,85,365	15,98,85,365
Number of shares at the end	15,98,85,365	15,98,85,365

Rights, Preferences and Restrictions attached to Shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.



NOTE 16**Other Equity**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Capital Redemption Reserves		
Opening Balance	1,000	1,000
Add: Transfer from Statement of Profit and Loss	-	-
Closing Balance	1,000	1,000
Securities Premium Account		
Opening Balance	21,693	21,693
Add: Additions during the year	-	-
Closing Balance	21,693	21,693
Reserve Fund *		
Opening Balance	6,816	6,481
Add: Transfer from Statement of Profit and Loss	370	335
Closing Balance	7,186	6,816
Impairment Reserve @ #		
Opening Balance	2,196	-
Add: Transfer from Statement of Profit and Loss	-	1,341
Add: Transfer from General Reserve	-	854
Closing Balance	2,196	2,196
@ Reviewed on half yearly basis		
General Reserve		
Opening Balance	10,569	11,423
Add: Transfer from contingency reserve	-	-
Less: Transfer to Impairment Reserve	-	854
Closing Balance	10,569	10,569
Surplus in the Statement of Profit and Loss		
Opening Balance	(25,018)	(24,817)
Ind AS 116 Impact on opening reserves as on 01.04.2019	-	(176)
Add: Total Comprehensive Income for the year	1,838	1,652
	(23,180)	(23,341)
Less :-		
Transfer to Reserve Fund*	370	335
Transfer to Impairment Reserve	-	1,341
Closing Balance	(23,550)	(25,018)
Total	19,094	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



NOTE 17**Interest Income**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount charges	9,827	10,316
Total	9,827	10,316

NOTE 18**Fees & Commission Income**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Processing Charges	362	344
Total	362	344

NOTE 19**Sale of Service**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Factoring Charges	476	505
Total	476	505

NOTE 20**Others**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Bad Debts Recovery in Written off Accounts	92	514
Total	92	514

NOTE 21**Reversal of provision on Financial Instruments**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loans	2,799	7,257
Total	2,799	7,257

NOTE 22**Finance Cost**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<u>Interest Expenses on debts classified as amortised category</u>		
Non-Convertible Redeemable Debentures	1,103	1,377
Short Term Loans (including Cash Credit & Overdraft)	509	402
Discount on Issue of Commercial Papers	2,640	4,092
Interest on Financial Asset Sold	-	95
Interest Expense on Lease Liability	52	68
<u>Other Borrowing Costs</u>		
Bank Charges	45	60
Credit Rating Fees and Other Charges	96	79
Other Finance Cost	5	9
Forward Premium	93	-
Foreign Exchange Gain / Loss	-	2
Total	4,543	6,184



Note 23**Fees and Commission Expense**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Import Factor Commission	109	140
Total	109	140

Note 24**Net loss on derecognition of financial instruments under amortised cost category**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss on Derecognition of Financial Instruments	4,234	6,672
Total	4,234	6,672

NOTE 25**Employee Benefits Expenses**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	1,025	881
Contribution to Provident and Other Funds	41	35
Staff Welfare Expenses	24	47
Total	1,090	963

NOTE 26**Other Expenses**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent, Rates and Taxes	48	24
Repairs and Maintenance - Building	23	23
Repairs and Maintenance - Others	125	123
Travelling and Conveyance	62	80
Directors Sitting Fees	31	25
Advertisement & Publicity Expenses	1	5
Communication expense	47	57
Printing and Stationery	9	11
Legal and Professional Charges	197	164
Auditor's fees and expenses	23	23
Electricity Expenses	40	53
Membership and subscription	9	10
Outsourcing Costs	50	51
Security Charges	18	17
Contribution towards CSR activities	2	1
Goods and Services Tax	132	149
Miscellaneous Expenses	55	64
Total	872	879



27 Contingent Liabilities :

₹ in Lakhs

	Particulars	March 31, 2021	March 31, 2020
i.	Claims against the Company not acknowledged as debts (to the extent ascertained from the available records)	-	32
ii	Service Tax matters (under dispute)	57	57
iii	Direct Tax matters - Income Tax	48	48
iv	Direct Tax matters - Tax Deducted at Source	0	0
		• 105	137

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

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

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

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

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

₹ in Lakhs

	Particulars	March 31, 2021	March 31, 2020
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, 2021	March 31, 2020
Net Profit attributable to ordinary equity holders ₹ in Lakhs)		1,847	1,677
Profit available to Equity Shareholders (₹ in Lakhs)	(A)	1,847	1,677
Adjusted Net Profit for Diluted Earnings Per Share (₹ in Lakhs)	(B)	1,847	1,677
Weighted average number of Equity Shares outstanding during the year			
	(C)	15,98,85,365	15,98,85,365
Weighted average number of Diluted Equity Shares outstanding during the year			
	(D)	15,98,85,365	15,98,85,365
Nominal Value of Equity Shares (Rs.)		10	10
Basic Earnings Per Share (Rs.)	(A) / (C)	1.15	1.05
Diluted Earnings Per Share (Rs.)	(B) / (D)	1.15	1.05

30 i Disclosure of Unhedged Exposure of Foreign Currency

The Foreign Currency Exposures that have not been hedged by a derivatives instrument or otherwise as on 31st March, 2021 are as follows:

	Currency	Currency ₹ in Lakhs	Amount ₹ in Lakhs
(a) Assets (Receivables)			
	USD	29	2,122
		(82)	(6,205)
	EUR	21	1,835
		(12)	(1,028)
	GBP	6	643
		(8)	(718)
(b) Liability (Payables)			
	USD	0	0
		(0)	(3)
	EUR	0	0
		(0)	(0)
	GBP	0	0
		(0)	(0)
(c) Loans Payable			
	USD	29	2,142
		(82)	(6,218)
	EUR	21	1,843
		(12)	(1,027)
	GBP	6	629
		(8)	(708)

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 (upto 30th June, 2020)	MD & CEO
Mr. P. Hemant Kumar Pammi (w.e.f 1st July, 2020)	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 (upto 30th June, 2020)	Factors Association of India
Mr. P. Hemant Kumar Pammi (w.e.f 1st July, 2020)	Factors Association of India
Mr. P. Hemant Kumar Pammi (w.e.f 1st July, 2020)	SBI Global Factors Limited Staff Gratuity Fund



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

(Rs. ' in Lakhs)

Sr. No	Nature of transaction	Holding @	Fellow Subsidiaries	Associates / Group Enterprises	Key Management Personnel / Relatives	Enterprises over which Key Management Personnel (KMP) & his relatives can exercise significant influence	Grand Total
1	EXPENSES						
	Remuneration to MD and CEO *	-	-	-	46	-	46
	Previous Year	-	-	-	(48)	-	(48)
	Remuneration to SVP & CFO*	-	-	-	54	-	54
	Previous Year	-	-	-	(45)	-	(45)
	Remuneration to Company Secretary*	-	-	-	14	-	14
	Previous Year	-	-	-	(19)	-	(19)
	Salary (including Perquisite) paid to Deputed Staff**	589	-	-	-	-	589
	Previous Year	(520)	(0)	-	-	-	(520)
	Other Receiving of Services/ Reimbursement of Expenses	557	16	-	-	-	574
	Previous Year	(453)	(15)	-	-	-	(468)
	Interest on Financial assets sold	-	-	-	-	-	-
	Previous Year	(35)	-	-	-	-	(95)
	Stamp Duty on sale of TREDIS to SBI	-	-	-	-	-	-
	Previous Year	(2)	-	-	-	-	(2)
	Stamp duty on Investment in MF	-	5	-	-	-	5
	Previous Year	-	-	-	-	-	-
	Subscription / Membership fees	-	-	-	-	0	0
	Previous Year	-	-	-	-	-	-
	Total - Current Year	1,146	21	-	114	0	1,281
	Total - Previous Year	(1,069)	(15)	-	(113)	-	(1,197)
2	INCOME						
	Rendering of Services/ Reimbursement of Expenses	-	-	-	-	-	-
	Previous Year	-	-	-	(0)	-	(0)
	Rental Income	5	-	-	-	-	5
	Previous Year	-	-	-	-	-	-
	Profit on sale of Units of Mutual fund	-	10	-	-	-	10
	Previous Year	-	(1)	-	-	-	(1)
	Total - Current Year	5	10	-	-	-	14
	Total - Previous Year	-	(1)	-	(0)	-	(2)
3	SHARE CAPITAL						
	Equity Share Capital	13,779	-	-	-	-	13,779
	Previous Year	(13,779)	-	-	-	-	(13,779)
	Share Premium	16,437	-	-	-	-	16,437
	Previous Year	(16,437)	-	-	-	-	(16,437)
	Total - Current Year	30,216	-	-	-	-	30,216
	Total - Previous Year	(30,216)	-	-	-	-	(30,216)
4	ASSETS						
	Amounts Receivable / Advance	3	5	-	-	-	8
	Previous Year	(1)	(11)	-	-	-	(12)
	Bank Balances	797	-	-	-	-	797
	Previous Year	(24)	-	-	-	-	(24)
	Total - Current Year	800	5	-	-	-	806
	Total - Previous Year	(24)	(11)	-	-	-	(35)
5	INVESTMENTS :						
	Investments in Equity shares	-	0	-	-	-	0
	Previous Year	-	(0)	-	-	-	(0)
6	LIABILITY						
	Unsecured Loans	36,674	-	-	-	-	36,674
	Previous Year	(31,726)	-	-	-	-	(31,726)
	Salary Payable / Amounts Payable / Interest Payable	233	-	-	3	-	236
	Previous Year	(170)	-	-	(5)	-	(175)
	Total - Current Year	36,907	-	-	3	-	36,910
	Total - Previous Year	(31,896)	-	-	(5)	-	(31,901)
6	TRANSACTIONS						
	Sale of Fixed Assets	1	-	-	-	-	1
	Previous Year	-	-	-	-	-	-
	Loan Taken	12,92,367	-	-	-	-	12,92,367
	Previous Year	(1,46,426)	-	-	-	-	(1,46,426)
	Repayment of Loan	12,87,419	-	-	-	-	12,87,419
	Previous Year	(1,47,692)	-	-	-	-	(1,47,692)
	Investment in Schemes of Mutual Fund	-	44,009	-	-	-	44,009
	Previous Year	-	(6,000)	-	-	-	(6,000)
	Redemption of Schemes of Mutual Fund	-	44,109	-	-	-	44,109
	Previous Year	-	(6,001)	-	-	-	(6,001)



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, 2021	March 31, 2020
For Statutory Audit	10	10
For Limited Review	5	5
For Tax Audit	3	3
For Other Services (Including certification)	5	4
For Out of pocket expenses	-	1
TOTAL	23	23

34 Expenditure in Foreign Currency (On Accrual basis)

₹ in Lakhs

	March 31, 2021	March 31, 2020
Correspondent Fees	109	140
Membership and Subscription	7	1
Interest on Short Term Loans	111	185
Others	10	11
TOTAL	237	337

35 Earnings in Foreign Currency:

₹ in Lakhs

	March 31, 2021	March 31, 2020
Income from Factoring :		
Interest	134	309
Factoring Charges	174	226
Processing Charges	44	54
Miscellaneous Income	0	1
TOTAL	352	589

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Book value of investments in	383	383	-	-	-	-
Less: Provision	383	383	-	-	-	-
Net Value of	-	-	-	-	-	-

* 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	383	-	-
Provision held against(i)	383	-	-
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 2021 and year ended 31st March 2020 are:

₹ in Lakhs		
Particulars	March 31, 2021	March 31, 2020
Current Tax		
In respect of Current Year	-	234
In respect of prior years	7	-
Deferred Tax		
In respect of Current Year	818	2,117
Total Income Tax expense recognised in statement of profit and loss	825	2,351
OCI Section		
Remeasurement of the defined benefit liabilities	4	10
Income tax charges to OCI	4	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 2021 and year ended 31st March 2020 is as follows

₹ in Lakhs		
Particulars	March 31, 2021	March 31, 2020
Accounting profit before tax	2,672	4,028
Income tax expense calculated at 29.12% (Previous Year 29.12%)	778	1,173
Adjustments in respect of current income tax of previous year	7	234
Deferred tax assets on losses not recognised	36	934
Others	4	10
Income tax expense recognised in statement of profit and loss	825	2,351

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

Movement in Deferred Tax (Assets) / Liabilities

₹ in Lakhs March 31, 2021				
Particulars	(DTA) / DTL As at April 01, 2020	Statement of Profit and Loss	OCI	(DTA) / DTL As at March 31, 2021
Fixed Asset: temporary difference on account of Depreciation and Amortisation	78	5		83
Bonus Disallowed due to non-payment	(20)	-		(20)
Provision for Gratuity	(18)	(8)		(26)
Provision for Leave Encashment	(13)	(9)		(21)
Provision for Expenses	(1)	(1)		(2)
Provision for doubtful debts on Non Performing Investments	(111)	-		(111)
Impairment allowances of Financial Assets	(5,277)	816		(4,462)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(4)	0		(3)
Leases	(64)	11		(53)
Others - OCI	-	4	(4)	-
Total	(5,434)	818	(4)	(4,617)

₹ in Lakhs March 31, 2020				
Particulars	(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)
Impairment allowances of Financial Assets	(7,391)	2,113		(5,277)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(4)	-		(4)
Leases	(72)	8		(64)
Others - OCI	-	10	(10)	-
Total	(7,538)	2,117	(10)	(5,431)



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, 2021	March 31, 2020	
Employer's Contribution to Provident Fund	12	11	
Employer's Contribution to Pension Fund	13	12	
Total	25	24	

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:-

Actuarial Assumptions	March 31, 2021	March 31, 2020
Discount Rate	6.92%	5.80%
Future Salary Increases	10.00%	10.00%
Retirement Age	60 Years	60 Years
Mortality Rate	(as % of IALM (2012-14) Ult. 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, 2021	March 31, 2020
a) Present Value of obligation at the beginning of the year	141	104
b) Interest Cost	9	8
c) Past Service Cost	-	-
d) Current Service Cost	12	10
e) Benefits Paid	(4)	-
f) Actuarial (gain) / loss on Obligation	12	18
g) Present Value of obligation at the end of the year	171	141

c) Changes in Fair Value of Plan Assets

₹ in Lakhs		
Particulars	March 31, 2021	March 31, 2020
a) Fair value of plan assets at the beginning of the year	79	88
b) Expected Return	5	7
c) Past Service Cost	-	-
d) Contributions	-	-
e) Benefits Paid	(4)	-
f) Actuarial gain / (Loss) on Plan Assets	2	(16)
g) Fair value of plan assets at the end of the year	82	79
h) Funded Status	(89)	(63)

d) Actuarial gain/loss recognized

₹ in Lakhs		
Particulars	March 31, 2021	March 31, 2020
a) Actuarial (gain) / loss for the year - Obligation	12	18
b) Actuarial (gain) / loss for the year - Plan Assets	2	(16)
c) Actuarial (gain) / loss recognized in the year	11	35

e) Amounts to be recognized in the Balance Sheet:

Particulars	March 31, 2021	March 31, 2020
a) Present Value of obligation at the end of the year	171	141
b) Fair value of plan assets at the end of the year	82	79
c) Funded Status	(89)	(63)
d) Net liability recognized in the Balance Sheet	89	63



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

Particulars	March 31, 2021	March 31, 2020
a) Current Service Cost	12	10
b) Past Service Cost	-	-
c) Interest Cost	9	8
d) Return on plan assets	(5)	(7)
e) Net Actuarial (gain) / loss recognized in the year	11	35
f) Interest on Fund Balance not recognised earlier	-	-
g) Expenses/(Income) recognized in the Statement of Profit & Loss	27	46

g) Investment Details of Plan Assets

Rs. In Lakhs		
Particulars	March 31, 2021	March 31, 2020
Assets managed by insurance scheme (100%)	82	79

h) Balance Sheet Reconciliation

Rs. In Lakhs		
Particulars	March 31, 2021	March 31, 2020
Opening Net Liability	(63)	(16)
Expenses as above	27	46
Employers Contribution	-	-
Amount Recognised in Balance sheet	(90)	(63)

i) Amount Recognised in current year and previous two years

	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligation	171	141	104
Plan Assets	82	79	88
(Surplus)/Deficit	89	63	16
Experience adjustments on plan liabilities Loss/ (Gain)	12	18	6
Experience adjustments on plan Assets (Loss)/Gain	2	(16)	5

J) Maturity Analysis of Projected Benefit Obligation: From the Fund

	March 31, 2021	March 31, 2020
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	6	10
2nd Following Year	8	10
3rd Following Year	6	12
4th Following Year	7	10
5th Following Year	16	11
Sum of Years 6 To 10	67	71

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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	154	191	131	154
Withdrawal Rate (1% movement)	168	174	140	143
Future salary growth (1% movement)	187	156	152	131

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, 2021	March 31, 2020
Privileged Leave	₹ 73	43

Notes:

The Company expects to contribute Rs. 89 Lakhs to Gratuity fund in 2021-22



40 **Maturity Analysis of Assets and Liabilities:**

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

Particulars	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and Cash Equivalents	972	-	972	187	-	187
Loans*	1,22,572	-	1,22,572	1,13,956	-	1,13,956
Investments	-	0	0	-	0	0
Other Financial Assets	1,476	241	1,717	2,739	262	3,001
Non-Financial Assets						
Current Tax Assets (Net)	-	504	504	-	843	843
Deferred Tax Assets (Net)	-	4,616	4,616	-	5,431	5,431
Property, Plant and Equipment	-	1,099	1,099	-	1,231	1,231
Other Intangible Assets	-	5	5	-	11	11
Other Non-Financial Assets	283	-	283	180	166	346
Total Assets	1,25,303	6,466	1,31,769	1,17,062	7,944	1,25,007
Liabilities						
Financial Liabilities						
Debt Securities	57,675	-	57,675	47,230	9,992	57,222
Borrowings (Other than Debt Securities)	36,674	-	36,674	31,726	-	31,726
Other Financial Liabilities	682	549	1,231	1,054	703	1,757
Non-Financial Liabilities						
Provisions	70	184	254	-	201	201
Other Non-Financial Liabilities	852	-	852	855	-	855
Total Liabilities	95,953	733	96,686	80,865	10,896	91,762
Net			35,082			33,245
* Represents Loans net of provision						



41 Capital

i Capital Management

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

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

Regulatory Capital	As at March 31, 2021	As at March 31, 2020
Tier I Capital	26,218	25,547
Tier II Capital	-	2,000
Total Capital	26,218	27,547
Risk Weighted Assets	1,33,954	1,24,724
CRAR		
Tier I Capital (%)	21.07%	20.48%
Tier II Capital (%)	0.00%	1.60%

Regulatory capital consists of Tier I 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-II

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:

Particulars	As at March 31, 2021			Total
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	
Financial Assets				
Cash and Cash Equivalents	972			972
Loans	1,22,572			1,22,572
Investments		0		0
Other Financial Assets	1,717			1,717
Total	1,25,261	0	-	1,25,261
Financial Liabilities				
Debt Securities	57,675			57,675
Borrowings (Other than Debt Securities)	36,674			36,674
Other Financial Liabilities	1,231			1,231
Total	95,580	-	-	95,580

Particulars	As at March 31, 2020			Total
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	
Financial Assets				
Cash and Cash Equivalents	187			187
Loans	1,13,956			1,13,956
Investments		0		0
Other Financial Assets	3,001			3,001
Total	1,17,144	0	-	1,17,144
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

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.

Particulars	As at March 31, 2020			Total
	Level-1	Level-2	Level-3	
Investments	0	-	-	0

Fair value technique

Investment at fair value through profit and loss

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

Other Financial Assets and Liabilities

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



43 Financial Risk Management

1 Introduction

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

2 Risk Management Framework

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

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

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

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

- Credit Manual - Covering Client Risk, Country Risk, Concentration Risk, Counter Party Risk.
- Operations Manual - For conducting entire gamut of operations of factoring transactions in a systematic manner in accordance with the laid down procedures and instructions, so as to prevent Fraudulent and Suspicious transactions.
- Asset Liability Management Policy manual - Liquidity Risk, Investment Manual - For Market (Interest Rate) Risk and Liquidity Risk and Foreign Exchange Operations manual.
- IT Policy and IT Security Policy and SCMS - 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-I/CCC-II 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 informed 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 Responsibilities

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.

A synopsis of the various risks faced by the

4 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 recourse 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 Operational 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 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, LCX and LCBD.

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

The Company invests surplus funds in approved Overnight(Debt) funds to earn some return vis-à-vis idle cash.

The Guidelines contained in the Treasury & Investment Manual on Liquidity Back up, Investment of temporary Surplus funds, conduct of front / mid / back office and reporting mechanism can be amended from time to time, subject to approval by the Board.

D) Liquidity Risk

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

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

The Company has following sources of funds:

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

To mitigate the liquidity risk, Company has a policy that the total of:

i) Undrawn, committed rupee facilities.

ii) Investments in liquid instruments.

should always exceed aggregate of short term dated loans with no surety of roll over, and CP's falling due within the next one week.

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

Company has inducted 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 2021

Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Cash and cash equivalents	972	-	-	-	-	-	-	-	972
Loans	54,280	40,791	27,162	15,377	285	-	-	-	1,37,885
Investments*	-	-	-	-	-	383	-	0	383
Other Financial assets	1,471	-	-	-	5	241	-	-	1,717
Total	56,723	40,791	27,162	15,377	290	624	-	0	1,40,567
Debt Securities	12,972	9,957	24,748	9,998	-	-	-	-	57,675
Borrowings (other than Debt Securities)	1,562	22,433	12,679	-	-	-	-	-	36,674
Other Financial liabilities	682	-	-	157	-	549	-	-	1,389
Total	15,217	32,390	37,427	10,155	-	549	-	-	95,738

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

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	29,403	19,035	28,176	-	-	-	-	1,32,079
Investments*	-	-	-	-	-	383	-	0	383
Other Financial assets	2,739	-	-	-	-	262	-	-	3,001
Total	58,330	29,403	19,035	28,176	-	645	-	0	1,35,550
Debt Securities	21,901	20,333	-	4,997	-	9,992	-	-	57,223
Borrowings (other than Debt Securities)	26,741	-	4,985	-	-	-	-	-	31,726
Other Financial liabilities	626	-	-	426	-	703	-	-	1,755
Total	49,270	20,333	4,985	5,423	-	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 JMFC (Securitisation Company)

44 Segment Reporting

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 100 - 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:

	March 31, 2021	March 31, 2020
	₹ in Lakhs	
Right to use assets		
Buildings	367	483
Lease liabilities		
Lease liabilities	549	703

(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	186	214
Interest expense (included in finance cost)	52	68
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	26	-
Expense relating to leases of low-value assets that are not shown	3	3
Expense relating to variable lease payments not included in lease	-	-
The total cash outflow for leases during the period	303	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

Credit Quality Analysis –

Particulars	₹ in Lakhs					
	Stage 1		Stage 2	Stage 3		Total
	Outstanding Loan	Impairment Losses	Outstanding Loan	Outstanding Loan	Impairment Losses	Impairment Losses
As at March 2021	1,17,941	1,977	2,892	17,062	13,331	15,308
As at March 2020	1,05,509	870	5,933	20,638	17,211	18,123



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."

Impact of COVID – 19 on the Company & steps taken/required to be taken to deal with the situation.

During the period April to July 2020, the impact of Covid-19 and consequent lock down was evident in the performance. The Company had redrawn its projection and strategies accordingly. However, things have started looking up since August 2020 and this has resulted in improvement in Company's performance.

Measures taken 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
- Management's & ECB approval obtained for revision in the 'Prudential Norm for 'Sub-Standard Asset Classification' from '6 months' to '3 months' in respect of the 'Factoring Assets Portfolio' in compliance with the RBI directives. The Board approval is being obtained in their meeting scheduled for 29.04.2021).
- 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.219 lakhs) on Standard Unsecured Assets pertaining to Domestic Factoring, Export Factoring and TReDS as on 31.03.2021.

Financial Impact on Loans and Advances

- a) The Company has not made any additional provision on the Gold Pool purchased from M/s. Muthoot Fincorp Ltd as per RBI circular dated 17th April 2020 as there was no outstanding amount (under Moratorium) as on 31.03.21.
- b) The Company has made an additional provision of 0.25% (Rs.219 lakhs) on the Unsecured Standard Assets as on 31.03.21
- c) The management feels that the provisions made is adequate to cover the losses on impact of Covid-19 on the Loans and Advances.
- d) The Company does not foresee any other impact on the financial performance due to Covid-19 for the future
- e) Based on current indicators of future economic conditions, the Company notes that for the period ended 31st March, 2021, it expects to recover the carrying amount of its current and non-current assets and does not anticipate any impairment.



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		39,187	98,708	1,37,895
	(Previous Year)		60,753	71,326	1,32,079
	Total (Current year)		39,187	98,708	1,37,895
	Total (Previous year)		60,753	71,326	1,32,079

6	Investor group-wise classification of all investments (current and long term) (both quoted and unquoted)	March 31, 2021		March 31, 2020	
		Market Value/ Break-up or fair value or NAV	Book value (net of provisions)	Market Value/ Break- up or fair value or NAV	Book value (net of provisions)
	1 Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group *	-	0	-	0
	(c) Other related parties	-	-	-	-
	2 Other than related parties @	574	-	574	-
	Total	574	0	574	0
	* Disclosed as zero as amount is less than lakhs				
	@ 100% Provision is held in books against investment, therefore book value is zero				

7	Other Information	Particulars	March 31, 2021	March 31, 2020
			Rs. in lakhs	Rs. in lakhs
	(i)	Gross Non Performing Assets		
		(a) Related Party	-	-
		(b) Other than Related Parties	17,062	20,638
	(ii)	Net Non-Performing Assets		
		(a) Related Party	-	-
		(b) Other than Related Parties	3,730	3,427
	(iii)	Assets acquired in satisfaction of debts	-	-

48 (i) Disclosures as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 dated 2nd September, 2015 and Circular No.CIR/MD/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, 2021	March 31, 2020
		No	No
(a)	Credit rating and change in credit rating (if any)		
(b)	Debt-Equity ratio	3.67	3.67
(c)	(i) Previous due date for the payment of interest		
	- 8.75% Tier II Bonds (10 Year)	-	25.06.2019
	- 9.22% Tier II Bonds (10 Years)	29.01.2021	29.01.2020
	(a) Repayment of principal of non convertible debt securities	25.06.2020	-
(d)	(i) Next due date for the payment of Interest		
	- 8.75% Tier II Bonds (10 Year)	-	25.06.2020
	- 9.22% Tier II Bonds (10 Years)	29.07.2021	29.07.2020
	(a) Principal along with the amount of interest		
	- 8.75% Tier II Bonds (10 Year)	-	25.06.2020
	- 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	35,083	33,245
(g)	Net Profit After Tax	1,847	1,677
(h)	Earnings Per Share	1.15	1.05



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

A Capital to Risk (weighted) Assets Ratio

₹ in Lakhs

Sr NO	Particulars	March 31, 2021	March 31, 2020
i.	CRAR (%)	21.07	22.09
ii	CRAR - Tier I Capital (%)	21.07	20.48
iii	CRAR - Tier II Capital (%)	-	1.60
iv	Amount of Subordinated debt as Tier II Capital (Rs In Lakhs)	-	2,000
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, 2021	March 31, 2020
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, 2021	March 31, 2020
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, 2021	March 31, 2020
(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, 2021	March 31, 2020
(i)	No. of Accounts	-	2
(ii)	Aggregate value (net of provisions) of accounts sold	-	12,535
(iii)	Aggregate consideration	-	12,535
(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, 2021	March 31, 2020
(i)	No. of Accounts	3	3
(ii)	Aggregate value (net of provisions) of accounts purchased	30,000	30,000
(iii)	Aggregate consideration	30,000	30,000
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

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

A. Details of Non-Performing Assets purchased

₹ in Lakhs

Sr NO	Particulars	March 31, 2021	March 31, 2020
(i)	(a) No. of Accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

B. Details of Non-Performing Financial Assets sold.

₹ in Lakhs

Sr NO	Particulars	March 31, 2021	March 31, 2020
(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 years upto 5 years	Over 5 years	Total
Deposits									
Loans	54,280	40,791	37,562	15,377	285	-	-	-	1,37,695
Investments									0
Borrowing									
- Bank Overdraft	60	-	-	-	-	-	-	-	60
- C.C Facility	1,502	2,435	679	-	-	-	-	-	4,614
- VCCs	-	20,000	12,000	-	-	-	-	-	32,000
- Commercial Papers	12,912	9,957	24,748	-	-	-	-	-	47,617
Debentures	-	-	-	8,998	-	-	-	-	8,998
Interest on Debentures	-	-	-	157	-	-	-	-	157
Foreign Currency Assets									
- Bank Accounts	318	-	-	-	-	-	-	-	318
Foreign Currency Liability									
- Import Factoring Commission	21	-	-	-	-	-	-	-	21
- Interest Payable on Loan	0	-	-	-	-	-	-	-	0

* The Period of realization of investment shall be 5 years from the date of acquisition. The Period of realization may be extended to a maximum of 8 Years from the date of acquisition by the Board of Directors of JMFAC (Securitization Company)

§ Represents Foreign Currency Cash Credit Loan

a) Exposure to Real Estate Sector *

Category	₹ in Lakhs	
Direct Exposure	March 31, 2021	March 31, 2020
(i) Residential Mortgages -		
(ii) Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,006	2,794
(iii) Commercial Real Estate -		
(iv) 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-land based limits.	2,918	2,918
(v) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
(vi) a. Residential		
(vi) b. Commercial Real Estate		
Total Exposure to Real Estate Sector @	4,924	5,712

* 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.4,584 Lakhs (Previous Year 5,711 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 (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC - The list of clients with limits exceeding Rs. 3500 lakhs is given below:

Sr.	Client Name	Facility	Region	Max. Overall Limit	DF	RF	EF	SLC	PLC	ELC	Overall Core Limit	Core outstanding as on 31.03.21	Overall LC Limit	LC outstanding as on 31.03.21	Total FRU 0% as on 31.03.21
1	BENGAL ENERGY LTD	LC	Kolkata	30,000	-	-	-	7,500	30,000	-	-	-	30,000	11,787	11,787
2	INDIA GLASS LTD	DF/RF/PLC	New Delhi	11,500	3,500	2,500	-	-	10,000	-	3,500	2,740	10,000	787	3,527
3	PATEL ENGINEERING LTD	P.L.C./Retention Money Finance (BG Backed)	Mumbai	13,500	3,500	-	-	-	10,000	-	3,500	288	10,000	3,670	3,958
4	SARDARS TRADE AND INDUSTRY PVT LTD	DF/RF/SLC	Mumbai	6,200	1,200	-	286	5,000	-	-	1,200	1,178	5,000	-	1,178
5	INFLOW TECHNOLOGIES PVT LTD	DF/SLC	Bangalore	4,500	3,500	-	-	1,000	-	-	3,500	1,241	1,000	-	1,241
6	SUPREME AND CO PVT LTD	RF/PLC	Kolkata	4,500	-	2,500	-	-	2,000	-	2,500	2,121	2,000	650	2,776
7	BANSAL SPINNING MILLS LTD	DF/RF/PLC/ELC	Ludhiana	4,000	-	-	500	20	3,500	2,000	500	240	3,500	-	240

e) Unsecured Advances

Type of Security	₹ in Lakhs	
	March 31, 2021	March 31, 2020
Secured through overseas Import Factor	4,458	7,824
Secured by way of Assignment of Receivables and through Residual / Subservient Charge	51,568	47,856
Fully Unsecured	42,675	29,647
Total	98,701	85,327

Miscellaneous

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

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

c) Related Party Transactions - Disclosed in Note 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)	15,985	Subordinated Debt Programme	03-Jul-20	02-Jul-21
(ii)	ICRA	[ICRA]AAA (Stable)	1,00,000	Long-Term Bank Lines	03-Jul-20	02-Jul-21
(iii)	ICRA	[ICRA]A1+	1,00,000	Short-Term Bank Lines	03-Jul-20	02-Jul-21
(iv)	ICRA	[ICRA]A1+	2,00,000	Short-Term Debt Programme (Commercial Paper)	03-Jul-20	02-Jul-21
(v)	CRISIL	CRISIL AAA/Stable	20,000	Non-Convertible Debentures	04-Feb-21	03-Feb-22
(vi)	CRISIL	CRISIL AAA/Stable	10,000	Non-Convertible Debentures	04-Feb-21	03-Feb-22
(vii)	CRISIL	CRISIL A1+	1,50,000	Commercial Paper	04-Feb-21	03-Feb-22

* 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	
	March 31, 2021	March 31, 2020
(i) Concentration of Deposits	1	-
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-



₹ in Lakhs		
	March 31, 2021	March 31, 2020
aj) Concentration of Advances		
Total Advances of twenty largest borrowers	49,352	74,320
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	35.06	56.27

₹ in Lakhs		
	March 31, 2021	March 31, 2020
aj) Concentration of Exposures (a + ii)		
Total Exposure to twenty largest borrowers / customers	49,352	74,320
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of NBFC on borrowers / customers	35.06	56.27

₹ in Lakhs		
	March 31, 2021	March 31, 2020
aj) Concentration of NPAs		
Total Exposure to top four NPA Accounts	7,355	8,297

₹ in Lakhs		
	March 31, 2021	March 31, 2020
aj) Sector-wise NPAs		
Sector	Percentage of NPAs to Total Advances in that sector	
1. Agriculture & allied activities	2	4
2. MSME	19	20
3. Corporate Borrowers	4	2
4. Services	-	-
5. Unsecured Personal Loan	-	-
6. Auto Loans	-	-
7. Other personal Loans	-	-

₹ in Lakhs		
	March 31, 2021	March 31, 2020
c) Movements of NPAs		
i. Net NPAs to Net Advance (%)	2.99%	2.98%
ii. Movement of NPAs (Gross)		
(a) Opening Balance	20,636	28,153
(b) Additions during the year	1,742	443
(c) Reductions during the year	4,918	7,939
(d) Closing Balance	17,460	20,658
iii. Movement of Net NPAs		
(a) Opening Balance	3,427	3,719
(b) Additions during the year	300	51
(c) Reductions during the year	130	985
(d) Closing Balance	3,730	3,427
iv. Movement of Provisions of NPAs (Excluding Provision on Standard Assets)		
(a) Opening Balance	57,711	24,414
(b) Provision made during the year	945	390
(c) Write off / write back of excess provisions	4,821	7,955
(d) Closing Balance	13,331	17,211

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

g) Off-Balance Sheet SPVs sponsored - Not Applicable

₹ in Lakhs		
	March 31, 2021	March 31, 2020
h) Disclosure of Complaints		
Customer Complaint		
(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	-	-

50 In terms of RBI Circular No. DNBS.PD.CC.No. 256 / 03.10.04/2011-12 dated March 02, 2012 the Company has to report Rise and Amount of Fraud identified during the year. The Company has not detected / identified any fraud during the current year and previous year.

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

52 Input Tax Credit under Goods and Services Tax:

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

53

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACF norms	Difference between Ind AS 109 provisions and IRACF norms
-1	-2	-3	-4	(5) = (3)-(4)	-6	(7) = (4)-(6)
Performing Assets						
Guaranteed	Stage 1	1,17,941	1,977	1,15,964	688	1,289
	Stage 2	2,802	14	2,807	15	(1)
Subtotal		1,20,833	1,991	1,18,842	703	1,288
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,735	705	530	247	458
Doubtful - up to 1 year	Stage 3	300	13	288	300	(288)
1 to 3 years	Stage 3	3,978	2,353	1,625	3,978	(1,625)
More than 3 years	Stage 3	11,253	9,990	1,263	10,722	(758)
Subtotal for doubtful		15,531	12,331	3,200	14,999	(2,669)
Loss	Stage 3	290	290	-	290	-
Subtotal for NPA		17,862	13,331	3,730	15,543	(2,211)
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 (IRACF) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total		1,17,941	1,977	1,15,964	688	1,289
	Stage 2	2,802	14	2,807	15	(1)
	Stage 3	17,962	13,331	3,730	15,543	(2,211)
Total		1,37,895	15,323	1,22,572	16,245	(223)



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

as on 31st March 2021

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

as on 31st March 2020

Sr. No.	Number of Significant Counterparties *	Amount	% of Total deposits	% of Total Liabilities
Total	9	85,226	NA	93

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

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

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

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

as on 31st March 2021

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

as on 31st March 2020

Sr. No.	Particulars of Lenders	March 31, 2020	% of Total Borrowings
Total		85,226	96%

(iv) Funding concentration based on significant instrument/product

as on 31st March 2021

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

as on 31st March 2020

Sr. No	Number of Instrument/product	Amount	% of Total Liabilities
1	TIER II Bonds	15,000	16
2	Commercial Papers	42,500	46
3	Bank Lines	31,727	35
Total		89,227	97



(V) Stock Ratios:**As per Ind AS**

Sr. No.	Ratios	March 31, 2021	March 31, 2020
a)	Commercial paper as a % of Total Public Funds	NA	NA
	Commercial paper as a % of Total Liabilities	49	46
	Commercial paper as a % of Total Assets	36	34
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	50	42
	Other Short-term liabilities as a % of Total Assets	37	31

(VI) Institutional set-up of liquidity risk management**I. Introduction**

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

- (1) The cash and / or cash equivalent is not adequate to meet the obligations to the lenders and other counter parties.
- (2) Sale of liquid assets will yield less than their fair value, or
- (3) Liquid assets cannot be sold at the desired time due to lack of buyers.

II. Identification

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

- a) Delays in repayment of loans by the debtors / clients.
- b) Inability to raise money from the overnight market.

III. Treatment / Handling of Liquidity Risk

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

In case of a tight liquidity position, wherein Company is unable to raise money through CPs at reasonable rates, the Company may fund its assets through Banks' lines of credit.

- a) Undrawn, committed rupee facilities;

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

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

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

As per our Report of even date

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

Sachin Vyas
Partner
M.No. 419656



Place : Mumbai
Date : 29 April 2021

For and on behalf of the Board of Directors

Ashwini Kumar Tewari
Chairman
DIN :- 08797991

Pankaj Gupta
Chief Financial & Risk Officer

Place : Mumbai
Date : 29 April 2021



R. Hemant Kumar Pammi
Managing Director & CEO
DIN :- 07969705

Nandan Nimbkar
Company Secretary

INDEPENDENT AUDITOR'S 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 2021, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 2021. 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.

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	Key Audit Matters	How our audit addressed the key audit matter
1.	Impairment of financial assets (expected credit losses) Recognition and measurement of impairment of loans and advances involve significant management judgement. In accordance with Ind AS 109 credit loss assessment is 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: <ul style="list-style-type: none">• 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.
2.	Impact of Covid- 19 Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected Credit Loss (ECL) and impairment loss allowances on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default. The outbreak of the COVID – 19 pandemic in the year 2020 necessitates that the Company shall specifically consider the possible impact of uncertainties associated with the same in applying such judgement and estimates We have identified the impact of and uncertainty related to the COVID-19 pandemic as a key element and	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: <ul style="list-style-type: none">• The identification of events leading to a significant increase in risk and credit impairment events; and• The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward-looking basis having regard to historical experiences.

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	<p>consideration for recognition and measurement of impairment on loans and advances on account of:</p> <ul style="list-style-type: none"> - Short and long term macroeconomic effect on businesses in the country and its consequential first order and cascading negative impact on revenue and employment generation opportunities; - impact of the pandemic on the Company's customers and their ability to repay dues; and - application of regulatory package announced by the Reserve Bank of India (RBI) on asset classification and provisioning. 	<p>We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level, including with reference to the possible impact of the uncertainties associated with the COVID-19 pandemic. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard.</p> <p>We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls and management's assessment of financial impact associated with COVID - 19 pandemic for the purposes of our audit of ECL and impairment loss allowances.</p>
3.	<p>Information Technology</p> <p>IT systems and controls</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated hence we identified IT systems and controls over financial reporting as a key audit matter for the Company.</p> <p>Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting</p>	<p>Our audit procedures to assess the IT system access management included the following:</p> <ul style="list-style-type: none"> • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process.

			<ul style="list-style-type: none">• Evaluating the design, implementation and operating effectiveness of the significant accounts related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.
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Information Other than the Standalone Financial Statements and Auditors' Report Thereon

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone Ind AS financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing

as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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- 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, 2021 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 2021 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

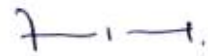
As per the directions of The Comptroller & Auditor General of India in accordance with Section 143(5) of the Companies Act, 2013 and on the basis of such verification of the books and records as considered appropriate and available and according to the information and explanations given to us and as 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.

Date: 29th April 2021

Place: Mumbai



For Vyas & Vyas
Chartered Accountants
FRN: 000590C


(SACHIN VYAS)
Partner
M. No. 419656

UDIN: 21419656 AAAAFE7171

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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 2021

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 Company has a regular program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the last physical verification of fixed assets was conducted on 31-Mar-2019. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - 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	546.59	In the erstwhile name of Global Trade Finance Limited
Office Premises in Delhi	146.72	108.82	In the erstwhile name of Global Trade Finance Limited
Flat in Mumbai	47.83	34.59	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 section 186 have been complied with.



- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, hence the directives issued by The Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable on the Company.
- vi. According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 to the Company.

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

According to the information and explanations given to us, there were no undisputed amounts payable in respect of outstanding statutory dues as aforesaid at 31st march 2021 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.



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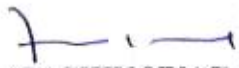
- xiii. According to the information and explanations given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board and Audit Committee, related party transactions during the financial year under review are in compliance with section 177 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.

Date: 29th April, 2021

Place: Mumbai



For Vyas & Vyas
Chartered Accountants
FRN: 000590C


(SACHIN VYAS)
Partner
M. No. 419656

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 2021

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, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

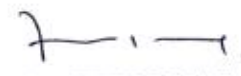
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2021, based on the internal control over financial reporting criteria 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.

Date: 29th April, 2021

Place: Mumbai



For Vyas & Vyas
Chartered Accountants
FRN: 000590C


(SACHIN VYAS)
Partner
M. No. 419656