SBI Global Factors Ltd

Balance Sheet as at March 31, 2020

(₹ in Lakhs)

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

As per our report of even date

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

Sachin Vyas

Digitally signed by Sachin Vyas
Date: 2020.05.02 17:53:52 +05'30'

Sachin Vyas
Partner
M.No. 419656

Place : Mumbai
Date : 02nd May, 2020

For and on behalf of the Board of Directors

Dinesh Kumar Khara
Chairman
DIN :- 06737041

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

Pankaj Gupta
Chief Financial & Risk Officer

Nandan Nimbkar
Company Secretary

SBI GLOBAL FACTORS LTD. MUMBAI

Place : Mumbai
Date : 02nd May, 2020

SBI Global Factors Ltd

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

(₹ in Lakhs)

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

See accompanying notes to the financial statements

As per our report of even date

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

Sachin Vyas

Sachin Vyas
Partner
M.No. 419656

Place : Mumbai
Date : 02nd May, 2020

For and on behalf of the Board of Directors

Dinesh Kumar Khara
Chairman
DIN :- 06737041

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

Pankaj Gupta
Chief Financial & Risk Officer

Nandan Nimbkar
Company Secretary

SBI GLOBAL FACTORS LTD. MUMBAI

Place : Mumbai
Date : 02nd May, 2020

SBI Global Factors Ltd

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

A. Equity Share Capital

₹ in Lakhs

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

B. Other Equity

₹ in Lakhs

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

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

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

See accompanying notes to the financial statements

As per our report of even date

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

Sachin Vyas

Sachin Vyas
Partner
M.No. 419656

Place : Mumbai
Date : 02nd May, 2020

For and on behalf of the Board of Directors

Dinesh Kumar Khara
Chairman
DIN :- 06737041

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

Pankaj Gupta
Chief Financial & Risk Officer

Nandan Nimbkar
Company Secretary

SBI GLOBAL FACTORS LTD. MUMBAI

Place : Mumbai
Date : 02nd May, 2020

SBI GLOBAL FACTORS Ltd

Cash Flow Statement for the Year Ended March 31, 2020 (₹ in Lakhs)

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

Note :

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

2. Previous Year figures have been regrouped / reclassified / rearranged wherever necessary.

See accompanying notes to the financial statements

As per our report of even date	For and on behalf of the Board of Directors	
For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C	Dinesh Kumar Khara Chairman DIN :- 06737041	M N Aravind Kumar Managing Director & CEO DIN :- 08165688
Sachin Vyas Sachin Vyas Partner M.No. 419656	Pankaj Gupta Chief Financial & Risk Officer	Nandan Nimbkar Company Secretary
Place : Mumbai Date : 02nd May, 2020	Place : Mumbai Date : 02nd May, 2020	

SBI GLOBAL FACTORS LTD. MUMBAI

Note 1: Significant Accounting Policies

1.1: Corporate Information:

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

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

(A) Significant Accounting Policies:

i. Statement of Compliance

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

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

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

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

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

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

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

In addition, for financial reporting purposes, fair value measurements are categorized within the fair value hierarchy 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

SBI GLOBAL FACTORS LTD. MUMBAI

entirety, which are described as follows:

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

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

iii. Revenue Recognition:

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

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

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

Rendering of Services

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

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

New Sanction

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

Facility Continuation Fees(FCF):

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

Facility Set-Up fees on enhancement or adhoc limits:

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

SBI GLOBAL FACTORS LTD. MUMBAI

iv. Functional currency

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

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

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

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

v. Borrowing Costs

Borrowing costs includes interest, commission/brokerage and exchange differences 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.

vi. Employee Benefits

Retirement benefit costs and termination benefits

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

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

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

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

The retirement benefit 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.

SBI GLOBAL FACTORS LTD. MUMBAI

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

Short-term and other long-term employee benefits

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

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

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

vii. Taxes

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

Current Taxes

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

Deferred Taxes

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

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

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

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

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

Current and Deferred tax for the year

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

SBI GLOBAL FACTORS LTD. MUMBAI

viii. **Property, plant and equipment**

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

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

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

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

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

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

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

Depreciation on additions to Fixed Assets is provided on pro-rata basis from the date of acquisition or installation. Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.
The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Lease Accounting as per Ind AS 116

IND AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset value is low.
As per this standard a lease liability is initially recognised and measured at an amount equal to present value of minimum lease payments during the lease term that are not yet paid.
Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration cost and other direct costs incurred by lessee.

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

SBI GLOBAL FACTORS LTD. MUMBAI

ix. Intangible Assets and amortization thereof:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on 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.

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

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

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

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

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

xi. Provisions

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

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A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.
Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. A contingent asset is disclosed in the Financial Statements, where an inflow of economic benefits is probable.

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

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

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

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

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

b)Classification of financial assets
On initial recognition, a financial asset is classified to be measured at -
- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:
- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

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

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

c)Business Model Test:

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

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

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

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

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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

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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.

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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

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changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If

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

Original classification	**Revised Classification**	**Accounting treatment**
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and
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 remeasurementrecognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

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

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

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

xiv. Earnings Per Share:
Basic earnings per share is 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

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

xv. Statement of Cash Flow

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

xvi. Commitments

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

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

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

xvii. Segment Reporting

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

1.3 Key Estimates and Judgements:

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

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

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

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

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

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iii. Income Taxes

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

iv. Evaluation of Business Model

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

v. Provisions and Liabilities

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

1.4 First Time Adoption of IND AS

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

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

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

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

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

i. Estimates

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

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

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

ii. Fair value measurement of Financial Assets or Financial Liabilities

As per IND AS 101, the Company has not fair valued the financial assets and financial liabilities

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retrospectivelyand has measured the same prospectively.

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

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

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

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SBI Global Factors Ltd
Notes forming part of the Financial Statements as at March 31, 2020

NOTE 2
Cash and cash equivalents (₹ in Lakhs)

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

NOTE 3
Loans - At Amortised Cost (₹ in Lakhs)

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

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NOTE 4
INVESTMENTS

(₹ in Lakhs)

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

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NOTE 5
Other Financial Assets

(₹ in Lakhs)

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

NOTE 6
Current Tax Assets (Net)

(₹ in Lakhs)

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

NOTE 7
Deferred Tax Assets (Net)

(₹ in Lakhs)

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

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Note 8 : Property Plant and Equipment And Intangible Assets

(₹ in Lakhs)

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

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NOTE 9
Other Non-Financial Assets (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Indirect Tax Credit	109	101	78
Pre-paid expenses	60	77	53
Advance paid to CERSAI	0	0	1
Advance to employees	11	14	3
Others*	166	166	32
Total	**346**	**359**	**167**

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

NOTE 10
Debt Securities - At Amortised Cost (₹ in Lakhs)

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

* Includes issue expenses amortised as per EIR

Maturity Profile of Non-Convertible Debentures (₹ in Lakhs)

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

Maturity Profile of Non-Convertible Debentures (₹ in Lakhs)

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

Maturity Profile of Non-Convertible Debentures (₹ in Lakhs)

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

 # The Details of Commercial Papers are as under (₹ in Lakhs)

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

(₹ in Lakhs)

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

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NOTE 11

Borrowings (Other than Debt Securities) - At Amortised Cost (₹ in Lakhs)

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

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

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

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NOTE 12

Other Financial Liabilities : (₹ in Lakhs)

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

NOTE 13

Provisions (₹ in Lakhs)

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

NOTE 14

Other Non-financial liabilities (₹ in Lakhs)

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

NOTE 15

Equity (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(a) Authorised share capital:			
180,000,000 (Previous Year 180,000,000) Equity Shares of Rs.10 each	18,000	18,000	18,000
120,000,000 (Previous Year 120,000,000) Preference Shares of Rs.10 each	12,000	12,000	12,000
	30,000	30,000	30,000
Issued, Subscribed and Paid-up			
159,885,365 (Previous Year 159,885,365) Equity Shares of Rs. 10 each, fully paid-up	15,989	15,989	15,989
	15,989	**15,989**	**15,989**

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

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

Disclosure with respect to Shareholding in excess of 5%

Name of the Equity Shareholder	% of Issued, Subscribied, and Paid up Equity Share Capital	No. of shares held as on 31.03.2020	No. of shares held as on 31.03.2019
1) State Bank of India	86.18 (86.18)	137,786,585	137,786,585
2) Small Industries Development Bank of India (SIDBI)	6.53 (6.53)	10,444,172	10,444,172

Reconciliation of Shares (₹ in Lakhs)

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

Rights, Preferences and Ristrictions attached to Shares

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

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NOTE 16

Other Equity (₹ in Lakhs)

Particulars	As at March 31, 2020	March 31, 2019	April 01, 2018
Capital Redemption Reserves			
Opening Balance	1,000	1,000	1,000
Add: Transfer from Statement of Profit and Loss	-	-	-
Closing Balance	**1,000**	**1,000**	**1,000**
Securities Premium Account			
Opening Balance	21,693	21,693	21,693
Add: Additions during the year	-	-	-
Closing Balance	**21,693**	**21,693**	**21,693**
Reserve Fund *			
Opening Balance	6,481	6,374	6,374
Add: Transfer from Statement of Profit and Loss	335	107	
Closing Balance	**6,816**	**6,481**	**6,374**
Impairement Reserve #			
Opening Balance	-	-	-
Add: Transfer from Statement of Profit and Loss	1,341	-	-
Add: Transfer from General Reserve	854	-	-
Closing Balance	**2,196**	-	-
General Reserve**			
Opening Balance	11,423	11,423	11,423
Add: Transfer from contingency reserve	-	-	-
Less: Transfer to Impairement Reserve	854	-	-
Closing Balance	**10,569**	**11,423**	**11,423**
Surplus in the Statement of Profit and Loss			
Opening Balance	(24,817)	(24,878)	(24,097)
Ind AS 116 Impact on opening reserves as on 01.04.2019	(176)		
Add: Total Comprehensive Income for the year	1,652	168	(781)
	(23,341)	(24,710)	(24,878)
Less :-			
Transfer to Reserve Fund*	335	107	-
Transfer to Impairement Reserve	1,341	-	-
Closing Balance	**(25,018)**	**(24,817)**	**(24,878)**
Total	**17,256**	**15,780**	**15,612**

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

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

**Contingency Reserve has been transferred to General Reserve as on 30th Sept 2013 vide approval received from The Reserve Bank of India dt.26.07.2013.

NOTE 17
Interest Income (₹ in Lakhs)

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

NOTE 18
Fees & Commission Income (₹ in Lakhs)

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

NOTE 19
Sale of Service (₹ in Lakhs)

Particulars	Year endedMarch 31, 2020	Year endedMarch 31, 2019
Factoring Charges	505	560
	505	**560**

NOTE 20
Others (₹ in Lakhs)

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

NOTE 21
Reversal of provision on Financial Instruments (₹ in Lakhs)

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

NOTE 22
Finance Cost (₹ in Lakhs)

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

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Note 23
Fees and Commission Expense **(₹ in Lakhs)**

Particulars	Year endedMarch 31, 2020	Year endedMarch 31, 2019
Import Factor Commission	140	174
Total	**140**	**174**

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

Particulars	Year endedMarch 31, 2020	Year endedMarch 31, 2019
Loss on Derecognition of Financial Instruments	6,672	3,355
Total	**6,672**	**3,355**

NOTE 25
Employee Benefits Expenses **(₹ in Lakhs)**

Particulars	Year endedMarch 31, 2020	Year endedMarch 31, 2019
Salaries and Wages	881	857
Contribution to Provident and Other Funds	35	21
Staff Welfare Expenses	47	47
Total	**963**	**925**

NOTE 26
Other Expenses **(₹ in Lakhs)**

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

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27 Contingent Liabilities :

₹ in Lakhs

	Particulars	March 31, 2020	March 31, 2019
i.	Claims against the Company not acknowledged as debts (to the extent ascertained from the available records)	32	32
ii	Service Tax matters (under dispute)	57	221
iii	Direct Tax matters - Income Tax	48	48
iv	Direct Tax matters - Tax Deducted at Source	0	0
		137	**301**

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

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

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

₹ in Lakhs

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

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

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29 Earnings Per Share:

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

30 Disclosure of Unhedged Exposure of Foreign Currency

The Foreign Currency Exposures that have not been hedged by a derivatives instrument or otherwise as on 31st March, 2020 are as follows:

	Currency	Currency ₹ in Lakhs	Amount ₹ in Lakhs
(a) Assets (Receivables)			
	USD	82	6,205
		(77)	(5,321)
	EUR	12	1,028
		(7)	(579)
	GBP	8	718
		(9)	(814)
(b) Liability (Payables)			
	USD	0	3
		(0)	(8)
	EUR	0	0
		(0)	(0)
	GBP	0	0
		(0)	(0)
(c) Loans Payable			
	USD	82	6,218
		(77)	(5,336)
	EUR	12	1,027
		(7)	(576)
	GBP	8	708
		(9)	(807)

As the Company has Foreign Currency outstanding Receivables & Payables which offset each other, the net foreign currency exposure is minimal.

31 Related Party Disclosures

Name of Related Party	**Relationship**
a Enterprise where control Exits	
i Holding Company	
State Bank of India (SBI)	Holding Company
ii Fellow Subsidiary Company with whom transactions have taken place during the year	
SBI Foundation	Fellow Subsidiary (Non Banking)
SBI Mutual Fund Trustee Company Limited	Fellow Subsidiary (Non Banking)
SBI Life Insurance Company Ltd. (SBI LIFE)	Fellow Subsidiary (Non Banking)
SBI General Insurance Ltd.	Fellow Subsidiary (Non Banking)
SBICAP Securities Ltd	Step down Subsidiary
SBICAP Trustee Company Limited	Step down Subsidiary
b Key Management Personnel/Relatives of Key Management Personnel	
Mr. M N Aravind Kumar (w.e.f. 1st July, 2018)	MD & CEO
Mr. Pankaj Gupta	SVP & CF&RO
Mrs. Amita Joshi (upto 30th Nov, 2019)	Company Secretary
Mr. Nandan Nimbkar (w.e.f. 1st Dec, 2019)	Company Secretary
c Enterprises over which Key Management Personnel (KMP) & his relatives can exercise significant influence	
Mr. M N Aravind Kumar (w.e.f. 1st July, 2018)	Factors Association of India

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

(Rs. ' in Lakhs)

Sr. No	Nature of transaction	Holding @	Fellow Subsidiaries	Associates / Group Enterprises	Key Management Personnel / Relatives	Grand Total
1	**EXPENSES**					
	Remuneration to MD and CEO *	-			-	-
	Previous Year				(47)	(47)
	Remuneration to SVP & CF&RO*	-			48	48
	Previous Year				(46)	(46)
	Remuneration to Company Secretary*				45	45
	Previous Year				(20)	(20)
	Salary (Including Perqusite) paid to Deputed Staff**	-	0	-	19	20
	Previous Year	(391)	-	-		(391)
	Other Receiving of Services/ Reimbursement of Expenses	-	-	-	-	-
	Previous Year	(1,299)	(14)	-	-	(1,313)
	Interest on Financial assets sold	520				520
	Previous Year	(66)				(66)
	Stamp Duty on sale of TREDS to SBI	95				95
	Previous Year	-				-
	Total - Current Year	615	0	-	113	727
	Total - Previous Year	(1,691)	(14)	-	(113)	(1,817)
2	**INCOME**					
	Rendering of Services/ Reimbursement of Expenses				-	-
	Previous Year	-	-		-	-
	Rental Income	-				-
	Previous Year	(2)				(2)
	Dividend on Preference / Equity Shares / Mutual fund					-
	Previous Year					-
	Profit on sale of Units of Mutual fund	-	-	-	-	-
	Previous Year		(26)			(26)
	Total - Current Year	-	-	-	-	-
	Total - Previous Year	(2)	(26)	-	-	(29)
3	**SHARE CAPITAL**					
	Equity Share Capital	-				-
	Previous Year	(13,779)				(13,779)
	Share Premium	13,779				13,779
	Previous Year	(16,437)				(16,437)
	Total - Current Year	13,779	-	-	-	13,779
	Total - Previous Year	(30,216)	-	-	-	(30,216)
4	**ASSETS**					
	Amounts Receivable / Advance	-	-	-		-
	Previous Year	(1)	(4)			(5)
	Bank Balances	1	11	-	-	12
	Previous Year	(3,407)				(3,407)
	Unexpired Amount of CP	24				24
	Previous Year	-				-
	Security Deposit				-	-
	Previous Year				(5)	(5)
	Total - Current Year	24	11	-	-	36
	Total - Previous Year	(3,407)	(4)	-	(5)	(3,416)
5	**INVESTMENTS :**					
	Investments in Equity shares		11			11
	Previous Year		(0)			(0)
6	**LIABILITY**					
	Unsecured Loans	-	-	-	-	-
	Previous Year	(30,720)				(30,720)
	Salary Payable / Amounts Payable / Interest Payable	-	-	-	-	-
	Previous Year	(170)	-	-	(5)	(175)
	Total - Current Year	-	-	-	-	-
	Total - Previous Year	(30,889)	-	-	(5)	(30,895)
6	**TRANSACTIONS**					
	Purchase of Shares (Transfer of shares from of Subsidiary	-	-	-	-	-
	Previous Year	-				-
	Purchase of Fixed Assets	-	-	-	-	-
	Previous Year	-	-	-	-	-
	Sale of Fixed Assets	-	-	-	-	-
	Previous Year	-	-	-	-	-
	Commercial Papers Taken	-	-	-	-	-
	Previous Year	-				-
	Commercial Papers Repaid	-	-	-	-	-
	Previous Year	-				-
	Loan Taken	-	-	-	-	-
	Previous Year	(241,943)				(241,943)
	Repayment of Loan	146,426	-	-	-	146,426
	Previous Year	(267,236)				(267,236)
	Investment in Schemes of Mutual Fund	147,691.99	-	-	-	147,692
	Previous Year	-	(86,500)	-	-	(86,500)
	Redemption of Schemes of Mutual Fund	-	6,000	-	-	6,000
	Previous Year	-	(87,526)	-	-	(87,526)
	Refund of Security Deposit				-	-
	Previous Year				-	

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

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

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

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

33 Auditors' Remuneration:

₹ in Lakhs

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

34 Expenditure in Foreign Currency (On Accrual basis)

₹ in Lakhs

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

35 Earnings in Foreign Currency:

₹ in Lakhs

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

36 Book value of Investments in Security Receipt

₹ in Lakhs

Particulars	Backed by NPAs sold by the Company as underlying		Backed by NPAs sold by the other banks/FI/ NBFC as underlying		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Book value of investments in	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	-	-
ii	Backed by NPAs sold by the other banks/FI/ NBFC as underlying	-	-	-
	Provision held against(ii)	-	-	-
	Total (i) + (ii)	383	-	-

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38 Taxes on Income:

Income Tax

The components of income tax expense for the year ended 31st March 2020 and year ended 31st March 2019 are:

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
Current Tax		
In respect of Current Year	-	-
In respect of prior years	234	
Deferred Tax		
In respect to of Current Year	2,117	261
Total Income Tax expense recognised in statement of profit and loss	2,351	261
OCI Section		
Remeasurement of the defined benefit liabilities	10	-
Income tax charges to OCI	10	-

Reconciliation of the total charge:

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2020 and year ended 31st March 2019 is as follows

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
Accounting profit before tax	4,028	429
Income tax expense calculated at 29.12% (Previous Year 29.12%)	1,173	125
Adjustments in respect of current income tax of previous year	234	
Deferred tax assets on losses not recognised	934	136
Others	10	
Income tax expense recognised in statement of profit and loss	2,351	261

Movement in Deferred Tax (Assets) / Liabilities

₹ in Lakhs

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)
Impairement allowances of Financial Assets	(7,391)	2,113		(5,277)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(3)	-		(3)
Leases	(72)	8		(64)
Others - OCI		10	(10)	-
Total	**(7,538)**	**2,117**	**(10)**	**(5,431)**

₹ in Lakhs

March 31, 2019

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

39 **Retirement Benefit Plan**

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

Defined Contribution Scheme

₹ in Lakhs

Description	March 31, 2020	March 31, 2019
Employer's Contribution to Provident Fund	11	11
Employer's Contribution to Pension Fund	12	10
Total	24	21

Defined Benefit Scheme

Obligation in respect of employee's gratuity fund scheme managed by SBI Life Insurance Company Ltd of India is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation:

a) **Principal Assumptions used in determining gratuity and post employment benefits are:-**

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

b) **Changes in Present Value of Obligation**

₹ in Lakhs

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

c) **Changes in Fair Value of Plan Assets**

₹ in Lakhs

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

d) **Acturial gain/loss recognized**

₹ in Lakhs

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

e) **Amounts to be recognized in the Balance Sheet:**

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

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

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

g) Investment Details of Plan Assets

Rs. In Lakhs

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

h) Balance Sheet Reconciliation

Rs. In Lakhs

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

I) Amount Recognised in current year and previous two years

	March 31, 2020	March 31, 2019	March 31, 2018
Defined Benefit Obligation	141	104	94
Plan Assets	79	88	87
(Surplus)/Deficit	**63**	**16**	**7**
Experience adjustments on plan liabilities Loss/ (Gain)	18	6	1
Experience adjustments on plan Assets (Loss)/Gain	(16)	5	(1)

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

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

K) Sensitivity analysis

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

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

Compensated Absences

The obligation for compensated absences is determined based on actuarial valuation using the Projected Unit Credit Method. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged leaves of the employees of the company as at year end is given below:

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

Notes:

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

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40 Maturity Analysis of Assets and Liabilities:

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

₹ in Lakhs

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

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41 **Capital**

i Capital Management

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

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

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

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

ii ICAAP Document & Stress Scenarios:

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

Likely stress scenarios which are built and discussed in ICAAP are

i) Increase in NPA level requiring higher provision

ii) Large frauds in the standard assets of the Company and ability of the Company to provide for them.

iii)Tightening of the liquidity in the market and inability of the Company to raise funds through Commercial Papers (CPs) at reasonable rate and its impact on the overall average cost of funds and profitability.

The stipulated Management Action Triggers ('MAT') are as under –
(i) MAT - Increase in average Cost of Funds by 100 Basis Points since last revision in Interest Rate matrix – Review of Interest Rate Matrix by ALCO.
ii) New frauds exceeding 2% of FIU as at the beginning of the Financial Year – Review by CCC-I
iii)MAT - Fresh NPAs in any quarter exceeding 5% of Gross NPA as at the end of previous quarter – Review by CCC-I
The Corrective Action ('CA') is initiated as per the need.
The ICAAP Document is to be reviewed annually based on the actual performance of the Company in the previous year, Business Plan for the current year, Capital requirement to grow, and after factoring in the Stress Scenarios based on the past data. The Annual ICAAP document is to be placed before the Board for approval through RMCB.

iii Categories of Financial Instruments:

(Rs. In Lakhs)

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

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

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

42 Fair Value Measurement

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

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

Fair Value Hierarchy

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

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

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

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

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

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

As at March 31, 2018

Particluars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investments	1,002	-	-	1,002

Fair value technique

Investment at fair value through profit and loss

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

Other Financial Assets and Liabilities

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

43 **Financial Risk Management**

1 **Introduction**

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

2 **Risk Management Framework**

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

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

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

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

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

(i) The Board of Directors (BOD)

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

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

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

The role of the Committee is as follows-:

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

n

(b) Executive Committee of the Board (ECB)

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

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

(c) Audit Committee of the Board (ACB)

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

(ii) The internal Committees of the Company for risk management are as under:
(a) Asset-Liability Committee (ALCO)
Roles and Responsiibilities

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

Composition
ALCO Committee is headed by the MD & CEO of the Company. Other members of the Committee comprise all SVPs, HODs of Departments - Treasury, Credit/Credit Admin, Accounts, Marketing, IT, Risk Management, Operations, Debt Management and as nominated by MD & CEO of the Company.
ALCO normally meets at monthly intervals to discuss and take a view on the following:
- Cost of funds – Considering the prevailing liquidity position and future scenario
- Benchmark Rates, after factoring in the Cost of funds and future liquidity scenario.
- Asset – Liability position of the Company.
- Interest rate scenario
- Country Risk Exposure Review

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

4 **A synopsis of the various risks faced by the Company and their mitigation is as follows:**
A) Credit Risk
Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit Risk for the Company is the risk of default by the Client availing the Factoring Facility from the Company for invoices recoursed to him in the event of default by the debtor (buyer) in making payment on due date for the factored invoices drawn on him.

Credit Mitigation measures
To reduce loss from credit risk, the Company has adopted following practices-
• **Client wise Exposure Limit:**

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

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

Debtors Exposure Limit:
Debtors are classified into two categories i.e. rated debtor and unrated debtor.
The Maximum Exposure on a Single Rated Debtor (in respect of all clients is restricted as under:

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

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

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

B) Operational Risk

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

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

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

Operational Risk Mitigation measures

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

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

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

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

C) Market Risk

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

Interest Rate Risk

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

Market Risk Mitigation measures

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

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

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

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

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

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

D) Liquidity Risk

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

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

The Company has following sources of funds:
- Share Capital
- Reserves & Surplus
- Non Convertible Debentures
- Commercial Paper (1-90 days maturity)

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

i) Undrawn, committed rupee facilities.

ii) Investments in liquid instruments,

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

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

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

E) Compliance Risk

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

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

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

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Maturity Pattern Assets and laibilities as on 31st March 2020

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

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

Maturity Pattern Assets and laibilities as on 31st March 2019

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

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

Maturity Pattern Assets and laibilities as on 1st April 2018

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

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

Segment Reporting

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

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

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

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

Depreciation charge of right-of-use assets

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

46 **Expected Credit Losses**

Impairment Assessment

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

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

Definition of Default

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

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

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

- Stage 1: [0-30 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. The Company uses the same criteria mentioned in the standard and assume that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.
- Stage 2: [31-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset)
- Stage 3: [More than 90 days Past Due] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred. The Company use the same criteria mentioned in the standard and assume that when the days past due exceeds '90 days', the default has occurred.

For Domestic Factoring

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

For Export Factoring

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

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

Credit Quality Analysis –

₹ in Lakhs

Particulars	Stage 1		Stage 2		Stage 3		Total
	Outstanding Loan	Impairment Losses	Outstanding Loan	Impairment Losses	Outstanding Loan	Impairment Losses	Impairment Losses
As at March 2020	105,509	870	5,933	42	20,638	17,211	18,123
As at March 2019	109,391	965	522	1	28,133	24,414	25,380
As at April 2018	95,497	596	4,819	4	27,393	25,685	26,285

Write off policy

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

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

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47 **First Time Adoption of IND AS**

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

The Company has prepared the opening Standalone Balance Sheet as per IND AS as of April 1, 2018 (the transition date) by,
- recognising all assets and liabilities whose recognition is required by IND AS,
- not recognising items of assets or liabilities which are not permitted by IND AS,
- by reclassifying items from previous GAAP to IND AS as required under IND AS, and
- applying IND AS in measurement of recognised assets and liabilities.

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

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

i **Estimates**

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

• FVPTL / FVOCI - equity and debt instrument

• Impairment of financial assets based on expected credit loss model

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

ii **Fair value measurement of Financial Assets or Financial Liabilities**

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

iii **Classification and Measurement of Financial Assets**

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

iv **Impairment of Financial Assets**

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

v **Derecognition of Financial Assets and Financial Liabilities**

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

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

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

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

	LIABILITIES SIDE :	March 31, 2020		March 31, 2019	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
		Rs. in lakhs		Rs. in lakhs	
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
	(a) Debentures :				
	Secured	-	-	-	-
	Unsecured (other than falling within the meaning of public deposits*)	15,413	-	15,397	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	42,234	-	48,395	-
	(f) Other Loans (specify nature)				-
	- Cash Credit	4,985	-	3,855	-
	- Working Capital Demand Loan	21,504	-	24,007	-
	- Short Term Loan Facility	2,969	-	2,866	-
	- Bank Overdraft				-

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

Debts Shown under Sundry Debtors have not been Considered

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

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

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

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

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

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

(ii)	**March 31, 2020**	**March 31, 2019**
(a) Credit rating and change in credit rating (if any);	No	No
(b) Debt-Equity ratio;	3.67	3.72
(c) (i) Previous due date for the payment of interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2019	25.08.2018
- 9.22% Tier II Bonds (10 Years)	29.01.2020	29.01.2019
(d) (i) Next due date for the payment of Interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2020	25.08.2019
- 9.22% Tier II Bonds (10 Years)	29.07.2020	29.07.2019
(ii) Principal along with the amount of interest		
- 8.75% Tier II Bonds (10 Year)	25.08.2020	25.08.2020
- 9.22% Tier II Bonds (10 Years)	29.07.2021	29.07.2021
(e) Capital redemption reserve / Debenture redemption reserve;	1,000	1,000
(f) Net Worth;	33,245	31,768
(g) Net Profit After Tax;	1,677	168
(h) Earnings Per Share:	1.05	0.11

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

A Capital to Risk (weighted) Assets Ratio

₹ in Lakhs

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

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

B Investments

₹ in Lakhs

Sr NO	Particulars	March 31, 2020	March 31, 2019
1	Value of Investments	-	-
i	Gross Value of Investments	-	-
	a) In India	383	383
	b) Outside India	-	-
ii	Provisions for Depreciation		
	a) In India	383	383
	b) Outside India	-	-
iii	Net Value of Investments		
	a) In India	0	0
	b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
i	Opening balance	383	383
ii	Add: Provisions made during the year	-	-
iii	Less: Write-off / write-back of excess provisions during the year	-	-
iv	Closing balance	383	383

C Derivaties - Forward Contract

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

₹ in Lakhs

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

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D Disclosure on Risk Exposure in Derivatives - Not Applicable

E Disclosure relating to Securitisation

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

₹ in Lakhs

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

2 Details of Assignment transactions undertaken by NBFCs

₹ in Lakhs

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

₹ in Lakhs

Sr NO	Particulars	March 31, 2020	March 31, 2019
(i)	No. of Accounts	3	1
(ii)	Aggregate value (net of provisions) of accounts purchased	30,000	10,000
(iii	Aggregate consideration	30,000	10,000
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

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

A. Details of Non-Perforimg Assets purchased

₹ in Lakhs

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

B. Details of Non-Performing Financial Assets sold.

₹ in Lakhs

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

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F Asset Liability Maturity Pattern of certain items of Assets and laibilities

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

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

$ Represents Foreign Currency Cash Credit Loan
# Includes Rs. 2,969 Lakhs Foreign Currency Loan maturing within one month

a) Exposure to Real Estate Sector *

₹ in Lakhs

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

* Above amounts reflects exposure towards collateral secuirty accepted against the Factoring facility (Receivable financing) provided to the clients.
@ Out of the above exposure, an amout of Rs. 5,711 Lakhs (Previous Year 8,259 Lakhs) is security relating to Non Performing Assets

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

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

d) Details of Single Borrower limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC - There are no accounts where the limit is exceeded

e) Unsecured Advances

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

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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	Validity Period ** To
i)	ICRA	[ICRA]AAA (Stable)	100,000	Long Term Fund Based Bank Lines	16-May-19	15-May-20
ii)	ICRA	[ICRA]AAA (Stable)	15,980	Subordinate Debt Programme	16-May-19	15-May-20
iii)	ICRA	[ICRA]A1+	100,000	Short Term Fund Based Bank Lines	16-May-19	15-May-20
iv)	ICRA	[ICRA]A1+	200,000	Short Term Debt Programme (Commercial Paper)	16-May-19	15-May-20
v)	CRISIL	CRISIL A1+	100,000	Commercial Paper Programme	20-Dec-19	19-Dec-20
vi)	CRISIL	CRISIL AAA/Stable	15,000	Non-Convertible Debentures Programme(Long-Term)	20-Dec-19	19-Dec-20

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

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

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

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

g) Consolidated Financial Statements - Not Applicable

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ix Additional Disclosure

a) Concentration of Deposits, Advances, Exposures and NPAs

₹ in Lakhs

i) Concentration of Deposits	March 31, 2020	March 31, 2019
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-

₹ in Lakhs

ii) Concentration of Advances	March 31, 2020	March 31, 2019
Total Advances of twenty largest borrowers	74,320	73,780
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	56.27	53.44

₹ in Lakhs

iii) Concentration of Exposures (i + ii)	March 31, 2020	March 31, 2019
Total Exposure to twenty largest borrowers /customers	74,320	73,780
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of NBFC on borrowers / customers	56.27	53.44

₹ in Lakhs

iv) Concentration of NPAs	March 31, 2020	March 31, 2019
Total Exposure to top four NPA Accounts	8,297	10,723

b) Sector-wise NPAs

₹ in Lakhs

	Sector	Percentage of NPAs to Total Advances in that sector	
		March 31, 2020	March 31, 2019
1	Agriculture & allied activities	-	-
2	MSME	4	25
3	Corporate Borrowers	20	4
4	Services	2	13
5	Unsecured Personal Loan	-	-
6	Auto Loans	-	-
7	Other personal Loans	-	-

c) Movements of NPAs

₹ in Lakhs

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

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

g) Off Balance Sheet SPVs sponsored - Not Applicable

h) Disclosure of Complaints

Customer Complaint

₹ in Lakhs

	Particulars	March 31, 2020	March 31, 2019
a)	No. of Complaints pending at the beginning of the year	-	-
b)	No. of Complaints received during the year	-	-
c)	No. of Complaints redressed during the year	-	-
d)	No. of Complaints pending at the end of the year	-	-

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

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

53 Input Tax Credit under Goods and Services Tax

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

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

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

(i) Funding concentration based on significant counterparty (Both deposits and borrowings) as on 31st March 2020

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

as on 31st March 2019

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

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

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

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

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

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

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

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(iv) Funding concentration based on significant instrument/product

as on 31st March 2020

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

as on 31st March 2019

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

(V) Stock Ratios:

As per Ind AS

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

As per our Report of even date	For and on behalf of the Board of Directors
For Vyas & Vyas Chartered Accountants Firm Registration No. 000590C Sachin Vyas Digitally signed by Sachin Vyas DN: c=IN, o=Personal, cn=Sachin Vyas, serialNumber=32abc7f5089e7e1d7f681d34698764f66d7f7d1823bc5828158075e4b135c1f0, postalCode=302015, 2.5.4.20=acbc5d91749e548e3293da1e649594b23806811b508c3bd7cb0c10fde30eea0a, st=Rajasthan Date: 2020.05.02 17:55:06 +05'30' Sachin Vyas Partner M.No. 419656	Dinesh Kumar Khara Chairman DIN :- 06737041 M N Aravind Kumar Managing Director & CEO DIN :- 08165688 Pankaj Gupta Chief Financial & Risk Officer Nandan Nimbkar Company Secretary SBI GLOBAL FACTORS LTD. MUMBAI
Place : Mumbai Date : 02nd May, 2020	Place : Mumbai Date : 02nd May, 2020