

SBIFACTORS/TREASURY/2025-26/ 137

Date: September 30, 2025

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G. Block,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400 051

Dear Madam/Sir,

**Outcome of the 24<sup>th</sup> Annual General Meeting (AGM)**

We refer to our letter dated September 10, 2025, with which we had enclosed our Annual Report containing the Notice of the 24<sup>th</sup> Annual General Meeting. In this regard, we wish to inform you that the Members of the Company, at the 24<sup>th</sup> Annual General Meeting held on September 30, 2024, have, *inter alia*, considered and approved the following:

- Re-appointment of Managing Director & CEO Shri Bharat Mishra ("TEGS VII", State Bank of India) (Director Identification Number: 09385794) as (i) the Managing Director & CEO (i.e. a Nominee Director of State Bank of India) on the Board of the Company and (ii) Key Managerial Personnel ("KMP") of the Company w.e.f. July 21, 2025 to June 25, 2026 (both days inclusive) or till further instructions of State Bank of India;
- Adoption of Annual Report of the Company and audited Balance Sheet as at March 31, 2025 and the Statement of Profit and Loss for the Financial Year ended on March 31, 2025 along with the Report of the Auditors and the Directors thereon, and the Report of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013.
- Appointment the Statutory Auditors of the Company for the Financial Year 2025-26, as directed by the Comptroller & Auditor General of India (C&AG), under Section 139 and other applicable provision(s) of the Companies Act, 2013, if any.

We request you to kindly take note of the same.

Yours sincerely,

For SBI Factors Limited  
(Formerly known as SBI Global Factors Limited)

  
(Rishika Puri)  
Company Secretary & Chief Compliance Officer

Encl.A/c







# ANNUAL REPORT

2024 - 25

Legacy of Trust, Future of Growth



# ANNUAL REPORT

2024-25

Legacy of Trust, Future of Growth





# A Year of Growth and Gratitude

We, SBI Factors Limited, a wholly-owned subsidiary of State Bank of India, provide factoring and related financial services to businesses across India, and continually endeavour to maintain steady growth and sustainable profitability in a highly competitive industry environment.



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# Chairman's Message



Dear Stakeholders,

I am pleased to present the Annual Report of **SBI Factors Limited for the Financial Year 2024-25**. As we conclude another year marked by economic dynamism and evolving market trends, I express my deepest appreciation to our valued stakeholders, regulators, clients, and committed employees of the Company for their continued trust and support.

The factoring services sector continues its upward trajectory, driven by increasing trade volumes and supply chain financing needs. With steady growth in the factoring industry and increasing demand for alternate working capital solutions, our domain holds immense potential for both domestic and international factoring services.

India's trade finance and factoring market continues to evolve, propelled by growing domestic and cross-border trade, increased formalisation of the MSME sector, and a stronger push toward digital credit enablement. These trends offer significant opportunities for the company to deepen our relevance and expand our reach.

SBI Factors is continuously striving to enhance customer satisfaction by improving processes, embracing innovation, and delivering seamless, efficient service experiences.

Your Company has delivered strong financial results in FY 2024-25, with healthy growth across key performance metrics. The company has posted Operational Revenue of ₹ 237 crores, EBIDTA of ₹ 185 crores and Profit after Tax of ₹ 57 crores in the FY ended March 31, 2025.

This performance reflects the Company's focus on disciplined growth, operational efficiency, and prudent risk management. Your Company has continued to broaden their business, serve new customer segments, and enhance service delivery leading to deeper market penetration and greater client satisfaction.

I extend my heartfelt gratitude to the employees of SBI Factors for their drive and dedication, the clients for their unwavering trust, and the stakeholders and regulators for guiding the company on this journey. SBI Factors remains committed to create sustainable value for all stakeholders and drive forward with integrity and innovation.

Together, we look forward to another year of growth, impact, and shared success.

Warm regards

**Ashwini Kumar Tewari**  
Chairman



# Board of Directors



**Shri Ashwini Kumar Tewari**  
Chairman & Nominee Director of SBI



**Shri Debangshu Munshi**  
Nominee Director of SBI



**Smt. Sudha Malhotra**  
Independent Director



**Shri Ashwini Mehra**  
Independent Director



**Shri Bharat Mishra**  
Managing Director & CEO



**Shri Ravindra Pandey**  
Nominee Director of SBI  
(from April 19, 2024 to January 24, 2025)

Legacy of Trust, Future of Growth

# About Us



With a good perspective on history, we can have a better understanding of the past and present, and thus a clear vision of the future

— Carlos Slim Helu

At SBI Factors Limited, a wholly-owned subsidiary of State Bank of India, we strive to be a trusted partner in factoring and trade finance solutions, drawing on the legacy and financial strength of the SBI Group. Established to support businesses of all sizes, we continue to develop comprehensive, customer-centric financial products that address working capital needs and facilitate both domestic and international trade.

Guided by integrity, innovation, and a commitment to responsible growth, we are building on our nationwide presence and digital capabilities to create lasting value for our clients, stakeholders, and the wider economy—today and into the future.

01

## What is Factoring ?

Factoring is a financial solution that enables businesses to unlock immediate working capital by selling their accounts receivable to a specialized institution known as a factor. This service is particularly crucial for small and medium enterprises, allowing them to access funds quickly, improve cash flow, and manage their operations efficiently.

A factor, such as SBI Factors Limited, provides comprehensive support by purchasing invoices, collecting payments from buyers, and managing credit risks. By partnering with a factor, businesses can focus on growth and innovation, while their financial partner ensures stability, trust, and reliable access to liquidity in a dynamic marketplace.



## 02

## Our Journey

SBI Factors and Commercial Services Pvt. Ltd., a dedicated subsidiary of State Bank of India, traces its beginnings to September 1989 when SBI's Central Management Committee (CMC) approved the establishment of a factoring arm aimed at supporting not only small-scale industries, but also medium and large enterprises. RBI instructed the newly proposed subsidiary to prioritize the small-scale industry sector, operate cautiously in client selection, and initially limit itself to domestic factoring, requiring separate approval for international operations. The Company was officially incorporated in Bombay on February 26, 1991 and began

by offering domestic factoring services to industrial units in Maharashtra, Gujarat, Madhya Pradesh, Goa, and the union territories of Dadra, Nagar Haveli, Daman, and Diu. Rapid expansion followed, including branch openings in Pune, Bombay, Baroda, and Delhi, membership with Factors Chain International, and achieving NBFC status in 1995. Over the years, SBI Factors introduced several new products, expanded into more cities, launched export factoring, and established itself as a leader in the Indian factoring industry, consistently adapting to meet the evolving needs of Indian industry.



# Inauguration of the corporate office



Every organisation has moments that define its journey — milestones that not only mark change but also inspire the road ahead. February 26, 2025 was one such day for us.

What began years ago as SBI Factors and Commercial Services evolved through mergers and transformations to become SBI Global Factors Limited. In 2022, we became a wholly owned subsidiary of the State Bank of India, further deepening our bond with our parent institution. This year, we turned a new page — unveiling our new name, SBI Factors Limited, and a refreshed identity that reflects who we are today and what we aspire to be tomorrow.

The ceremony was graced by Shri Challa Sreenivasulu Setty, Chairman, SBI, who unveiled our new name and logo, symbolising the beginning of a renewed era for the Company. This was followed by the launch of our corporate branding video, the unveiling of our revamped website, and celebrations of two proud achievements — our ISO 9001:2015 certification and Great Place to Work recognition.

More than an event, it was a day of reflection and recommitment. Our leaders took us through our journey — from our early years of establishing factoring as a trusted financial solution in India, to becoming a nationwide player with a strong digital presence. Their words reminded us that while our name may have changed, our purpose remains constant: to empower businesses, foster financial inclusion, and drive growth with integrity.

The day closed with gratitude and optimism, as we looked ahead to a future where SBI Factors Limited will continue to strengthen its position as a trusted partner in factoring and trade finance, delivering value to clients, stakeholders, and the economy.





## Journey of Logo



# Our Strength

**52%**  
Growth in Revenue

**62%**  
Growth in Profit  
Before Tax

**28%**  
Growth in Profit  
After Tax

**85%**  
Growth in  
Operating Profit

## Robust Capital Adequacy

The Company maintains a strong capital adequacy ratio (CRAR) of 20.58%, significantly above regulatory requirements. This healthy capital base ensures financial stability, empowers business growth, and provides an important cushion to absorb potential shocks in volatile market conditions.

## Consistent and Growing Profitability

With net profits rising to ₹5,702 lakhs in FY 2025 (up from ₹4,447 lakhs), SBI Factors demonstrates reliable earnings, strong expense discipline, and steady income from a diversified mix of interest and fee-based services. This enables sustained shareholder value and long-term business continuity.

## Effective Risk & Asset Quality Management

The Company upholds prudent risk management, reflected in low gross NPAs and a high 75.86% provision coverage ratio. Strong internal controls, conservative credit assessment, and compliance culture safeguard asset quality and reinforce trust among stakeholders and regulators.



## Vision

Be the “Factor” of choice of businesses across India

## Mission

Empowering businesses fostering trust, innovation & financial resilience through exceptional factoring solutions

## Values

- **Service**
- **Transparency**
- **Ethics**
- **Politeness**
- **Sustainability**

SBI Factors strives to be the preferred partner for businesses across India by offering reliable and innovative factoring solutions. Guided by its mission to foster trust, innovation, and financial resilience, the Company upholds core values of service, transparency, ethics, politeness, and sustainability. These principles strengthen its commitment to creating enduring value and supporting clients in achieving sustainable growth.

# Employee Engagement

## Creating a Thriving Workplace

At SBI Factors, employee engagement is woven into our culture, blending wellness, learning, celebration, innovation, and recognition into everyday work life. Weekly yoga sessions—featuring desk yoga, corporate yoga, guided meditation, and laughter yoga—help employees find balance, relieve stress, and recharge, making Thursdays a much-anticipated pause for reflection and energy renewal. Intellectual stimulation comes through our Monthly Quizzes, which turn learning on industry trends, company performance, IT security, POSH policy, and current affairs into a fun, competitive experience, while our Book Review Platform inspires reading, reflection, and sharing of ideas across teams. Continuous learning is encouraged through technical training with FCI and CRISIL, soft skills development, and leadership programs designed to prepare future managers.

Our calendar is alive with cultural celebrations—Diwali, Navratri, Ganpati, Christmas, and International Women's & Men's Day—transforming the workplace into a hub of joy, inclusivity, and camaraderie. Creativity thrives through the Ideathon Challenge, where employees propose ideas for improving processes, technology, and business models, many of which are considered for implementation. Excellence is celebrated through the quarterly Best Employee Award, honoring those who consistently go above and beyond, inspiring peers to strive for greater heights. In a gesture that blends recognition with sustainability, we also plant a tree in honor of every employee on their birthday through our partnership with Grow Trees, creating a living legacy of their contribution.

Together, these initiatives ensure that our employees are not just focused on professional goals but are also enriched through meaningful experiences that promote growth, belonging, and pride in being part of SBI Factors.









# Corporate Social Responsibility

At SBI Factors Limited, we believe that our success holds true meaning only when it contributes to the progress of society. Our CSR philosophy is guided by the belief that businesses have a responsibility to address social and environmental challenges, create opportunities for underserved communities and strengthen the ecosystem in which they operate. We strive to undertake initiatives that make a tangible difference, align with our core values, and contribute to a sustainable future.

## Our CSR Philosophy

Our CSR Policy aligns with the provisions of Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, ensuring that our activities are compliant, transparent, and impactful. Guided by these principles, our initiatives aim to:

- Dedicate a portion of our profits to social projects that address critical societal challenges
- Implement projects through well-defined processes to ensure transparency, accountability, and long-term impact
- Foster sustainability and inclusivity across all our endeavors



## Supporting Human–Wildlife Coexistence in Wayanad, Kerala

Our CSR initiative in Wayanad exemplified our commitment to addressing real-world challenges with compassion and responsibility. Recognizing the urgent need to manage human–wildlife conflicts in Kerala's North Wayanad Forest Division, we contributed ₹18.92 lakh for the procurement of a specially equipped vehicle.

This vehicle is already supporting the Forest Department by:

- Enabling rapid emergency response in remote areas.
- Reducing casualties and property damage during wildlife encounters.
- Facilitating patrolling and monitoring to prevent conflict hotspots.
- Ensuring safe transport for vulnerable residents, including schoolchildren and dairy farmers.

This project has strengthened collaboration between the forest department and local communities, offering relief to those most affected and reinforcing our commitment to building a future where people and wildlife coexist peacefully.





## Promoting Education with DEVI Sansthan, Lucknow, Uttar Pradesh

At SBI Factors Limited, we believe education is the foundation for a more equitable and empowered society. In FY 2024-25, we partnered with DEVI Sansthan (Dignity Education Vision International), a globally respected non-profit founded to transform learning outcomes for children in government schools.

Through a CSR contribution of ₹2,00,000, we supported the creation of a smart classroom at Jawahar Nagar Government School, Lucknow, equipped with desktop computers and LED projectors, bringing digital learning tools into the hands of eager students. Additionally, 200 children in Grades 1-3 received beautifully designed Foundational Literacy & Numeracy (FLN) books under DEVI Sansthan's ALfA (Accelerating Learning for All) programme, along with essential learning kits and stationery.

This initiative transformed classrooms into engaging spaces where nearly 200 children and their teachers explored learning in exciting new ways. DEVI Sansthan's expert team continues to provide guidance and academic support, ensuring the impact is lasting and measurable.

This collaboration reflects our belief that education is the most powerful investment in the future. By joining hands with credible partners like DEVI Sansthan, we are helping create inclusive, quality education that inspires children and empowers communities.





## Advancing Health Through Blood Donation in Mumbai, Maharashtra

Health care is a key focus area of our CSR efforts. In partnership with Pallavi Foundation's Pallavi Blood Centre, Govandi (Mumbai), we organized a blood donation camp at the Metropolitan Building, Bandra Kurla Complex.

The initiative brought together donors, volunteers, and health professionals with a shared purpose — to ensure timely access to safe blood for patients in need, including those suffering from anaemia, sickle cell anaemia, and thalassemia.

The camp witnessed an enthusiastic response with over 80 participants joining the cause and 52 eligible donors successfully donating blood. This initiative helped strengthen the city's blood-security ecosystem and promote greater awareness about the importance of voluntary blood donation.

We extend our heartfelt gratitude to all donors, volunteers, and partners whose commitment made this life-saving initiative possible.



Through these initiatives, SBI Factors Limited reaffirmed its commitment to creating measurable, positive impact on society. Whether by protecting livelihoods in Wayanad, empowering young learners in Lucknow, or supporting life-saving healthcare initiatives in Mumbai, we remain dedicated to contributing to a more inclusive, resilient, and sustainable future for all.

# Directors' Report



## Directors' Report

To,  
Members,  
SBI Factors Limited

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

Your Board of Directors are pleased to present the 24<sup>th</sup> Annual Report of SBI Factors Limited (SBI Factors), together with the Audited Financial Statements, including the Balance Sheet as at March 31, 2025, and the Profit and Loss Account for the financial year ended March 31, 2025.

### FINANCIAL PERFORMANCE

During the year, the Company continued to manage its operations on profitable lines despite stiff market competition. The Company has responded well to the challenges posed by the business environment and achieved an Operating Profit of ₹68.40 Crores, by a conscious strategy to:

1. Grow the portfolio selectively, especially by tapping opportunities in growing sectors etc.
2. Leveraging existing Fintech partnerships
3. Implementation of Strategic Marketing Initiatives
4. Improve profitability by concentrating on recovery upgradation in NPA accounts which improved the share of performing FIU
5. Make efforts to recover from AUCA accounts
6. Regularly engage with regulators, trade bodies and other fora to canvas for opportunities to facilitate growth of factoring on sound lines

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

(₹ in Cr.)

Key Parameters	2023-24	2024-25	YOY % Growth
- Revenue from Operations	156	237	51.68
FIU	1,837	2,802	52.52
Gross NPAs	43.27	18.26	-
Net NPAs	0.26	4.41	-
Operating Profit	37	68	84.52
PBT	44	71	62.19
PAT	44	57	28.21
Turnover (Invoices Booked) of the Company as per Factoring Act, 2021	6,799	10,828	59.25



## SHARE CAPITAL

The present Authorised Share Capital of the Company is ₹ 10,00,00,00,000/- divided into 88,00,00,000 Equity Shares of ₹ 10/- each and 12,00,00,000 Preference Shares of ₹ 10/- each.

The present Issued, Subscribed and Paid-up Share Capital of the Company is ₹ 1,59,88,53,650/- divided into 15,98,85,365 Equity Shares of ₹ 10/- each.

During the Financial Year ended on March 31, 2025, there was no change in the Equity Shareholding Pattern of the Company which remained as follows:

Sr. No.	Name of the Equity Shareholder	% Equity Share Capital
1	State Bank of India	100
	<b>TOTAL</b>	<b>100.00</b>

The Company's Capital Adequacy Ratio as on March 31, 2025 is as high as 20.58 % against 15% stipulated by the RBI.

## THE COMPANIES ACT, 2013

During the period under review, the Company has complied with all applicable provisions of the Companies Act, 2013, along with the relevant Rules and the Secretarial Standards issued thereunder.

During the year under review, the name of the Company was changed from SBI Global Factors Limited to SBI Factors Limited, pursuant to the approval granted by the Central Processing Centre, Ministry of Corporate Affairs. The change became effective from February 26, 2025, and a fresh Certificate of Incorporation pursuant to change of name was issued by the Registrar of Companies on the same date.

## INTERNATIONAL ASSOCIATIONS

The Company is a member of Factors Chain International (FCI), a global network of leading factoring companies. FCI serves as an umbrella organization that promotes and facilitates international trade on open account terms through factoring and related financial services. As of now, the FCI network comprises over 400 member factors across 90 countries, collectively handling approximately 40% of the world's international factoring volumes.

## HUMAN RESOURCES

The Company is professionally managed and committed to innovation, adopting global best practices aligned with its long-term strategic direction. We believe in co-creating value through the contribution of every employee and invest continuously in developing their skills to support sustainable growth.

As on March 31, 2025, the staff strength of the Company is 104 employees, including 9 executives on deputation from State Bank of India.

### Employee Relations

Employee relations have been harmonious throughout the period.

### Employee Engagement Initiatives

Employee engagement and development remained a key focus, with initiatives aimed at enhancing skills, wellbeing, and innovation. Various training programs and engagement activities were conducted during the year to strengthen capability and motivation. Advanced digital tools and systemized HR processes have further improved productivity and efficiency.

## INFORMATION TECHNOLOGY

- **DC and DR Migration:** The DC and DR migration activity has been successfully completed, and all servers and infrastructure are now hosted on the new Data Center and Disaster Recovery sites. Additionally, bandwidth has been upgraded from 20 Mbps to 100 Mbps, enhancing overall network performance.
- **Automated Dashboards:** The Company has introduced comprehensive, department-specific dashboards designed to centralize key metrics and performance indicators within a single, intuitive interface. This initiative facilitates real-time insights and supports data-driven decision-making across the organization. The dashboards are also accessible via mobile devices on both Android and iOS platforms.
- **Revamp of Company Website:** The Company's revamped website is now live, offering improved functionality, a refined design, and a more engaging user experience with enhanced visuals and animations.
- **AI-driven Chatbot:** Along with the website, an AI-driven chatbot has also been built to help users by providing instant support, answering queries, and guiding them through available services.
- **Loan Origination System:** The development of inhouse bespoke development of the Loan Origination System (LOS) is complete.

This project addressed the unique requirements, enhanced operational efficiency and greater value for Company.

- **Ticket Management System:** As an IT initiative, an in-house ticketing system has been developed with the aim to have a centralized platform for logging, tracking, and resolving employee queries and technical issues efficiently, ensuring better accountability and faster resolution time.
- **Loan Management System:** The development of inhouse bespoke development of Loan Management System is in-progress. By creating customized software, this project seeks to align with the Company's unique goals, optimize workflows, and enhance overall business impact.
- **Digitisation of Client Onboarding:** This application streamlines and automates the process of onboarding new clients by replacing manual, paper-based workflows with secure digital solution.
- **SBI FACTORS AI Assistant:** AI Assistant Application development is in-progress which involves creating intelligent software solutions that use artificial intelligence, natural language processing to automate tasks and improve efficiency. These applications can assist in activities such as email drafting, document extraction, database query result extraction.

## CREDIT RATING

During the year, various Rating Agencies have assigned the following Ratings (outstanding as on March 31, 2025) to the Company for its funding requirements:

RATING AGENCY	RATING	AMOUNT	INSTRUMENT/FACILITY
ICRA	[ICRA]AAA (stable)	₹ 200 Crs.	Subordinated Debt Programme
ICRA	[ICRA]AAA (stable) / [ICRA]A1+	₹ 5050 Crs.	Long-term/Short-term fund based/Non-fund based bank lines
ICRA	[ICRA]A1+	₹ 750 Crs.	Commercial paper Programme
CRISIL	CRISIL AAA/ (stable)	₹ 100 Crs.	Subordinated Debt Programme
CRISIL	CRISIL A1+	₹ 750 Crs.	Commercial Paper Programme

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

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

## NPA MANAGEMENT

The Company employs a robust and automated monitoring system for early detection and management of Non-Performing Assets (NPAs). This system generates timely alerts for overdue accounts, enabling proactive intervention. A comprehensive quarterly report covering Special Mention Accounts (SMAs), provisioning status, and recovery performance is submitted to senior management and the Board of Directors.

### Key Highlights of the NPA Management Framework:

- **Early Detection:** Periodic reviews of receivables are conducted to identify early signs of financial stress.
- **Provisioning:** Provisions are made in line with the Company's internal policy, which aligns with industry best practices and Regulatory norms.
- **Dedicated Collection Team:** A focused recovery unit adopts a multi-pronged resolution strategy, including:
  - » Regular follow-ups with borrowers
  - » Negotiated settlements
  - » Initiation of legal proceedings
  - » Engagement with external recovery agencies, where required

During the financial year, the Company had several cases of SMA. But despite active monitoring and timely intervention, six accounts amounting to ₹17.88 crore were classified as NPAs. However, through sustained recovery efforts, ₹12.33 crore was recovered, including full recovery in one account.

Additionally, ₹14.04 crore was recovered from written-off accounts, with 5 accounts resolved through compromise settlements. The recovery also includes ₹1.76 crore received as the Company's proportionate share in 2 accounts under IBC proceedings. During the year, the Company also successfully concluded the sale of 2 mortgaged assets through e-auction process under SARFAESI.

As part of prudent balance sheet management, the Company wrote off six long-outstanding (hardcore) NPAs totalling ₹28.72 crore during the year.

Upon an account being classified as Stressed / NPA, the Legal Team undertakes a series of strategic legal actions to recover the defaulted amounts. Cases filed are summarised as under:

TYPE OF LEGAL CASES	NUMBER OF CASES ACTIVE AS AT MARCH 2025
Commercial Suits	35
Arbitration Matters	16
Company Petitions	28
Consumer Complaints	5
IBC Matters (under the IBC Code, 2016)	14
SARFAESI Matters	8
Criminal Complaints	161



As part of our regulatory compliance obligations, the Legal Team ensures timely and accurate submission of relevant data and reports to the respective regulatory authorities. This includes providing necessary information and updates as mandated under applicable laws, regulations, and guidelines issued by regulatory bodies.

The Company follows a well-defined and prudent policy framework for the identification, classification, and management of NPAs, in strict adherence to applicable Regulatory guidelines and internal risk protocols.

Through these continued efforts, the Gross NPA level has significantly reduced from ₹43.27 crore to ₹18.26 crore as of March 31, 2025. Gross NPAs now represent 0.65% of total advances, while Net NPAs stand at 0.16%. The Company remains steadfast in its commitment to strengthening credit risk management and recovery mechanisms, with the objective of preserving asset quality and minimizing credit losses.

### **TRANSFER TO RESERVE**

The Company has transferred ₹ 11.40 Crores (viz., 20% of ₹ 57.02 Crores) to Reserve Fund (created in accordance with provisions of Section 45IC of the Reserve Bank of India Act, 1934) in the Financial Year 2024-25, as the Company has made a profit of ₹ 57.02 Crores.

The Company had created an Impairment Reserve in accordance with circular no. 109/22.10.106/2019-20 of The Reserve Bank of India dated March 13, 2020 of ₹ 21.96 Crores in FY 2019-20 and transferred it to General Reserve as per the permission granted by RBI dated August 01, 2024. There is no further requirement for transfer of additional amount to Impairment Reserve in this Financial Year.

### **DIVIDEND**

The Company does not propose to declare any dividend to the Equity Shareholders for the Financial Year ended March 31, 2025.

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

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

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

### **MATERIAL CHANGES AND COMMITMENTS**

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

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operations.

### **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, no instance of fraud was reported by the Statutory Auditors, Secretarial Auditors, or Internal Auditors to the Audit Committee under Section 143(12) of the Companies Act, 2013.

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

The Company has appointed an independent firm of Chartered Accountants, M/s. JCR and Co. as Internal Auditors. Internal Audit & Compliance is focused on independently evaluating the adequacy of internal controls, ensuring adherence

to Operating Guidelines and Regulatory and Legal requirements and pro-actively recommending, by way of improvements in operational processes and service quality of various individual departments. The quarterly results are also subjected to a limited review by the Statutory Auditors.

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

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

As on March 31, 2025, there are 104 employees in Company (95 Direct Staff and 9 State Bank of India deputees). The annual increment granted w.e.f. April 01, 2025, which also included revision in Compensation Structure to the direct staff ranged between 10% to 20%.

The percentage increase in the median remuneration of the employees in Financial year 2024-25 is 11.27%. The remuneration paid to the employee and Company Secretary (KMP) is as per the Remuneration policy of the Company. For SBI deputies, including Managing Director & CEO and Chief Financial Officer (KMPs), the Remuneration increased as applicable to their pay scales in SBI.

Independent Directors and Nominee Directors appointed by SBI (except the officiating executives) are not getting any remuneration except sitting fees for attending the Board and Board Level Committee Meetings.

### **ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return of the Company is available on its website and can be accessed at [www.sbifactors.in](http://www.sbifactors.in).

### **CORPORATE GOVERNANCE REPORT**

The report on Corporate Governance is appended herewith as an **'Annexure D'**.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The report on Management Discussion and Analysis is appended herewith as an **'Annexure E'**.

### **BOARD OF DIRECTORS**

Changes in the Board of Directors since the previous year's Directors' Report are as under:

- » Shri Ravindra Pandey (DIN: 07188637) appointed as Nominee Director of SBI on the Board of the Company with effect from April 19, 2024 and ceased to be Nominee Director of State Bank of India with effect from January 24, 2025.

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

The Board met at regular intervals during the financial year 2024-25, and the gap between any two meetings was within the time limits prescribed under the Companies Act, 2013.

During the financial year ended March 2025 and as on date, the Board met six times and nine times respectively, on April 19, 2024, July 25, 2024, September 02, 2024, October 25, 2024, January 18, 2025, February 11, 2025, April 08, 2025, April 16, 2025, and July 17, 2025.

### **BOARD COMMITTEES DURING THE YEAR UNDER REVIEW**

#### **AUDIT COMMITTEE**

As on March 31, 2025, the Audit Committee of the Board (duly constituted pursuant to Section 177 of the Companies Act, 2013) consists of three Members, of which two are Independent Directors and one is the Nominee Director of State Bank of India.

#### **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee of the Board consists of three Members, of which two are Independent Directors and one is the Nominee Director of State bank of India.



## **NOMINATION AND REMUNERATION COMMITTEE**

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

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

The CSR Committee is duly constituted and CSR Policy of the Company is periodically reviewed. The Policy is also uploaded on the Website of the Company [www.sbifactors.in](http://www.sbifactors.in).

## **CHANGE IN THE KEY MANAGERIAL PERSONNEL (KMP)**

Following were the changes in KMPs during the period under review:

1. Cessation of Shri Anurag Bhargava as CFO w.e.f. June 10, 2024
2. Appointment of Shri Amit Sharma as CFO w.e.f. July 25, 2024
3. Cessation of Smt. Neha Shenoy as CS & Chief Compliance Officer w.e.f. September 30, 2024
4. Appointment of Ms. Rishika Puri as CS & Chief Compliance Officer w.e.f. October 25, 2024

## **DECLARATION BY INDEPENDENT DIRECTORS**

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

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

The Nomination and Remuneration Policy of the Company on Appointment, Remuneration including criteria for determining qualifications, positive attributes, Independence of Directors

and other matters of Directors, KMPs and Senior Management Personnel. The Nomination & Remuneration Policy is available on the Website of the Company at [www.sbifactors.in](http://www.sbifactors.in).

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

There are no qualifications, reservations, adverse remarks, or disclaimers in the audit reports provided by M/s. Banshi Jain & Associates, Chartered Accountants (Statutory Auditors), M/s. JCR & Co. LLP, Chartered Accountants (Internal Auditors), and M/s. Bhandari & Associates, Company Secretaries (Secretarial Auditors).

The Comptroller and Auditor General of India has decided not to conduct supplementary audit of the Financial Statements of the Company for the year ended March 31, 2025 under section 143(6) (a) of the Companies Act.

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

During the Financial Year ended March 31, 2025, there are no material transactions with Related Parties. The particulars of contracts or arrangements with Related Parties referred to in Section 188(1), as prescribed in Form AOC-2 of the Rule 8 of the Companies (Accounts) Rules, 2014 is appended as **"Annexure A"**. The Board has approved the Policy on the Related Party Transactions which has been uploaded on the Company's Website ([www.sbifactors.in](http://www.sbifactors.in)).

## RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy duly approved by the Board. Accordingly, the Company manages the key risks critical to the Company's operations such as Credit Risk (including Concentration and Country Risk), Operations Risk, Liquidity Risk, Market Risk (Interest Risk) and Compliance Risk (Including Legal Risk), Information Technology /Information Security (IT/IS) risk, Human Resource (HR) Risk and Fraud Risk. Major Risks identified are systematically addressed through mitigating actions on a continuing basis. These are also discussed at the Meetings of the Risk Management Committee of the Board at regular intervals. The Company has Chief Risk Officer and Chief Compliance Officer at a senior level to provide executive oversight & co-ordination.

## DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The disclosures required to be made under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following table:

SR. NO.	PARTICULARS	STATUS
1	Number of complaints of sexual harassment received in the year	NIL
2	Number of complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programs against sexual harassment carried out	Awareness program was conducted during the period under review
5	Nature of action taken by the employer	Not Applicable

The Company has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## MATERNITY BENEFIT ACT 1961

The Company has complied with all the requirements as specified under Maternity Benefit Act, 1961.

## VIGIL MECHANISM

The Company has established a Vigil Mechanism to enable directors and employees to report genuine concerns in a transparent and confidential manner. The Vigil Mechanism Policy is available on the Company's website at [www.sbifactors.in](http://www.sbifactors.in).

## ANNUAL EVALUATION BY THE BOARD

The evaluation framework, in accordance with Section 178(2) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014, was approved by the Nomination and Remuneration Committee and subsequently by the Board of Directors of the Company. The evaluation process covers the performance of the Board, its Committees, the Chairman, and the Independent Directors. The evaluation exercise was carried out during the year under



review. In line with good governance practices, a member of the Board or its Committees does not participate in the discussion or evaluation of his or her own performance.

## PUBLIC DEPOSITS

During the Financial Year ended March 31, 2025, the Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2016. The Company also does not hold any Public Deposits as on March 31, 2025 and is in compliance with the Companies Act, 2013 and Reserve Bank of India (NBFC – Scale Based Regulation) Directions, 2023.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company issues Tier II Bonds in the form of Unsecured Non Convertible Debentures (NCDs), also known as Subordinated Bonds for strengthening its Capital Adequacy Ratio (CAR) and enhancing the long term Rupee resources.

As on March 31, 2025, the total outstanding of the Company's Tier II Bonds is at ₹ 100 Crores. The details of which are given in the below table:

Sr. No.	Particulars	Issue Date	Maturity Date	Rate	Amount (Rs. Cr)
1	Tier II Bond (NCD - Issue 10)	28-07-2021	28-07-2031	7%-8%	100
				<b>TOTAL</b>	<b>100</b>

## AUDITORS

M/s. Banshi Jain & Associate, Chartered Accountants, the present Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India(C&AG), will retire at the close of the 24<sup>th</sup> Annual General Meeting of the Company. The Statutory Auditors' Report for Financial Year 2024-25 does not contain any qualification, reservation or adverse remarks. The Statutory Auditors of the Company for the Financial Year 2025-26 would be appointed as and when directed / informed to the Company by the C&AG, pursuant to Section 139 and other applicable provisions of the Companies Act, 2013.

## SECRETARIAL AUDIT REPORT

The Board of Directors of the Company appointed M/s. Bhandari & Associates, Company Secretaries, to conduct the Secretarial Audit for the financial year 2024-25. The Secretarial Audit Report is annexed to this Report as '[Annexure B](#)'.

The Secretarial Audit Report does not contain any qualifications, reservations, or adverse remarks.

The Company has duly complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), namely SS-1 on 'Meetings of the Board of Directors' and SS-2 on 'General Meetings'.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end

of the Financial Year and of the Profit and Loss of the Company for that period;

- c) The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable Laws and such systems are adequate and operating effectively.

### CEO & CFO CERTIFICATE

A certificate from the Chief Executive Officer and the Chief Financial Officer of the Company, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable to privately placed debentures, for the financial year 2024-25, in respect of the financial statements and compliances, is annexed to the Report on Corporate Governance ([Annexure I](#)).

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

The Managing Director & Chief Executive Officer has affirmed compliance with the Company's Code of Conduct, as approved by the Board of Directors.

### COMPLIANCE CERTIFICATE REGARDING CORPORATE GOVERNANCE

A Compliance Certificate confirming adherence to the conditions of Corporate Governance,

issued by M/s. Rajkumar R. Tiwari, Practising Company Secretary, is annexed to the Report on Corporate Governance ([Annexure II](#)).

### PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

The Ministry of Corporate Affairs (MCA), through the Companies (Accounts) Amendment Rules, 2021, effective from April 1, 2021, amended Rule 8 to mandate disclosure of details regarding any application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year, along with their status as at the end of the financial year 2024-25. In this regard, the Company confirms that no application has been made, nor is any proceeding pending, under the Insolvency and Bankruptcy Code, 2016 in respect of the Company.

### DIFFERENCE IN AMOUNT OF THE VALUATION:

MCA, through the Companies (Accounts) Amendment Rules, 2021, effective from April 1, 2021, amended Rule 8 to require disclosure of the difference between the amount of valuation done at the time of one-time settlement and the valuation done while availing loans from banks or financial institutions, along with the reasons for such differences. In this regard, the Company confirms that the said disclosure is not applicable, as there was no instance of one-time settlement or loan obtained from any bank or financial institution during the year under review.

### CORPORATE SOCIAL RESPONSIBILITY ('CSR')

The Company has formulated and adopted a CSR Policy outlining key focus areas for its developmental initiatives, in alignment with Schedule VII of the Companies Act. This CSR Policy can be accessed on the Company's website at [www.sbifactors.in](http://www.sbifactors.in).



The Company's CSR initiatives for FY 2024-25 were executed either directly or in collaboration with various implementation agencies and partners. To ensure greater impact and scalability, the CSR activities during the year primarily focused on areas: (a) Environment (b) Education (c) Health Care.

The Annual Report on CSR activities, along with details of the amount spent by the Bank during FY 2024-25 as per the CSR Rules, is provided as '[Annexure C](#)' to this report.

## **BUSINESS CONTINUITY**

The Company believes in business continuity to address a range of exigencies, guided by a Business Continuity Management.

## **ACKNOWLEDGEMENTS**

Your Directors are grateful for the support and co-operation extended by the Government of India. We thank the Reserve Bank of India for their continued support. We are also thankful to the clients and customers for their continued patronage. We wish to especially acknowledge the support of SBI in lending the services of their experienced Executives and Managers to the Company. We also wish to convey our appreciation to employees at all levels for their hard work, dedication, and commitment.

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

**Sd/-**  
**Bharat Mishra**  
**Managing Director & CEO**  
DIN: 09385794

**Sd/-**  
**Ashwini Mehra**  
**Independent Director**  
DIN: 07084178

Date: September 10, 2025  
Place: Mumbai

# ANNEXURE A

## FORM NO. AOC - 2

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

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

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

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

Sl. no.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value if any	Justification for entering into such contracts / arrangements / transactions	Date (s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)(h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Shri Bharat Mishra (w.e.f. July 21, 2023 to till date)	Key Managerial Personnel	Appointment by SBI	Acting as MD & CEO of the Company	On Deputation from SBI	W.E.F. July 21, 2023	Nil	NA
2	Shri Anurag Bhargava - EVP - CFO - Key Managerial Personnel (from October 18, 2022 to June 10, 2024)	Key Managerial Personnel	Appointment by SBI	Acting as EVP & CFO of the Company	On Deputation from SBI	W.E.F. October 18, 2022	Nil	NA
3	Shri Amit Sharma- EVP - CFO - Key Managerial Personnel (w.e.f. July 25, 2024 to till date)	Key Managerial Personnel	Appointment by SBI	Acting as EVP & CFO of the Company	On Deputation from SBI	W.E.F. July 25, 2024	Nil	NA



Sl. no.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value if any	Justification for entering into such contracts / arrangements / transactions	Date (s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)(h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
4	Smt Neha Shenoy (wef. May 16, 2023 to September 30, 2024)	Key Managerial Personnel	Appointment by Board of Directors of SBI	Acting as Company Secretary	Appointed as Company Secretary by the Board of Directors.	wef. May 16, 2023	Nil	NA
5	Ms. Rishika Puri (wef. October 25, 2024 to till date)	Key Managerial Personnel	Appointment by Board of Directors of SBI	Acting as Company Secretary	Appointed as Company Secretary by the Board of Directors.	wef. October 25, 2024	Nil	NA
6	State Bank of India (SBI) - Holding Company	Banking Facility	Yearly & Renewed every year	Act as Principal banker of the Company	Normal business purpose transactions	NA	Nil	NA
7	State Bank of India (SBI) - Holding Company	Manpower Support (officer on Deputation)	Appointment by SBI	Group Company	On Deputation from SBI	NA	Nil	NA
8	SBI Funds Management Pvt. Ltd. - Fellow Subsidiary (Non Banking)	Investment	Based on Investment duration (over night)	Surplus funds invested on overnight basis with SBI Mutual Funds	Normal business purpose transactions	wef. January 01, 2024	Nil	NA
9	SBI Life Insurance Company Ltd. (SBI LIFE) - Fellow Subsidiary (Non Banking)	Group Insurance for Directly recruited staff	Yearly & Renewed every year	Insurance policy for direct staff (Swarna Ganga Policy)	Insurance policy designed for employees of SBI Group of companies	wef. January 01, 2024	Nil	NA
10	SBI General Life Insurance Ltd. - Fellow Subsidiary (Non Banking)	Car Insurance	Yearly & Renewed every year	Insurance taken for Money in transit, Burglary, fire & Special Perils	Normal General Insurance transaction	wef. January 01, 2024	Nil	NA
11	SBI Foundation	Investment	Long Term	Purchase of Equity	Investment for CSR Purpose	wef. January 01, 2024	Nil	NA
12	Factors Association of India	Subscription / Membership	Yearly & Renewed every year	Subscription / Membership	Subscription / Membership	wef. January 01, 2024	Nil	NA
13	SBI Global Factors Ltd. Staff gratuity fund	Income Tax paid of staff gratuity fund	Short Term	Income Tax paid of staff gratuity fund	Income Tax paid of staff gratuity fund	NA	Nil	NA
14	SBI Cards and Payment Services Ltd	Credit Card Services	Long Term	Credit Card Services	Credit Card Services	wef. January 01, 2024	Nil	NA
15	C Edge Technologies Ltd	Professional fees for Technical Services	Long Term	DC/DR Hosting	DC/DR Hosting	NA	Nil	NA

#### For and on behalf of the Board

**Sd/-**  
**Bharat Mishra**  
**Managing Director & CEO**  
DIN: 09385794

Date: September 10, 2025  
Place: Mumbai

**Sd/-**  
**Ashwini Mehra**  
**Independent Director**  
DIN: 07084178

## ANNEXURE B

### FORM NO. MR-3

#### Secretarial Audit Report

#### For The Financial Year Ended March 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
SBI FACTORS LIMITED  
(Formerly known as SBI Global Factors Limited)  
CIN: U65929MH2001PLC131203

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SBI FACTORS LIMITED (Formerly known as SBI Global Factors Limited) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings#;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011#;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021<sup>#</sup>; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018<sup>#</sup>;

<sup>#</sup> The Regulations or Guidelines, as the case may be were not applicable for the period under review.

The list of Acts, Laws and Regulations specifically applicable to the Company are given below:

- vi. The Factoring Regulation Act, 2011;
- vii. Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015;
- viii. Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

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

- i. Secretarial Standards – 1 and 2 issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'].

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable. The summary proceedings of Annual General Meeting (AGM) held on September 26, 2024 was filed with National Stock Exchange (NSE) on September 30, 2024 under Regulation 51 read with Part B of Schedule III of Listing Regulation.

#### **We further report that -**

The Board of Directors of the Company was constituted with Executive Directors, Non-Executive Directors (Nominee Directors) and Independent Directors. All the Directors of the Company other than Independent Directors are nominated by the State Bank of India in terms of Article 88 of the Articles of Association of the Company and are not liable to retire by rotation pursuant to Section 35A of the State Bank of India Act, 1955. Hence, no Director was retired at the 23rd Annual General Meeting (AGM) held on September 26, 2024 as per section 152(6) of the Act. Further, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Audit Committee of the Company comprised only two directors for a period from January 24, 2025, to February 10, 2025, and no meeting of Audit Committee was held during this period. Further, the Audit Committee was duly reconstituted on February 11, 2025.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.



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

**We further report that** during the audit period, the Company has undertaken following events/actions:

- a. Members' approval was obtained at the 23rd Annual General Meeting held on September 26, 2024 for increasing borrowing powers of the Company from Rs. 3000 crores to Rs. 6500 crores under Section 180(1)(c) of the Companies Act, 2013.
- b. The Company has redeemed Commercial Papers amounting to Rs. 100 crores pursuant to maturity.

**For Bhandari & Associates**

**Company Secretaries**

Unique Identification No.: P1981MH043700

Peer Review Certificate No.: 6157/2024

**Manisha Maheshwari**

**Partner**

FCS No.: 13272; C P No.: 11031

Mumbai | September 10, 2025

ICSI UDIN: F013272G001184673

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

## ANNEXURE A TO SECRETARIAL AUDIT REPORT

To  
The Members,  
**SBI FACTORS LIMITED**  
(Formerly known as SBI Global Factors Limited)  
**CIN: U65929MH2001PLC131203**

Our Secretarial Audit Report for the Financial Year ended on March 31, 2025 of even date is to be read along with this letter.

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

**For Bhandari & Associates**  
**Company Secretaries**

Unique Identification No.: P1981MH043700  
Peer Review Certificate No.: 6157/2024

**Manisha Maheshwari**  
**Partner**

FCS No.: 13272; C P No.: 11031  
Mumbai | September 10, 2025  
ICSI UDIN: F013272G001184673

## ANNEXURE C

### Annual Report on CSR Activities

#### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Corporate Social Responsibility (CSR) is a cornerstone of our commitment to creating a meaningful impact on society. We believe that businesses thrive when they contribute to the greater good, and our CSR initiatives reflect this philosophy by focusing on sustainability, community development, and social welfare.

Our CSR Policy aligns with the provisions of Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, ensuring that our activities are compliant, transparent, and impactful. Guided by these principles, our initiatives aim to:

- Dedicate a portion of our profits to social projects that address critical societal challenges.
- Implement projects through well-defined processes to ensure transparency, accountability, and long-term impact
- Foster sustainability and inclusivity across all our endeavors.

#### 2. COMPOSITION OF CSR COMMITTEE:

The composition of the CSR Committee of the Board as on date is as under:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Ashwini Mehra	Chairman, Independent Director	1	1
2	Shri Bharat Mishra	Member, Managing Director & CEO	1	1
3	Smt. Sudha Malhotra	Member, Independent Director	1	1
4	Shri Ravindra Pandey	Member, Nominee Director	1	1

\*Shri Ravindra Pandey, Nominee Director of SBI, was inducted as Member of the Committee with effect from April 19, 2024 and ceased to be member of the Committee with effect from January 24, 2025.

#### 3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE Company

Composition of CSR Committee	<a href="https://www.sbifactors.in/board-level-committees">https://www.sbifactors.in/board-level-committees</a>
CSR Policy	<a href="https://www.sbifactors.in/investor-relations/policies-and-framework">https://www.sbifactors.in/investor-relations/policies-and-framework</a>
CSR projects	<a href="https://www.sbifactors.in/investor-relations/regulatory-compliance-disclosures/corporate-social-responsibility">https://www.sbifactors.in/investor-relations/regulatory-compliance-disclosures/corporate-social-responsibility</a>



**4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE**

The impact assessment of CSR projects, as required under sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, was not applicable for the financial year 2024-25.

5.	a.	Average net profit of the Company as per sub-section (5) of section 135	₹ 11,01,82,759/-
	b.	Two percent of average net profit of the Company as per sub-section (5) of section 135	₹ 22,03,655/-
	c.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
	d.	Amount required to be set-off for the financial year, if any	Nil
	e.	Total CSR obligation for the financial year ((b)+(c)-(d)).	₹ 22,03,655/-

6.	a.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	₹ 21,02,000/-
	b.	Amount spent in Administrative Overheads	Nil
	c.	Amount spent on Impact Assessment, if applicable.	Not Applicable
	d.	Total amount spent for the Financial Year ((a)+(b)+(c)).	₹ 21,02,000/-

e.	Amount Unspent (in ₹)				
Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer.
	21,02,000/-	Nil	Not applicable	Swachh Bharat Kosh Fund 1,01,655	August 29, 2025

f.

Sr. No.	Particular	Amount in ₹
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub section (5) of section 135	22,03,655
(ii)	Total amount spent for the Financial Year	21,02,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7.

Sr. No.	Preceding Financial Year(s)	Amount Transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if an		Amount remaining to be spent in succeeding Financial Year (in ₹)	Deficiency, if any
					Amounts	Date of Transfer		
1	FY 2023-24	Nil	Nil	Nil	Nil	Not applicable	Nil	-
2	FY 2022-23	Nil	Nil	Nil	Nil	Not applicable	Nil	-
3	FY 2021-22	Nil	Nil	Nil	Nil	Not applicable	Nil	-

**8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR**

No capital assets were created or acquired out of the Corporate Social Responsibility expenditure during the financial year.

**9. SPECIFY THE REASON(S), IF THE Company HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFITS AS PER SUB-SECTION (5) OF SECTION 135**

The balance amount of ₹ 1,01,655/- remained unallocated as of the close of the financial year. While the Company explored opportunities for further deployment, suitable projects could not be finalised within the financial year.

Sd/-  
Bharat Mishra  
(Managing Director & CEO)

Sd/-  
Ashwini Mehra  
Chairman of CSR Committee

## ANNEXURE D

### CORPORATE GOVERNANCE REPORT

Corporate Governance is fundamentally about fostering trust and building strong, valuable relationships with all stakeholders, while conducting the Company's operations with integrity, fairness, and in compliance with the highest ethical standards.

Our objective is to ensure transparency, accountability, and sustainable business growth.

We regard it as our core responsibility to provide timely, accurate, and comprehensive disclosures pertaining to the Company's financial performance, operational results, and governance practices.

#### 1. THE BOARD OF DIRECTORS

The Board forms the foundation of the Company's Corporate Governance practices, guiding management in safeguarding the long-term interests of Members and all other stakeholders. We recognize that a proactive, well-informed, and Independent Board is vital to maintaining the highest standards of governance.

Corporate Governance principles are firmly ingrained in the Company's culture, shaping its strategies, policies, and decisions. The Board functions with full independence from management, ensuring fairness, accountability, and transparency across all levels of the organisation.

The Board of Directors as on March 31, 2025 and as on date, consists of following Members:

Sr. No.	Name of the Director	Designation of Director
1.	Shri Ashwini Kumar Tewari	Chairman & Nominee Director of SBI
2.	Shri Debangshu Munshi	Nominee Director of SBI
3.	Smt. Sudha Malhotra	Independent Director
4.	Shri Ashwini Mehra	Independent Director
5.	Shri Bharat Mishra	Managing Director & CEO

#### Meeting of the Board:

During the financial year ended March 2025 and as on date, the Board met six times and nine times respectively, on April 19, 2024, July 25, 2024, September 02, 2024, October 25, 2024, January 18, 2025, February 11, 2025, April 08, 2025, April 16, 2025, and July 17, 2025.



**The Particulars of Directors, their Directorship, attendance during the financial year 2024-25 and till date**

Sr. No.	Name of Director	Category	No. of Meetings attended/ held	No of Directorship in other companies (Excl. Foreign Companies)
1.	Shri Ashwini Kumar Tewari	Nominee Director of SBI Non-Executive	6/9	12
2.	Shri Debangshu Munshi	Nominee Director of SBI Non-Executive	7/9	5
3.	Smt. Sudha Malhotra	Independent Director – Non Executive	8/9	Nil
4.	Shri Ashwini Mehra	Independent Director – Non Executive	9/9	2
5.	Shri Bharat Mishra	Managing Director & CEO Nominee Director of SBI & Executive	9/9	1
6.	*Shri Ravindra Pandey	Nominee Director of SBI	5/5	9

\*Shri Ravindra Pandey ceased as a Director of the Company with effect from January 24, 2025

**2. AUDIT COMMITTEE OF THE BOARD:**

The Composition of the Audit Committee of the Board as on date is as under:

Sr. No	Name of the Member	Designation
1	Shri Ashwini Mehra	Chairman- Independent Director
2	Smt. Sudha Malhotra	Member - Independent Director
3	Shri Bharat Mishra	Member - Managing Director & CEO

During the financial year ended March 2025 and as on date, the Audit Committee met seven times and nine times respectively, on April 19, 2024, July 25, 2024, September 02, 2024, October 24, 2024, January 15, 2025, January 17, 2025, March 24, 2025, April 16, 2025 and July 16, 2025.

**During the period under review, the following were changes in the Composition of the Committee:**

- Shri Ashwini Kumar Tewari was inducted as a Member of the Audit Committee w.e.f. April 08, 2024 and subsequently ceased to be Member w.e.f. July 25, 2024

- Shri Ravindra Pandey was inducted as a Member of the Audit Committee w.e.f. July 25, 2024 and subsequently ceased to be Member w.e.f. January 24, 2025
- Shri Bharat Mishra was inducted as a Member of the Audit Committee w.e.f. February 11, 2025

**The attendance of the Members of the Audit Committee of the Board at above meetings is as stated below:**

Sr. No.	Name of the Member	No of Meetings Attended / Held
1	Shri Ashwini Kumar Tewari	1/2
2	Shri Ashwini Mehra	9/9
3	Smt. Sudha Malhotra	8/9
4	Shri Bharat Mishra	3/3
5	Shri Ravindra Pandey	4/4

- In addition, the Statutory Auditors and Internal Auditors attend and participate in the deliberations at the meetings of the Audit Committee and are also provided opportunities for independent interaction.

### 3. EXECUTIVE COMMITTEE OF THE BOARD

The Composition of the Executive Committee of the Board as on date is as under:

Sr. No.	Name of the Member	Designation
1	Smt. Sudha Malhotra	Chairperson- Independent Director
2	Shri Ashwini Mehra	Member - Independent Director
3	Shri Bharat Mishra	Member - Managing Director & CEO

During the financial year ended March 31, 2025 and as on date, the Executive Committee met Sixteen times and Twenty Two Times respectively, on April 19, 2024, May 08, 2024, June 25, 2024, July 02, 2024, July 25, 2024, August 07, 2024, October 07, 2024, October 24, 2024, October 28, 2024, November 19, 2024, December 02, 2024, December 27, 2024, January 08, 2025, January 17, 2025, February 18, 2025, March 13, 2025, April 14, 2025, May 06, 2025, June 30, 2025, July 16, 2025, July 22, 2025 and August 28, 2025.

During the period under review, the following were changes in the Composition of the Committee:

- Shri Ravindra Pandey was inducted as a Member of the Executive Committee w.e.f. April 19, 2025 and subsequently ceased to be Member w.e.f. January 24, 2025

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

Sr. No.	Name of the Member	No. of Meetings Attended / Held
1	Smt. Sudha Malhotra	21/22
2	Shri Ashwini Mehra	22/22
3	Shri Bharat Mishra	22/22
4	Shri Ravindra Pandey	13/13

#### 4. RISK MANAGEMENT COMMITTEE OF THE BOARD

The Composition of the Risk Management Committee of the Board as on date is as under:

Sr. No.	Name of the Member	Designation
1	Smt. Sudha Malhotra	Chairperson- Independent Director
2	Shri Ashwini Mehra	Member - Independent Director
3	Shri Bharat Mishra	Member - Managing Director & CEO

During the financial year ended March 2025 and as on date, the Risk Management Committee met five times and seven times respectively, on April 19, 2024, July 25, 2024, October 24, 2024, January 17, 2025, March 24, 2025, April 14, 2025 and July 16, 2025.

During the period under review, the following were changes in the Composition of the Committee:

- Shri Ravindra Pandey was inducted as a Member of the Risk Management Committee w.e.f. April 19, 2024 and subsequently ceased to be Member w.e.f. January 24, 2025
- Shri Bharat Mishra was inducted as a Member of the Risk Management Committee w.e.f. February 11, 2025

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

Sr. No.	Name of the Member	No of Meetings Attended / Held
1	Smt. Sudha Malhotra	6/7
2	Shri Ashwini Mehra	7/7
3	Shri Bharat Mishra	3/3
4	Shri Ravindra Pandey	3/3



## 5. NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD

The Composition of the Nomination and Remuneration Committee of the Board as on date is as under:

Sr. No.	Name of the Member	Designation
1	Shri Ashwini Mehra	Chairman- Independent Director
2	Smt. Sudha Malhotra	Member - Independent Director
3	Shri Ashwini Kumar Tewari	Member - Nominee Director

During the financial year ended March 2025 and as on date, the Nomination and Remuneration Committee met four times and six times respectively, on April 19, 2024, July 25, 2024, October 25, 2024, January 18, 2025, April 08, 2025 and July 17, 2025.

During the period under review, the following were changes in the Composition of the Committee:

- Shri Ashwini Kumar Tewari was inducted as a Member of the Nomination and Remuneration Committee w.e.f. April 08, 2025
- Shri Ravindra Pandey was inducted as a Member of the Nomination and Remuneration Committee w.e.f. July 25, 2025 and subsequently ceased to be Member w.e.f. January 24, 2025

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

Sr. No.	Name of the Member	No of Meetings Attended / Held
1	Shri Ashwini Mehra	6/6
2	Smt. Sudha Malhotra	5/6
3	Shri Ashwini Kumar Tewari	2/6
4	Shri Ravindra Pandey	2/2

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD

The Composition of the Corporate Social Responsibility Committee of the Board as on date is as under:

Sr. No.	Name of the Member	Designation
1	Shri Ashwini Mehra	Chairman- Independent Director
2	Smt. Sudha Malhotra	Member - Independent Director
3	Shri Bharat Mishra	Member - Managing Director & CEO

During the financial year ended March 2025 and as on date, the Corporate Social Responsibility Committee met once and twice respectively, on October 24, 2024 and May 28, 2025.

During the period under review, the following was the change in Composition of the Committee:

- Shri Ravindra Pandey was inducted as a Member of the Corporate Social Responsibility Committee w.e.f. April 19, 2024 and subsequently ceased to be Member w.e.f. January 24, 2025

**The attendance of the Members of the Corporate Social Responsibility Committee of the Board at above meetings is as stated below:**

Sr. No.	Name of the Member	No of Meetings Attended / Held
1	Shri Ashwini Mehra	2/2
2	Smt. Sudha Malhotra	2/2
3	Shri Bharat Mishra	2/2
4	Shri Ravindra Pandey	1/1

## 7. IT STRATEGY COMMITTEE OF THE BOARD

The Composition of the IT Strategy Committee of the Board as on date is as under:

Sr. No.	Name of the Member	Designation
1	Shri Ashwini Mehra	Chairman- Independent Director
2	Smt. Sudha Malhotra	Member - Independent Director
3	Shri Bharat Mishra	Member - Managing Director & CEO

During the financial year ended March 2025 and as on date, the IT Strategy Committee met four times and five times respectively, on July 25, 2024, October 24, 2024, January 17, 2025, March 24, 2025 and July 17, 2025.

During the period under review, the following is the change in Composition of the Committee:

- Shri Ravindra Pandey was inducted as a Member of the IT Strategy Committee w.e.f. July 25, 2024 and subsequently ceased to be Member w.e.f. January 24, 2025.

**The attendance of the Members of the IT Strategy Committee of the Board at above meetings is as stated below:**

Sr. No.	Name of the Member	No of Meetings Attended / Held
1	Shri Ashwini Mehra	5/5
2	Smt. Sudha Malhotra	4/5
3	Shri Bharat Mishra	5/5
4	Shri Ravindra Pandey	2/2

## 8. SPECIAL COMMITTEE OF THE BOARD FOR MONITORING AND FOLLOW-UP OF CASES OF FRAUDS

The Composition of the Special Committee of the Board for Monitoring and Follow-up of cases of Frauds as on date is as under:

Sr. No.	Name of the Member	Designation
1	Shri Ashwini Mehra	Chairman- Independent Director
2	Smt. Sudha Malhotra	Member - Independent Director
3	Shri Bharat Mishra	Member - Managing Director & CEO

During the financial year ended March 31, 2025 and as on date, the Special Committee of the Board for Monitoring and Follow-up of cases of Frauds met once and twice respectively, on October 24, 2024 and July 17, 2025.

During the period under review, the following is the change in Composition of the Committee:

- Shri Ravindra Pandey was inducted as a Member of the Special Committee of the Board for Monitoring and Follow-up of cases of Frauds w.e.f. July 25, 2024 and subsequently ceased to be Member w.e.f. January 24, 2025.

**The attendance of the Members of the Special Committee of the Board for Monitoring and Follow-up of cases of Frauds at above meetings is as stated below:**

Sr. No.	Name of the Member	No of Meetings Attended/held
1	Shri Ashwini Mehra	2/2
2	Smt. Sudha Malhotra	2/2
3	Shri Bharat Mishra	2/2
4	Shri Ravindra Pandey	1/1

## General Body Meetings:

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

AGM	Financial Year	Date of the AGM	Time	Venue
21st	2021-22	30/09/2022	11:00 AM	The Board Room, SBI Global Factors Limited, 06th Floor, The Metropolitan Building, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 (Meeting through Video Conferencing)
22nd	2022-23	26/09/2023	04:00 PM	The Board Room, SBI Global Factors Limited, 06th Floor, The Metropolitan Building, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 (Meeting through Video Conferencing)



23rd	2023-24	26/09/2024	04:00 PM	The Board Room, SBI Global Factors Limited, 06th Floor, The Metropolitan Building, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 (Meeting through Video Conferencing)
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b) The following Special Resolution(s) were passed at the above AGMs:

AGM	DETAILS OF THE SPECIAL RESOLUTION(S)
21st	<ul style="list-style-type: none"> <li>• Appointment of Statutory Auditors for the Financial Year 2022-23, as directed by the Comptroller &amp; Auditor General of India (C&amp;AG) and payment of Fees/ Remuneration to them.</li> <li>• Appointment of Shri Swaminathan Janakiraman (DIN:08516241) as Chairman/ Nominee Director on the Board of the Company</li> <li>• Approval of amendments in the Articles of Association of the Company pursuant to entire equity stake purchase by State Bank of India</li> </ul>
22nd	To consider and approve an Alteration in the Articles of Association of the Company
23rd	<ul style="list-style-type: none"> <li>• To appoint the Statutory Auditors of the Company for the Financial Year 2024-25, as directed by the Comptroller &amp; Auditor General of India (C&amp;AG), under Section 139 and other applicable provision(s) of the Companies Act, 2013, if any.</li> <li>• To increase the borrowing powers of the Company from ₹ 3,000 crores to ₹ 6,500 crores</li> </ul>

Extraordinary General Meetings held during the Financial Year 2024-25:

During the Financial Year 2024-25, the Company convened One (1) Extra Ordinary General Meeting on Tuesday, February 11, 2025 at 03:00 PM through Video Conferencing at the Registered office of the Company to transact the following agenda:

To consider and if thought fit, to pass the following resolution, as a Special Resolution, for change in the name of the Company to 'SBI Factors Limited' and consequential amendment to the Memorandum of Association and Articles of Association of the Company.

#### General Shareholder Information:

Financial Year	April 01, 2024 to March 31, 2025
CIN	U65929MH2001PLC131203
Registration Date	13/03/2001
Name of the Company	SBI Factors Limited

Address for correspondence	6 <sup>th</sup> Floor, The Metropolitan Building, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
Category / Sub-Category of the Company	Public Company
Address of the Registered office and contact details	6th Floor, The Metropolitan Building, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 T.No. (022) 48890300
Whether listed Company	Yes (we are a debt listed company with NSE)
Name, Address and Contact details of Registrar and Transfer	Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited)  Address: Plot No B-5, Part B Cross Lane, MIDC, Andheri (E), Mumbai 400 093 Tel : +91 22 6671 2001

#### Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% Change in shareholding during the year
		No. of Shares	% of total Shares	No. of Shares	% of total Shares	
1	STATE BANK OF INDIA	15,98,85,365	100%	15,98,85,365	100%	NIL
	Total	15,98,85,365	100%	15,98,85,365	100%	NIL

#### For and on behalf of the Board

Sd/-

**Bharat Mishra**

Managing Director & CEO  
(DIN: 09385794)

Sd/-

**Ashwini Mehra**

Independent Director  
(DIN: 07084178)

Date: September 10, 2025

Place: Mumbai

## ANNEXURE E

## Management Discussion & Analysis

### **The Global Economy – Developments in the Past Year**

Over the last year, the global economy has navigated a delicate balance between resilience and persistent challenges. While growth did not collapse, it stayed below pre-pandemic trends. Much of the momentum came from strong consumer demand and a resilient labour market in advanced regions, whereas some major economies struggled with weak manufacturing activity, elevated energy cost and tighter financing conditions. At the same time, structural issues in real estate and investment sentiment in certain large markets limited their overall contribution to global growth.

Inflationary pressures eased compared to the years right after the pandemic, largely as energy prices became more stable and supply chains improved. However, food prices remained volatile, partly due to climate shocks and supply issues in important regions. Central banks in major advanced economies kept interest rates high for most of the year, which helped control inflation but also slowed down investment and trade.

World trade volumes remained subdued. Geopolitical frictions, rising tariff actions, and changes in supply chain patterns created further headwinds to global commerce. As a result, globalisation entered a more fragmented phase, with regional supply chains gaining prominence.

For India, the global environment of the past year presented both opportunities and challenges. The weakness in global trade weighed on merchandise exports, but services exports—particularly IT and business services—held up well. Softer oil prices provided relief on the external and inflation fronts, while India's domestic drivers of consumption and investment ensured that growth remained robust, positioning the country as a relative outperformer among large economies.

#### **Current Situation**

At present, the global economy appears to be stabilising though performance remains uneven across regions. Growth in advanced economies has slowed under the weight of tighter monetary policy and reduced fiscal support. On a positive note, inflation has eased significantly, allowing Central banks to gradually signal a move toward more neutral policy stances.

Commodity markets are relatively stable, with adequate oil supplies lowering energy price risks. Food prices have firmed in select categories like edible oils and meat, posing challenges for import-dependent economies. Global goods trade remains constrained by tariffs and industrial policies, though services trade is holding up, driven by digitisation and outsourcing.



For India, softer oil prices and easing global rate expectations support stability in currency and capital flows. However, weak merchandise trade and rising protectionism weigh on exports, keeping domestic consumption and investment as the key growth drivers.

### **Outlook Going Forward**

Looking ahead, the global economy is expected to continue expanding at a moderate pace. Growth in advanced economies is likely to remain subdued, but the risks of a deep slowdown have receded as inflation trends downward. Central banks in the U.S. and Europe are expected to move cautiously toward policy easing, which should provide some support to financial markets and capital flows. Emerging markets in Asia, particularly India, will remain important contributors to global growth.

The medium-term outlook for trade is more constrained. Rising protectionism and tariff actions are expected to dampen merchandise trade, though regional reorientation of supply chains may create opportunities for some countries. Services trade, particularly digital services, is expected to expand and could remain a bright spot for economies with strong capabilities.

Commodity markets are likely to remain relatively stable, though vulnerable to geopolitical flare-ups. Oil markets are projected to be adequately supplied, limiting the risk of a sustained price surge. Food prices, however, could remain volatile due to climate shocks, regional conflicts, and shifts in trade policy.

For India, the global outlook carries both positives and risks. On the positive side, easier global financial conditions should support capital flows and investment, while softer oil prices may keep external balances manageable and help contain inflation. India's services sector is well-positioned to benefit from the continued expansion in global outsourcing and digital trade. On the risk side, a prolonged weakness in global goods trade, escalation in tariff barriers, and any renewed spikes in food or energy prices could weigh on India's external sector and inflation dynamics.

#### **Source:**

***This Management Discussion & Analysis is based on publicly available information and other reliable sources such as International Monetary Fund (IMF), World Bank, World Trade Organisation (WTO), RBI and US Federal Reserve, which are believed to be true.***

For and on behalf of the Board

**Shri Bharat Mishra**  
Managing Director & CEO  
DIN: 09385794

**Shri Ashwini Mehra**  
Independent Director  
DIN: 07084178

Date: September 10, 2025  
Place: Mumbai

## ANNEXURE I

The Board of Directors  
SBI Factors Limited  
Mumbai

As required under the Listing Agreement we certify that:

- a) We have reviewed financial statements and the Cash Flow Statement for the year 2024 25 and that to the best of our knowledge and belief -
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
  - i. Significant changes in internal control over financial reporting during the year.
  - ii. Material changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

### **For SBI Factors Limited**

(Formerly known as SBI Global Factors Limited)

Chief Executive Officer

Chief Financial Officer

Date: April 19, 2025

## ANNEXURE II

### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,  
SBI FACTORS LIMITED  
6<sup>th</sup> Floor, The Metropolitan Bldg.,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400051.

I have reviewed the implementation of Corporate Governance produced by the Company during the financial year ended March 31, 2025 and as on the date of signing this certificate, with the relevant records and documents maintained by the Company, furnished to me for my review and the report on Corporate Governance as approved by the Board of Directors.

The Compliances of the conditions of the Corporate Governance is the responsibility of the Management. My examination was carried out in accordance with the guidance note on certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In my opinion and to the best of my information and according to the information and explanations given to me, I certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

I further state that my examination of such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

Date: August 19, 2025

Signature:

**CS Rajkumar R. Tiwari**

Practising Company Secretary  
FCS No. 4227 C P No. 2400  
P.R. No. 2041/2022  
UDIN: F004227G001035345

# **FINANCIAL STATEMENTS**



## Independent Auditor's Report

To  
The Members of SBI Factors Limited  
(formerly known as 'SBI Global Factors Limited')

Report on the Audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of **SBI FACTORS LIMITED (formerly known as 'SBI Global Factors Limited')** ("the Company"), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of cash flow year ended on that date, and a summary of material accounting policies and other explanatory information (herein after referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, its surplus including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended 31st March 2025. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTERS	AUDIT PROCEDURES FOLLOWED TO ADDRESS THE KEY MATTERS
<p>Information Technology</p> <p>IT systems and controls</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems. As such that there exists a risk that gaps in the IT control environment, including automated accounting procedures, IT dependent manual controls and controls preventing unauthorized access to systems and data could result in the financial accounting and reporting records being materially misstated. The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter and our audit approach could significantly differ depending on the effective operation of the Group's IT controls.</p>	<p>Our audit procedures to assess the IT system access management included the following:</p> <ul style="list-style-type: none"> <li>• We tested a sample of key controls operating over the information technology in relation to the financial accounting and reporting systems, including system access and system change management, program development and computer operations.</li> <li>• We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.</li> <li>• For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process.</li> <li>• Evaluating the design, implementation and operating effectiveness of the significant accounts related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.</li> </ul>

### Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management and Board of Directors Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, surplus / deficit

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

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial

statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in Ind AS financial statements made by Management and Board of Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance

in the audit of the Ind AS financial statements for the financial year ended 31st March 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, in **"Annexure B"** on the directions issued by the Comptroller and Auditors General of India.
3. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company as far as it appears from our examination of those books;



- c. The Balance Sheet, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements with reference to these Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C" to this report;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 27 of Notes to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.
  - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or;
    - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or;
    - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv)(a) and (iv)(b) contain any material misstatement.

The Company has not declared or paid any dividend during the year.

4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

- In our opinion, and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

5. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **BANSHI JAIN & ASSOCIATES**

Chartered Accountants

FRN: 100990W

**Parag Jain**

**Partner**

Membership No. 078548

Place: Mumbai

Date: 16-04-2025

UDIN: 25078548BMIJA01691

## **ANNEXURE A to the Independent Auditor's Report of even date on the Financial Statements of SBI FACTORS LIMITED (formerly known as 'SBI Global Factors Limited') for the period ended March 31, 2025**

Statement on the matters specified in paragraphs 3 and 4 of Companies (Auditor's Report) Order, 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

**i. (a)**

(A) The Company has maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment & Right of Use Asset;

(B) The Company is maintaining proper records showing full particulars of intangible assets;

**(b)** The Property, Plant and Equipment of the Company have been physically verified by the management at reasonable intervals in a phased manner to generally cover all the assets once in three years. As informed to us, no material discrepancies have been noticed on such verification wherever reconciliation has been carried out. In our opinion, the frequency of physical verification program adopted by the Company is reasonable having regard to the size of the Company and the nature of its assets.

**(c)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the unit is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financials are held in the name of the Company, other than the following:

<b>Description of the Property</b>	<b>Gross carrying value (in lacs)</b>	<b>Held in the name of</b>	<b>Reason for not being in the name of the Company and whether the property is under dispute:</b>	<b>Date of Purchase</b>
Office premises in Mumbai	797.25	Global Trade Finance Limited	Under Process -Not in Dispute	24-12-2001
Office premises in Delhi	146.72	Global Trade Finance Limited	Under Process -Not in Dispute	29-06-2005
Flat in Mumbai	47.83	Global Trade Finance Limited	Under Process -Not in Dispute	19-06-2004

**(d)** The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year ended 31st March, 2025, and accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.

**(e)** No proceedings have been initiated or are pending against the unit for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii. 1. The Company is in the business of factoring Services and providing loans and advance and thus it does not have any physical inventory. Accordingly, provisions of clause 3 (ii) (a) of the Order are not applicable.

2. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits from banks on the basis of security of current assets and accordingly reporting under this clause 3(ii)(b) of the order is not applicable.

iii. a. According to the information and explanations given to us and on the basis of our examination of the records, the Company's principal business is factoring services and to give loans. Accordingly, clause 3(iii)(a) of the Order is not applicable.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not invested in, provided any guarantee or security and the terms and conditions of the loans granted and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.

c.& d. The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/

Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 46 of Ind AS Financial Statements for summarized details of such loans/advances which are not repaid by borrowers. Reasonable steps have been taken by the Company for recovery of principal and interest.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is factoring service and to give loans. Accordingly, clause 3(iii) (e) of the Order is not applicable.

f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013. The Company has invested in one of the fellow subsidiaries of the holding Company and complied with the provisions of section 186 of the Companies Act, 2013.

v. In our opinion, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, provisions of clause 3(vi) of the Order is not applicable to the Company.



vii. In respect of statutory dues:

- a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Goods and Service Tax, provident fund, professional tax, income-tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax, provident fund, professional tax, income-tax and other material statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, there are no dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, cess and other statutory dues which have not been deposited on account of any disputes. However, the disputed service Tax dues are stated as under in the below table:

Name of the Statute	Nature of Dues	Amounts involved (₹. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax Act 1994	Service tax	57.07	AY 2010-2011	The matter is pending for disposal before commissioner of service tax.

viii. In our opinion and according to the information and explanations given to us, the Company does not have any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, clause 3 (viii) of the Order is not applicable.

- ix. (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, banks and Debenture holders.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, the Company has applied working capital demands loans for the purpose of which they were obtained during the year.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company during the year.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) The Company has not raised loans during the year on the pledge of securities held in subsidiary, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.

- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanation given to us and based on our examination of books and records the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No case or report under sub-section (12) of section 143 of the Companies Act has been committed to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 3 (xii) (a), 3 (xii) (b) and 3 (xii) (c) of the Order is not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable, and the requisite details have been disclosed in the notes to financial statements, as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, the provision of section 138 of the Act is applicable to the Company.
  - (a) The Company has an internal audit system commensurate with size and nature of its business.
  - (b) The reports of the Internal auditors for the period under audit were considered by the statutory auditor.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is required to be registered under 45 IA of the Reserve Bank of India Act, 1934 and Company has obtained required registration.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c)The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the provision of clause 3(xvi)(c) of the Order is not applicable.

(d)There is no Core Investment Company as a part of the Group, hence, the provision of clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the previous financial year.

xviii. There has been no resignation of the statutory auditor of the Company during the year.

xix. According to the information and explanations given to us and based on our examination of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of the director and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. (a)The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report (Refer Note 50 of Financial Statement).

(b) In respect of any ongoing project, no amount is remaining unspent under sub-section (5) of section 135 of the Companies Act.

xxi. As the report pertains to Standalone financial statements of the Company, Accordingly, provision of clause 3(xxi) of the order is not applicable.

For **BANSHI JAIN & ASSOCIATES**

Chartered Accountants

FRN: 100990W

**Parag Jain**

**Partner**

Membership No. 078548

Place: Mumbai

Date: 16-04-2025

UDIN: 25078548BIMIJA01691

## **ANNEXURE B to the Independent Auditor's Report of even date on the Financial Statements of SBI FACTORS LIMITED (formerly known as 'SBI Global Factors Limited') for the period ended March 31, 2025**

As per the requirements of section 143 (5), in our opinion and to the best of our information and according to the explanations given to us, books of accounts and other records produced before us for verification and on the basis of management representation; the said accounts, read together with the Company's accounting policies and the Notes thereto are given below:

Sr. No.	DIRECTIONS	ANSWERS
1.	Whether the Company has system in place to process all the accounting transactions through IT system (ERP)? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>The Company has system in place to process all the accounting transactions through IT systems (ERP) except for the following:</p> <ul style="list-style-type: none"> <li>» Recognition and measurement and de-recognition of Lease Liability and Right of use (ROU) asset and depreciation of right to use asset in accordance with Ind-AS 116.</li> <li>» Classification, recognition, de-recognition and measurement of financial assets &amp; liabilities in accordance with Ind-AS 109.</li> <li>» Fixed asset registers and depreciation working.</li> <li>» Measurement of accrued interest calculation on advances and overdue is done manually from April to Jan 2025 after extracting the list of clients with due dates from the separate software (FactorIN system). However, the same has been automated from Feb 2025.</li> </ul> <p>Though manual controls are available with respect to the aforementioned functions and the said functions should be ideally routed through IT system.</p>
2.	Whether there are any restructuring of an existing loan or cases of waiver / Write off of debts / loans/ Interest etc. made by lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is Government Company, then this direction is also applicable for statutory auditor of the lender Company).	There is no restructuring of existing loan or cases of waiver / write off of debts / loans / interest etc. made by lender to the Company due to Company's inability to repay the loan during the year.



3.	Whether funds (grants/subsidy) received/receivable for specific schemes from central government/ state government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	The Company does not have any funds received/receivable for specific schemes from central/state government or its agencies.
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Additional directions issued by C&AG as applicable to the Company for the year 2024-25.

Sr. No.	ADDITIONAL DIRECTIONS	ANSWERS
1.	<p>RBI provided a window (vide circular dated 6.08.20, under the prudential framework to, the implement a resolution plan to borrowers having a stress on account of Covid- 19, as per which the existing loans can be restructured without downgrading the asset classification.</p> <p>Are there any cases of restructuring involving the new provision and if so, are they in compliance with the RBI Circular?</p>	<p>The Company has implemented Resolution Plan as per RBI circular dated 06-Aug-20 in One account during the Financial Year 21-22.</p> <p>The detail of the account wherein RP has been invoked is as under: Name of Borrower- Future Enterprises Limited (FEL) As per the OTR plan, SBIGFL's outstanding dues of ₹3.53 crore was payable on 31st March 2022. However, the payment of SBIGFL and other lenders dues was defaulted by FEL and OTR plan failed. Therefore, the account was again downgraded to NPA in SBIGFL's books in April 2022 with a retrospective date viz.31st March 2021.</p> <p>During, the FY 2022-23, recovery of ₹ 0.75 cr was received from FEL, and the balance Fund-in-Use (FIU) as on 31.03.2023, 31.03.2024 and 31.03.2025 stands at ₹2.79 cr.</p> <p>Apart from this there is no account under restructuring in terms of RBI's circular on Resolution Framework for COVID-19 related stress.</p>
2.	Whether the investible funds received by Company were invested in accordance with the directions of the applicable Statutory Regulators (regulations and rules laid by them)?	The Company has not received any funds which are meant for investment purposes. The Company is primarily engaged in lending activities for which it borrows from the Banks /market.
3.	Whether the funds invested under the schemes/products by the Company are in compliance with the directions of Investment Committee, Risk Committee constituted by board, Investment manual etc. which prescribes the process/ procedure, threshold, exposure limits, quality of security etc.?	<p>The Company adheres to the Board approved Investment Policy for investment of any surplus funds arising out of any short-term mismatch in its cash flows. Such occasional positive mismatch is invested in the liquid/overnight schemes offered by the mutual fund houses.</p> <p>The Investment Policy undergoes an annual review process to ensure ongoing compliances.</p>

For **BANSHI JAIN & ASSOCIATES**  
Chartered Accountants  
FRN: 100990W  
UDIN: 25078548BBIJAN5649

**Parag Jain**  
**Partner**  
Membership No. 078548

Place: Mumbai  
Date: 16-04-2025

## **ANNEXURE C to the Independent Auditor's Report of even date on the Financial Statements of SBI FACTORS LIMITED (formerly known as 'SBI Global Factors Limited') for the period ended March 31, 2025**

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

We have audited the internal financial controls with reference to Ind AS financial statements of SBI FACTORS LIMITED (formerly known as 'SBI Global Factors Limited') ("the Company") as of 31st March 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit

in accordance with the Guidance Note and the Standards, issued by ICAI on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both are applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to the Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design

and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls With reference to Ind AS financial statements**

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

### **Inherent Limitations of Internal Financial Controls With reference to Ind AS financial statements**

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control

with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31st March 2025, based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Ind AS financial statements issued by the Institute of Chartered Accountants of India.

For **BANSHI JAIN & ASSOCIATES**

Chartered Accountants

FRN: 100990W

**Parag Jain**  
**Partner**

Membership No. 078548

Place: Mumbai

Date: 16-04-2025

UDIN: 24078548BMIJA01691

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF SBI FACTORS LIMITED FOR THE YEAR  
ENDED 31 MARCH 2025**

The preparation of financial statements of SBI Factors Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 April 2025.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of SBI Factors Limited for the year ended 31 March 2025 under section 143 (6) (a) of the Act.

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



**(Vijay Nanalal Kothari)**

Principal Director of Audit (Shipping), Mumbai

Place: Mumbai

Date: 08.07.2025



# **STANDALONE BALANCE SHEET**

## Standalone Balance Sheet

March 31, 2025

(₹ in Lakhs)

	Particulars	Note	March 31, 2025	March 31, 2024
	<b>ASSETS</b>			
<b>(1)</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	2	114	427
(b)	Loans	3	276,625	178,454
(c)	Investments	4	0	0
(d)	Other Financial assets	5	206	202
			276,946	179,083
<b>(2)</b>	<b>Non-Financial Assets</b>			
(a)	Current tax assets (Net)	6	604	861
(b)	Deferred tax Assets (Net)	7	998	1,434
(c)	Property, Plant and Equipment	8	1,394	1,477
(d)	Capital work-in-progress	8	47	-
(e)	Intangible assets under development	8	11	4
(f)	Other Intangible assets	8	75	81
(g)	Other non-financial assets	9	296	340
			3,424	4,197
	<b>Total Assets</b>		280,369	183,280
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>(1)</b>	<b>Financial Liabilities</b>			
(a)	Derivative financial instruments	9A	-	2

(b)	Debt Securities	10	9,988	19,856
(c)	Borrowings (Other than Debt Securities)	11	213,285	114,011
(d)	Other financial liabilities	12	3,691	2,536
			226,965	136,405
(2)	<b>Non-Financial Liabilities</b>			
(a)	Provisions	13	292	372
(b)	Other non-financial liabilities	14	2,185	1,285
			2,477	1,657
(3)	<b>EQUITY</b>			
(a)	Equity Share capital	15	15,989	15,989
(b)	Other Equity	16	34,940	29,229
			50,928	45,218
	<b>Total Liabilities and Equity</b>		280,369	183,280
	<b>Material accounting policies forming part of the financial statements</b>	1		
	<b>See accompanying notes forming part of the financial statements</b>	2-55		

As per our report of even date

**For BANSHI JAIN & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 100990W

**CA Parag Jain**

Partner  
M.No. 078548  
Mumbai, 16th April 2025

For and on behalf of the Board of Directors

**Ashwini Kumar Tewari**

Chairman  
DIN :- 08797991

**Amit Sharma**

Chief Financial Officer

Mumbai, 16th April 2025

**Bharat Kumar Mishra**

Managing Director & CEO  
DIN :- 09385794

**Rishika Puri**

Company Secretary

## Statement of Profit and Loss

for the year ended March 31, 2025

(₹ in Lakhs)

	Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
	<b>Revenue from operations :</b>			
(i)	Interest income	17	20,767	13,019
(ii)	Fees and commission income	18	670	361
(iii)	Sale of services	19	813	618
(iv)	Others	20	1,404	1,597
(1)	<b>Total revenue from operations</b>		<b>23,655</b>	<b>15,595</b>
(2)	<b>Other income</b>		97	238
(3)	<b>Total income</b>		<b>23,752</b>	<b>15,833</b>
	<b>Expenses :</b>			
(i)	Finance costs	22	10,975	6,457
(ii)	Fees and commission expense	23	177	176
(iii)	Net loss on derecognition of financial instruments under amortised cost category	24	2,873	-
(iv)	Impairment on financial instruments	21	(1,672)	1,214
(v)	Employee benefits expenses	25	2,004	1,842
(vi)	Depreciation, amortization and impairment	8	354	329
(vii)	Other expenses	26	1,901	1,413
(4)	<b>Total expenses</b>		<b>16,612</b>	<b>11,431</b>
(5)	Profit / (loss) before exceptional items and tax		7,140	4,402
(6)	Exceptional items		-	-
(7)	<b>Profit/(loss) before tax</b>		7,140	4,402
(8)	<b>Tax Expense:</b>			
	Current Tax / Tax for previous year		1,005	100
	Deferred Tax		433	(145)
	Provision for MAT		-	-
(9)	<b>Profit / (loss) for the Year from continuing operations</b>		<b>5,702</b>	<b>4,447</b>



(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		<b>5,702</b>	<b>4,447</b>
(14)	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain on Defined Benefit Plan		12	13
	(ii) Income Tax relating to items that will not be reclassified to profit or loss		(3)	(3)
	<b>Subtotal (A)</b>		<b>9</b>	<b>10</b>
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
	<b>Subtotal (B)</b>		-	-
	<b>Other Comprehensive Income (A + B)</b>		<b>9</b>	<b>10</b>
(15)	<b>Total Comprehensive Income for the year</b>		<b>5,711</b>	<b>4,457</b>
(16)	<b>Earnings per equity share (for continuing operations)</b>	30		
	Basic (In ₹)		3.57	2.78
	Diluted (In ₹)		3.57	2.78
	<b>Material accounting policies forming part of the financial statements</b>			
	<b>See accompanying notes forming part of the financial statements</b>	2-55		

As per our report of even date

**For BANSHI JAIN & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 100990W

**CA Parag Jain**

Partner  
M.No. 078548  
Mumbai, 16th April 2025

For and on behalf of the Board of Directors

**Ashwini Kumar Tewari**

Chairman  
DIN :- 08797991

**Bharat Kumar Mishra**

Managing Director & CEO  
DIN :- 09385794

**Amit Sharma**

Chief Financial Officer

**Rishika Puri**

Company Secretary

Mumbai, 16th April 2025

## Cashflow Statement

for the year ended March 31, 2025

(₹ in Lakhs)

	31st March, 2025		31st March, 2024	
<b>Cash Flow from Operating Activities:</b>				
Net Profit before Tax		7,140		4,402
<b>Adjustments for:</b>				
Depreciation / Amortisation	354		329	
Interest Cost	10,821		6,226	
Discount on issue of Commercial Paper	130		219	
Amortisation of Forward Premium	19		12	
Sundry Balance Written Off	(0)		(0)	
Foreign Exchange (Gain)/Loss (Net)	6		(1)	
(Profit) / Loss on Sale of Fixed Assets	(4)		(1)	
Liabilities no longer required Written Back	(2)		(26)	
Impairment of assets	(1,672)		1,214	
Bad Debts Written Off	2,873		-	
Provision for Compensatory Absence	(3)		49	
Provision for Ex Gratia Payable	85		150	
(Profit)/Loss on Sale of Current Investments	(9)		(26)	
		12,598		8,146
<b>Operating profit before Working Capital changes</b>		<b>19,738</b>		<b>12,547</b>
Increase / (Decrease) in Other Financial Liabilities	946		80	
Discount on issue of Commercial Paper	(130)		(219)	
Interest Cost	(10,614)		(6,096)	
Increase / (Decrease) in Derivative financial instruments	(2)		2	
Increase / (Decrease) in Provisions	(150)		(120)	
Increase / (Decrease) in Other Non Financial Liabilities	901		511	
(Increase)/Decrease in Investments	-		-	
(Increase)/Decrease in Other Non - Financial Assets	44		38	
(Increase)/Decrease in Other Financial Assets	(5)		42	
(Increase)/Decrease in Loans	(99,373)		(55,951)	
		(108,384)		(61,713)

## Cashflow Statement

for the year ended March 31, 2025

(₹ in Lakhs)

<b>Cash (used)/generated in and from Operating Activities</b>		<b>(88,646)</b>		<b>(49,166)</b>
Direct Taxes paid (net)		(748)		(381)
<b>Net Cash (used)/generated in and from Operating Activities (A)</b>		<b>(89,394)</b>		<b>(49,546)</b>
<b>Cash Flow from Investing Activities:</b>				
Purchase of Fixed Assets		(142)		(127)
Sale of Fixed Assets		6		1
Purchase of Current Investments		(29,999)		(95,595)
Sale of Current Investments		30,008		95,621
<b>Net cash from Investing Activities (B)</b>		<b>(127)</b>		<b>(99)</b>
<b>Cash Flow from Financing Activities:</b>				
(Increase)/Decrease in ROU		31		112
Increase / (Decrease) in Debt Securities		(74)		(182)
Increase / (Decrease) in Borrowings (Other than Debt Securities)		(8,032)		9,373
Working Capital Demand Loan taken		1,878,406		456,700
Repayment of Working Capital Demand Loan		(1,771,106)		(421,400)
Premium on Forward Contract		(19)		(12)
Commercial Paper Taken		-		17,500
Commercial Paper Repaid		(10,000)		(12,500)
<b>Net Cash generated from Financing Activities (C)</b>		<b>89,207</b>		<b>49,591</b>
<b>Net (Decrease)/increase in Cash and Cash Equivalents (A + B + C)</b>		<b>(313)</b>		<b>(55)</b>
<b>Cash and Cash Equivalents as at at the end of the period/year</b>				
Cash in Hand		1		0
Cash & Bank Balances in Current Account with Banks		113		427
		<b>114</b>		<b>427</b>
Less: Cash and Cash Equivalents as at the beginnig of the period/year		427		482
		<b>(313)</b>		<b>(55)</b>

Note:

The above statement of Cash Flow has been prepared under the Indirect Method set out in Ind AS-7 Statement of Cash Flow.

See accompanying notes to the financial statements - 2-55

As per our report of even date

**For BANSHI JAIN & ASSOCIATES**

Chartered Accountants

Firm Registration No. 100990W

**CA Parag Jain**

Partner

M.No. 078548

Mumbai, 16th April 2025

For and on behalf of the Board of Directors

**Ashwini Kumar Tewari**

Chairman

DIN :- 08797991

**Bharat Kumar Mishra**

Managing Director & CEO

DIN :- 09385794

**Amit Sharma**

Chief Financial Officer

**Rishika Puri**

Company Secretary

Mumbai, 16th April 2025

# Statement of Changes in Equity

for the year ended March 31, 2025

(₹ in Lakhs)			
Particulars	Year ended March 31, 2025	Year ended March 31, 2024	
Balance at the beginning of the period	15,989	15,989	
Changes in Equity Share Capital due to prior period errors	-	-	
Restated balance at the beginning of the current reporting period	-	-	
Changes in Equity Share Capital during the year	-	-	
<b>Balance at the end of the reporting period</b>	<b>15,989</b>	<b>15,989</b>	

(₹ in Lakhs)									
Particulars	Reserves & Surplus					Other items of			Total
	Capital Redemption Reserve	Reserve Fund*	Securities Premium Reserve	General Reserve	Retained Earnings	Transition reserve	Impairment Reserve #	Other Comprehensive Income (Employee Benefit)	
Balance as at 1st April, 2024	1,000	9,203	21,693	10,569	(14,810)	(633)	2,196	10	29,229
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	1,140	-	-	(1,140)		-	-	-
Transfer to General Reserve	-	-	-	2,196	-	-	(2,196)	-	
Dividend	-	-	-	-		-	-	-	-
Profit for the period	-	-	-	-	5,702		-	9	5,711
Balance as at March 31, 2025	1,000	10,343	21,693	12,765	(10,248)	(633)	-	20	34,940



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, 2023	1,000	8,314	21,693	10,569	(18,367)	(633)	2,196	0	24,772
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	889	-	-	(889)	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	4,447	-	-	10	4,457
Balance as at March 31, 2024	1,000	9,203	21,693	10,569	(14,810)	(633)	2,196	10	29,229

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

# Created in accordance with The Reserve Bank of India circular no. 109/22.10.106/2019-20 dated 13th March 2020 and transferred to General Reserve as per the permission granted by RBI dated August 01, 2024.

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

**For BANSHI JAIN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 100990W

**Ashwini Kumar Tewari**  
Chairman  
DIN :- 08797991

**Bharat Kumar Mishra**  
Managing Director & CEO  
DIN :- 09385794

**CA Parag Jain**  
Partner  
M.No. 078548  
Mumbai, 16th April 2025

**Amit Sharma**  
Chief Financial Officer

**Rishika Puri**  
Company Secretary

Mumbai, 16th April 2025

# Notes to the Standalone Financial Statement

for the year ended March 31, 2025

## Note 1

### Material Accounting Policies

#### 1.1: Corporate Information:

SBI Factors Limited (Formerly SBI Global Factors Ltd), 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. SBI Factors provides Domestic and Export Factoring services under one roof. It is headquartered in Mumbai with 10 Branches across India.

#### 1.2: Material Accounting Policies, Accounting Judgements, Estimates and Assumptions:

##### (A) Material Accounting Policies:

##### i) Compliance with Ind-AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind-AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable. Further the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC). CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020, in addition to the Regulatory disclosure as required by Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use. These standalone financial statements subjected to audit by the Statutory Auditors of the Company have been reviewed by the Audit Committee and approved by the Board of Directors on April 16, 2025.

##### ii) Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act, as amended from time to time, for Non-Banking Financial Companies (NBFCs) that are required to comply with Ind AS. The Statement of Cash Flows has been prepared and presented as per the requirements of IND AS 7 "Statement of Cash Flows". The Company presents its Balance Sheet in the order of liquidity.

##### iii) Basis of preparation of Ind-AS Financial Statements:

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments and certain employee benefit assets are measured at fair value 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 considers 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 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.

#### **iv) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the amount is received. Revenue is measured at the fair value of the consideration received or receivable considering contractually defined terms and excluding taxes collected on behalf of the 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 recognizes revenue generally at the point in time when the services are rendered to customers i.e. Recognition of Facility Set-Up Fees/ Facility Continuation fees:

#### **Facility Set up 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 are 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.

**Field Survey Fees:**

Field Survey Fees are collected from the prospective client and paid to the Field Surveyor appointed by the Company for carrying out the survey of the prospective client whose invoices are to be factored by the Company and are recognized as income only when there is reasonable certainty of its receipt.

**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:**

Factoring charges are accrued on factoring debts at the applicable rates which are included in the Sale of Services in the Financial Statements.

**Facility Amendment Charges:**

Factoring Amendment charges are accrued on factoring debts at the applicable rates which are included in the Fees and Commission in the Financial Statements.

**v) Functional currency**

The functional currency of the Company is determined based on the primary economic environment in which it operates. The Company has accordingly assessed INR as its functional currency and the values are recorded to the nearest rupees in Lakhs, unless otherwise stated.

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 the 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 differences arising on monetary items are recognized in the statement of profit and loss in the year in which they arise.

**vi) Borrowing Costs**

Borrowing costs include 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 amortized cost of financial liability and allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**vii) Employee Benefits****Retirement benefit costs and termination benefits**

Payments to defined contributions to retirement benefit plans are recognized 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 recognized in other comprehensive income in the year in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit

or loss in the year of a plan amendment or when the Company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

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

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

### **Short-term and other long-term employee benefits**

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

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

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

### **viii) Taxes**

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

#### **Current Taxes**

Current income tax is the amount of expected tax payable based on taxable profit for the year as determined in accordance with section 115 BAA 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.

#### **Current and Deferred tax for the year**

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



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

#### ix) Property, plant and equipment

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

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

The Company has elected to continue with the carrying value for all 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 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
4	Mobile Phones *	3

\*For this 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. Useful life of Mobile Phones in FY 2024-25 was re-estimated from 5 years to 3 years.

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.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. 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 are availed by the company in case of low value lease 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 lessee's benefits.

**x) Intangible Assets and amortization thereof:**

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

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

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

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

**xi) Impairment of Property, plant & equipment and intangible assets**

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

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

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

**xii) Provisions**

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value

of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

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

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

#### **Onerous contracts**

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

### **xiii) Financial Instruments**

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

Financial assets and financial liabilities are initially measured at fair value except for Trade Receivable which are initially measured at transaction price. 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 except for Trade Receivable which are initially recognized at transaction price. 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.

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

##### **b) Classification of financial assets**

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

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

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

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

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

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

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

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

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

### **c) Business Model Test:**

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

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

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

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

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

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

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors.

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

**e) Derecognition of financial assets**

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

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

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

**Modification of contractual cash flows**

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

**f) Impairment of financial assets**

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



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

No ECL is recognized on equity investments.

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

#### **Stage 1: 12-months ECL**

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

#### **Stage 2: Lifetime ECL - not credit impaired**

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

#### **Stage 3: Lifetime ECL - credit impaired**

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

#### **Determining the stage for impairment**

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

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

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

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

#### **Measurement of ECL**

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

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

#### **Provision for impairment losses.**

ECL are recognised using a provision for impairment losses in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

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

#### **g) Effective interest method**

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

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

#### **h) Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations.

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

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

#### Financial liabilities and equity instruments

##### 1) Classification as debt or equity

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

##### 2) Equity instruments

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

##### 3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'FVTPL'.

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

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.
- A financial liability other than a financial liability held for trading may be designated as at FVTPL upon

initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in Statement of Profit and Loss. The net gain or loss recognized 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 statement.

#### **6) Derivative financial instruments**

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risk. Derivatives held include foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date of a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

#### **Hedge accounting policy**

The Company makes use of derivative instruments to manage exposures to foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

#### **Fair value hedge**

Hedge of exposure to changes in fair value of a recognised asset or liability that is attributable to a particular risk and that will affect the reported profit and loss.

#### **Cash Flow Hedges**

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in Finance

Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind-AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

**xiv) Cash and Cash Equivalent:**

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

**xv) Earnings Per Share:**

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

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

**xvi) Statement of Cash Flow**

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

**xvii) Commitments**

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

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

**xviii) Segment Reporting**

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

**1.3 Key Estimates and Judgements:**

The preparation of the financial statements in conformity with Indian Accounting Standards ("IND AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are



recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### **i) Determination of Expected Credit Loss ("ECL")**

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

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

Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.

Company's criteria for assessing if there has been a significant increase in credit risk.

Development of ECL models, including choice of inputs / assumptions used.

#### **ii) Fair Value Measurements**

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

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

#### **iii) Income Taxes**

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

#### **iv) Evaluation of Business Model**

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

#### **v) Provisions and Liabilities**

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

## **Note 2**

### **Cash and cash equivalents**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
(i) Cash on hand	1	0
(ii) Balances with Banks (of the nature of cash and cash equivalents)	113	427
<b>Total</b>	<b>114</b>	<b>427</b>

## Note 3

### Loans

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
<b>(A)</b>		
(i) Loans - at amortised cost		
- Factoring	209,414	145,106
<b>Others</b>		
- Gold Pool	70,521	38,329
(ii) Others		
- WCTL	279	279
<b>Total - Gross (A)</b>	<b>280,214</b>	<b>183,714</b>
Less: Impairment Loss Allowance (Expected Credit Loss)	(3,588)	(5,260)
<b>Total - Net (A)</b>	<b>276,625</b>	<b>178,454</b>
<b>(B)</b>		
(i) Secured by tangible assets	70,521	38,329
(ii) Secured by intangible assets	16,350	19,125
(iii) Unsecured	193,342	126,259
<b>Total - Gross (B)</b>	<b>280,214</b>	<b>183,714</b>
Less: Impairment Loss Allowance (Expected Credit Loss)	(3,588)	(5,260)
<b>Total - Net (B)</b>	<b>276,625</b>	<b>178,454</b>
<b>(C)</b>		
<b>(i) Loans in India</b>		
Public Sector	-	-
Others	280,214	183,714
<b>Total - Gross (C) (i)</b>	<b>280,214</b>	<b>183,714</b>
Less: Impairment Loss Allowance (Expected Credit Loss) *	(3,588)	(5,260)
<b>Total - Net (C) (i)</b>	<b>276,625</b>	<b>178,454</b>
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
<b>Total - Net (C) (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (C) (i+ii)</b>	<b>276,625</b>	<b>178,454</b>

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

\* During the period ended 31st March 2025, Impairment Loss Allowance includes provision on Standard Asset amounting to ₹. 2203 Lakhs

## Note 4

### Investments

(₹ in Lakhs)

Investments	March 31, 2025				March 31, 2024			
	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
Fixed Deposits		-		-				
Mutual Funds		-		-		-		-
Equity Shares of SBI Foundation Fellow Subsidiary (1,000 Equity Shares @ ₹ 10/- each)*		0		0		0		0
JMFARC - IRIS December 2016 - Trust (Security Receipt of JM Financial Asset Reconstruction Company Private Limited)		383		383		383		383
<b>Total – Gross (A)</b>		<b>383</b>		<b>383</b>		<b>383</b>		<b>383</b>
<b>Impairment</b>		<b>(383)</b>		<b>(383)</b>		<b>(383)</b>		<b>(383)</b>
Changes in the fair value of Asset		-		-		-		-
<b>Total – Net (A)*</b>		<b>0</b>	-	<b>0</b>		<b>0</b>	-	<b>0</b>
(i) Investments outside India		-		-		-		-
(ii) Investments in India*		0		0		0		0
<b>Total (B)*</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>

\* Represent values less than Rs. 0.50 Lacs

## Note 5

### Other Financial Assets

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
Security Deposits	202	200
Other Receivable	5	2
Total	206	202

## Note 6

### Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
<b>Advance tax and tax deducted at source</b>		
Advance Tax and Tax Deducted at Source	604	861
(Net of provision for tax of ₹ 483 Lakhs in the Current F.Y and ₹ 23 Lakhs in the previous F.Y)		
<b>Total</b>	<b>604</b>	<b>861</b>

## Note 7

### Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
<b>Deferred Tax Asset</b>	998	1,434
Total	998	1,434

## Note 8

### Property Plant and Equipment And Intangible Assets

A.

(₹ in Lakhs)

Description of Assets	Buildings	Right of use Building	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Plant, Property and Equipment Total	Intangibles Assets Software	Intangibles Assets under development	Capital Work-In-Progress	Total Assets
I. Gross Block											
Balance as at 31 March 2024	740	1,014	133	64	41	7	1,999	136	4	-	2,139
Additions	-	210	24	10	16	6	266	32	11	47	356
Other -Deductions/Adjustments	-	193	34	14	-	-	241	-	4	-	245
Balance as at 31 March 2025	740	1,031	124	60	57	13	2,024	168	11	47	2,250
II. Accumulated depreciation and impairment											
Balance as at 31 March 2024	100	289	81	26	19	6	522	55	-	-	577
Depreciation expense for the period	17	246	31	12	8	2	316	38	-	-	354
Other -Deductions/Adjustments	-	162	34	12	-	-	208	-	-	-	208
Balance as at 31 March 2025	116	373	78	26	28	8	630	93	-	-	723
Carrying value as at 31 March 2025	624	657	45	34	29	5	1,394	75	11	47	1,527
At 31 March 2024	640	725	52	38	21	0	1,477	81	4	-	1,562



**B. Intangible Assets Under Development:**

**Ageing Schedule**

Intangible Assets Under Development	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Software Implementation	11	0	-	-	<b>11</b>

**C. Intangible Assets under Development whose completion is over due:**

Intangible Assets Under Development	To be completed in			Total
	Less than 1 year	1-2 years	2-3 years	
Nil	0	-	-	<b>0</b>

**D. Capital Work In Progress:**

**Ageing Schedule**

CWIP	Amount in CWIP asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Renovation work	47	0	-	-	<b>47</b>

E. **Capital Work In Progress whose completion is over due:**

CWIP	To be completed in			Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Nil	0	-	-	<b>0</b>

F. **Title deeds of Immovable Properties not held in name of the Company (Additional Disclosure)**

Relevant line item in the Balance sheet	Item of property	Gross value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter director or employee of promoter/director	Property held being since which date	Reason
<b>Plant Property &amp; Equipment</b>						
Office Premises in Mumbai	Building	797.25	Global Trade Finance	No	12/24/2001	Under Process -Not in Dispute
Office Premises in Delhi	Building	146.72	Global Trade Finance	No	6/29/2005	
Flat in Mumbai	Building	47.83	Global Trade Finance	No	6/19/2004	

## Note 9

### Other Non-Financial Assets

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
Balance with Government Authorities (ITC)	34	92
Pre-paid expenses	89	120
Advance paid to CERSAI	0	0
Advance to employees	7	6
Others*	166	114
Deferred Forward Premium	-	8
<b>Total</b>	<b>296</b>	<b>340</b>

\*Rs 162 lakhs pertains to payment made to, SBI a related party towards salary of deputed staff against which invoices are not received for during the year.

## Note 9A

### Derivative financial instruments

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
Amount Payable to bank	-	8,343
Less: Foreign Currency Receivable	-	(8,341)
<b>Total</b>	<b>-</b>	<b>2</b>

## Note 10

### Debt Securities

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
- At Amortised Cost		
(1) UNSECURED:		
Non Convertible Debentures - Listed*	9,988	9,987
(2) UNSECURED:		
Commercial Papers #	-	9,869
Total (A) (1+2)	9,988	19,856
Debt securities in India	9,988	19,856
Debt securities outside India	-	-
<b>Total (B)</b>	<b>9,988</b>	<b>19,856</b>

\* Includes issue expenses amortised as per EIR

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

<b>Maturity Profile of Non-Convertible Debentures</b>		(₹ in Lakhs)
<b>Description</b>	<b>Date of Maturity</b>	<b>As at March 31, 2025</b>
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2021-22 (Series - SBIGFL - 10) of ₹ 100 Lakhs each. Carrying interest rate @ 7.28% p.a.	July 27, 2031	10,000
Adjustments on account of effective rate of interest		(12)
<b>Total</b>		<b>9,988</b>
<b>Maturity Profile of Non-Convertible Debentures</b>		(₹ in Lakhs)
<b>Description</b>	<b>Date of Maturity</b>	<b>As at March 31, 2024</b>
10 Years Unsecured Subordinated Redeemable Non-Convertible Debentures 2021-22 (Series - SBIGFL - 10) of ₹ 100 Lakhs each. Carrying interest rate @ 7.28% p.a.	July 27, 2031	10,000
Adjustments on account of effective rate of interest		(13)
<b>Total</b>		<b>9,987</b>
<b># The Details of Commercial Papers are as under</b>		(₹ in Lakhs)
<b>Particulars and Discounting Rate</b>	<b>Date of Maturity</b>	<b>As at March 31, 2025</b>
Sundaram Mutual Fund CP	May 29, 2024	5,000
TATA Mutual Fund CP	May 28, 2024	5,000
Adjustments on account of effective rate of interest		(10,000)
<b>Total</b>		<b>-</b>
		(₹ in Lakhs)
<b>Particulars and Discounting Rate</b>	<b>Date of Maturity</b>	<b>As at March 31, 2024</b>
Sundaram Mutual Fund CP	May 29, 2024	5,000
TATA Mutual Fund CP	May 28, 2024	5,000
Adjustments on account of effective rate of interest		(131)
<b>Total</b>		<b>9,869</b>

## Note 11

### Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
<b>- At Amortised Cost</b>		
<b>UNSECURED</b>		
(a) Working Capital Demand Loan from other Banks	-	20,000
(b) Loan from Related Party #	212,036	92,311
(c) Bank overdraft from Related Party	1,249	1,700
<b>Total (A)</b>	<b>213,285</b>	<b>114,011</b>
Borrowings in India	205,849	99,000
Borrowings outside India	7,436	15,011
<b>Total (B)</b>	<b>213,285</b>	<b>114,011</b>

\* 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 and ROI	Date of Maturity	As at March 31, 2025
Working Capital Demand Loan from SBI (between 6.80 % to 7.00%)	0-90 days	204,600
Bank Overdraft from SBI @10.10%		1,249
<b>Foreign Currency Line of Credit Loan</b>		
(USD 76.80 lakhs ,GBP 3.08 lakhs, EUR 5.75 lakhs) ( SOFR/SONIA/ESTR+0.72%)	-	7,436
<b>Total</b>		<b>213,285</b>

(₹ in Lakhs)

Description and ROI	Date of Maturity	As at March 31, 2024
<b>Working Capital Demand Loan from HDFC (between 8.30% to 8.80%)</b>	0-30 days	20,000
Working Capital Demand Loan from SBI (between 6.80 % to 7.15%)	0-90 days	77,300
Bank Overdraft from SBI @8.95%		1,700
<b>Foreign Currency Cash Credit Loan</b>		
(USD 166 lakhs ,GBP 3.16 lakhs, EUR 9.20 lakhs) ( SOFR/SONIA/ESTR+0.85%)	-	15,011
<b>Total</b>		<b>114,011</b>

No term loans, external commercial borrowings, commercial paper and any other borrowing is guaranteed by directors and / or others. During the period presented there were No defaults in the repayment of principal & interest.



## Note 12

### Other Financial Liabilities :

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
(a) Interest accrued but not due;	1,070	864
(b) Creditors for Expenses	624	518
(c) Others		
Lease Liability	700	756
Liability against Pledged Shares	1	1
Liability against collection of factoring receivables	1,296	397
<b>Total</b>	<b>3,691</b>	<b>2,536</b>

## Note 13

### Provisions

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
(a) Provision for employee benefits	207	222
(b) Ex Gratia Payable	85	150
<b>Total</b>	<b>292</b>	<b>372</b>

## Note 14

### Other Non-financial liabilities

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
(a) Revenue received in advance	2,109	1,226
(b) Liability for stale cheque	0	0
(c) Deffered Income on security deposit valued at amorted cost	0	0
(d) Statutory liability	75	59
<b>Total</b>	<b>2,185</b>	<b>1,285</b>

## Note 15

### Equity

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
(a) Authorised share capital:		
880,000,000 (Previous Year 880,000,000) Equity Shares of ₹10 each	88,000	88,000
120,000,000 (Previous Year 120,000,000) Preference Shares of ₹10 each	12,000	12,000
	100,000	100,000
<b>Issued, Subscribed and Paid-up</b>		
159,885,365 (Previous Year 159,885,365) Equity Shares of ₹ 10 each, fully paid-up	15,989	15,989
	<b>15,989</b>	<b>15,989</b>

- a. Includes 15,625,000 shares issued on Right issue of capital in FY 2010-11  
b. 15,98,85,365 (Previous Year 15,98,85,365) shares are held by the Holding Company, State Bank of India and its Nominees.

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

## Note 16

### Other Equity

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
Capital Redemption Reserves		
Opening Balance	1,000	1,000
Add: Transfer from Statement of Profit and Loss	-	-
Closing Balance	1,000	1,000
Securities Premium Account		
Opening Balance	21,693	21,693
Add: Additions during the year	-	-
Closing Balance	21,693	21,693
Reserve Fund *		
Opening Balance	9,203	8,314
Add: Transfer from Statement of Profit and Loss	1,140	889
Closing Balance	10,343	9,203
Impairment Reserve @ #		
Opening Balance	2,196	2,196
Add: Transfer from Statement of Profit and Loss	-	-
less: Transfer to General Reserve	(2,196)	-
Closing Balance	-	2,196
@ Reviewed on half yearly basis		
General Reserve		
Opening Balance	10,569	10,569
Add: Transfer from contingency reserve	-	-
Add: Transfer from Impairment Reserve	2,196	-
Closing Balance	12,765	10,569
Retained Earnings		
Opening Balance	(15,432)	(19,000)
Ind AS 116 Impact on opening reserves as on 01.04.2019	-	-
Add: Profit for the period	5,702	4,447
Add: Other Comprehensive Income (Reimbursement of defined benefit plan)	9	10
	(9,721)	(14,543)
Less :-		
Transfer to Reserve Fund*	1,140	889
Transfer to Contingency Reserve		
Transfer to Impairment Reserve	-	-
Closing Balance	(10,861)	(15,432)
<b>Total</b>	<b>34,940</b>	<b>29,229</b>

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

# Created in accordance with The Reserve Bank of India circular no. 109/22.10.106/2019-20 dated 13th March 2020 and transferred to General Reserve as per the permission granted by RBI dated August 01,2024.

**Note 17****Interest Income**

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	
	2025	2024
Discount Income	20,767	13,019
<b>Total</b>	<b>20,767</b>	<b>13,019</b>

**Note 18****Fees & Commission Income**

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	
	2025	2024
Processing Charges	509	329
Facility Amendment Charges	13	-
Overdue Penal Charges	113	-
Field Survey Fees	35	32
<b>Total</b>	<b>670</b>	<b>361</b>

**Note 19****Sale of Service**

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	
	2025	2024
Factoring Charges	813	618
	<b>813</b>	<b>618</b>

**Note 20****Others**

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	
	2025	2024
Bad Debts Recovery in Written off Accounts	1,404	1,597
<b>Total</b>	<b>1,404</b>	<b>1,597</b>

**Note 21****Impairment/ (Reversal of provision) on Financial Instruments**

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	
	2025	2024
Loans	(1,672)	1,214
Investment	-	-
<b>Total</b>	<b>(1,672)</b>	<b>1,214</b>

## Note 22

### Finance Cost

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	
	2025	2024
<b>Interest Expenses on debts classified as amortised category</b>		
Non-Convertible Redeemable Debentures	727	731
Short Term Loans (including Cash Credit & Overdraft)	10,029	5,428
Discount on Issue of Commercial Papers	130	219
Interest on Financial Asset Sold	-	-
Interest Expense on Lease Liability	64	66
<b>Other Borrowing Costs</b>		
Forward Premium	19	12
Foreign Exchange Gain / Loss	6	-
<b>Total</b>	<b>10,975</b>	<b>6,457</b>

## Note 23

### Fees and Commission Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	
	2025	2024
Import Factor Commission	177	176
<b>Total</b>	<b>177</b>	<b>176</b>

## Note 24

### Net loss on derecognition of financial instruments under amortised cost category

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	
	2025	2024
Loss on Derecognition of Financial Instruments	2,873	-
<b>Total</b>	<b>2,873</b>	<b>-</b>



## Note 25

### Employee Benefits Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	
	2025	2024
Salaries and Wages	1,837	1,728
Contribution to Provident and Other Funds	69	49
Staff Welfare Expenses	97	65
<b>Total</b>	<b>2,004</b>	<b>1,842</b>

## Note 26

### Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	
	2025	2024
Rent, Rates and Taxes	59	52
Repairs and Maintenance - Building	28	28
Repairs and Maintenance - Others	122	122
Travelling and Conveyance	189	148
Directors Sitting Fees	31	31
Advertisement & Publicity Expenses	96	5
Communication expense	26	33
Printing and Stationery	21	19
Legal and Professional Charges	619	410
Royalty paid to SBI	89	62
Auditor's fees and expenses	19	20
Electricity Expenses	44	46
Membership and subscription	59	28
Outsourcing Costs	70	63
Security Charges	29	20
Contribution towards CSR activities	21	2
Goods and Services Tax	225	216
Bank Charges	41	26
Credit Rating Fees and Other Charges	40	34
Miscellaneous Expenses	73	48
<b>Total</b>	<b>1,901</b>	<b>1,413</b>

## Note 27

### Contingent Liabilities :

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Service Tax matters (under dispute)	57	57
Direct Tax matters - Income Tax	-	47
	<b>57</b>	<b>105</b>

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

There is no claim or proceedings which are pending against the Company which has any financial obligations against the Company. The cases filed against the Company are appeals, either civil or criminal, filed by the Clients arising out of any civil decree or conviction in Section 138 proceedings. The Company reviews all its cases periodically. No decree or order has been passed against the Company which has any financial implication. Since, there is no liability, there is no provision is required. Since all the civil as well as criminal proceedings are filed by the Company for recovery of its outstanding dues, the outcome of these pending proceedings will not have any materially adverse effect on the Company. The Company has assessed all long term contracts for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts has been made in the books of account

## Note 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, 2025	March 31, 2024
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.

## Note 29 - Leases

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

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
<b>Right to use assets</b>		
Buildings	657	725
<b>Lease liabilities</b>		
Lease liabilities	700	756

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

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

<b>Buildings</b>	<b>246</b>	<b>253</b>
Interest expense (included in finance cost)	64	66
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	31	27
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	4	3
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	-	-
<b>The total cash outflow for leases during the period</b>	<b>331</b>	<b>255</b>

## Note 30 (A)

(i) Earnings Per Share:

		March 31, 2025	March 31, 2024
Net Profit attributable to ordinary equity holders (₹ in Lakhs)		5,702	4,447
Less: Dividend to Preference Shareholders (incl. tax thereon)		-	-
Profit available to Equity Shareholders (₹ in Lakhs)	<b>(A)</b>	5,702	4,447

Adjusted Net Profit for Diluted Earnings Per Share (₹ in Lakhs)	<b>(B)</b>	5,702	4,447
Weighted average number of Equity Shares outstanding during the year	<b>(C)</b>	159,885,365	159,885,365
Weighted average number of Diluted Equity Shares outstanding during the year	<b>(D)</b>	159,885,365	159,885,365
Nominal Value of Equity Shares (₹)		10	10
Basic Earnings Per Share (₹)	<b>(A) / (C)</b>	3.57	2.78
Diluted Earnings Per Share (₹)	<b>(B) / (D)</b>	3.57	2.78

ii) Disclosures in compliance with Regulations 52(4) of the SEBI (Listing obligations and Disclosure Requirements) regulations, 2015 for the year ended March 31st, 2025

	<b>Numerator</b>	<b>Denominator</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
(a) Debt-Equity ratio;	Debt	Equity	5.50	3.96
(b) Debt Service Coverage Ratio;	EBITDA	Total Debt Service	0.09	0.10
(c) Interest Coverage Ratio;	EBIT	Interest Expense	1.65	1.68
(d) Outstanding Redeemable Preference share	NA	NA	NA	NA
(e) Capital Redemption Reserve / Debenture Redemption Reserve;			1,000	1,000
(f) Net Worth;			50,928	45,218
(g) Net Profit After Tax;			5,702	4,447
(h) Earnings Per Share:			3.57	2.78
(i) Current Ratio	Current Assets	Current Liabilities	1.27	1.42
(j) Long Term Debt to Working Capital	Long Term Debt	Working Capital	0.17	0.19
(k) Bad Debt to Account Receivable Ratio	Net loss on derecognition of financial instruments under amortised cost category	Loans	0.01	-
(l) Current Liability Ratio	Current Liabilities	Financial Liabilities + Non Financial Liabilities	0.95	0.92
(m) Total Debt to Total Assets	Total Debt	Total Asset	0.80	0.73
(n) Debtors Turnover			NA	NA
(o) Inventory Turnover			NA	NA

(p) Operating Margin (%)	Operating Profit	Operating Income	34.85%	34.48%
(q) Net Profit Margin (%)	Profit After Tax	Operating Income	24.10%	28.51%
(r) Sector Specific Ratio				
(i) PCR (%) (Provision Coverage Ratio)	Total provisions	Gross NPAs)	75.86%	99.39%

## Note 30 (B)

### (i) Disclosure of Unhedged Exposure of Foreign Currency

The Foreign Currency Exposures that have not been hedged by a derivatives instrument or otherwise as on year ended March 31st, 2025

		Currency	Amount
	Currency	in Lakhs	₹ in Lakhs
(a) Assets (Receivables)			
	USD	81	6,902
		(165)	(13,731)
	EUR	6	520
		(9)	(817)
	GBP	3	346
		(3)	(335)
(b) Liability (Payables)			
	USD	0	19
		(0)	(17)
	EUR	0	2
		(0)	(3)
	GBP	-	-
		(0)	(1)
(c) Loans Payable			
	USD	77	6,565
		(166)	(13,851)
	EUR	6	530
		(9)	(827)
	GBP	3	341
		(3)	(332)

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



## (ii) Disclosure of Hedged Contracts

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

Particulars	Currency	Outstanding amounts of exposure hedged (In Lakhs FC)		Outstanding amounts of exposure hedged (₹ In Lakhs)	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Short Term Borrowings	USD		-	-	-

## Note 30 (C)

### 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.

## Note 30 (D)

### Related Party Disclosures

Name of Related Party	Relationship
<b>a) Enterprise where control Exits</b>	
<b>i. Holding Company</b>	
State Bank of India (SBI)	Holding Company
<b>ii. Fellow Subsidiary Company with whom transactions have taken place during the year</b>	
SBI Foundation	Fellow Subsidiary (Non Banking)
SBI Pension Fund	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 Cards and Payment Services Ltd	Fellow Subsidiary (Non Banking)
SBI General Insurance Ltd.	Fellow Subsidiary (Non Banking)
<b>iii. Joint Venturer of Hold Company with whom transactions have taken place during the year</b>	
C Edge Technologies Ltd	
<b>b) Key Management Personnel/Relatives of Key Management Personnel</b>	
Mr. Bharat Kumar Mishra (w.e.f. 21st July 2023 to till date)	MD & CEO
Mr. Anurag Bhargava (w.e.f. 18th October 2022 to 10th June 2024)	EVP & CFO

Mr. Amit Sharma (w.e.f. 25th July 2024 to till date)	EVP & CFO
Mrs. Neha Shenoy (w.e.f. 16th May 2023 to 30th September 2024)	Company Secretary
Ms. Rishika Puri (w.e.f. 25.10.2024 till date)	Company Secretary
Shri. Ashwini Kumar Tewari (w.e.f. 19.01.2024 to till date)	Nominee Director of SBI
Shri. Debangshu Munshi (w.e.f. 04.09.2023 to till date)	Nominee Director of SBI
Smt. Sudha Malhotra (w.e.f. 29.04.2021 to till date)	Independent Director
Shri. Ashwini Mehra (w.e.f. 04.03.2024 to till date)	Additional (Independent) Director
Shri. Ravindra Pandey (w.e.f. 19.04.2024 to 24.01.2025)	Additional (Nominee ) Director
<b>c) Enterprises over which Key Management Personnel (KMP) &amp; his relatives can exercise significant influence</b>	
Mr. Bharat Kumar Mishra (w.e.f. 21st July 2023 to till date)	Factors Association of India
Factors Association of India	KMP having significant influence
SBI Global Factors LTD. Staff gratuity fund	KMP having significant influence

## Note 31

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

(₹ in Lakhs)

Sr. no.	Nature of transaction	Holding	Fellow Sub-sidiaries	Key Man-agement Personnel / Relatives	Enterprises over which Key Management Personnel (KMP) & his relatives can exercise significant influence	Joint Ven-ture	Grand Total
<b>1</b>	<b>EXPENSES</b>						
	Remuneration & Other Expenses to MD & CEO	-	-	88			88
	Previous Year	-	-	(67)	-	-	(67)
	Remuneration To EVP - CFO	-	-	62			62
	Previous Year	-	-	(76)	-	-	(76)
	Remuneration & Other Expenses To CS	-	-	19	-		19
	Previous Year	-	-	(20)	-	-	(20)
	Salary (Including Perquisite) and other expenses paid to Deputed Staff	793	-	-			793
	Previous Year	(1,014)		-	-	-	(1,014)

	Receiving of Services/ Reimbursement of Expenses	9,926	32		4	33	9,995
	Previous Year	(5,145)	(12)	-	-	(86)	(5,243)
	Royalty (Expenses out)	105					105
	Previous Year	(62)	-	-	-	-	(62)
	Stamp duty on Investment in MF		-		-		-
	Previous Year	-	-	-	-	-	-
	Director Sitting Fees			31			31
	Previous Year			(8)			(8)
	<b>Total - Current Year</b>	<b>10,823</b>	<b>32</b>	<b>200</b>	<b>4</b>	<b>33</b>	<b>11,092</b>
	<b>Total - Previous Year</b>	<b>(6,221)</b>	<b>(12)</b>	<b>(170)</b>	<b>-</b>	<b>(86)</b>	<b>(6,489)</b>
<b>2</b>	<b>INCOME</b>						
	Rendering of Services/ Reimbursement of Expenses	-	-	-	4	-	4
	Previous Year	-	-	-	-	-	-
	Rental Income	7					7
	Previous Year	(5)	-	-	-	-	(5)
	Dividend on Preference / Equity Shares / Mutual fund						-
	Previous Year	-	-	-	-	-	-
	Profit on sale of Units of Mutual fund	-	-	-			-
	Previous Year	-	-	-	-	-	-
	<b>Total - Current Year</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>4</b>		<b>11</b>
	<b>Total - Previous Year</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5)</b>
<b>3</b>	<b>SHARE CAPITAL</b>						
	Equity Share Capital	15,989					15,989
	Previous Year	(15,989)	-	-	-	-	(15,989)
	Share Premium	16,437					16,437
	Previous Year	(16,437)	-	-	-	-	(16,437)
	<b>Total - Current Year</b>	<b>32,426</b>	<b>-</b>	<b>-</b>			<b>32,426</b>
	<b>Total - Previous Year</b>	<b>(32,426)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,426)</b>
<b>4</b>	<b>ASSETS</b>						
	Amounts Receivable / Advance	1	0	-	0		1
	Previous Year	(1)	(3)	-	-	-	(3)
	Prepaid Royalty / Insurance	0	16				16

	Previous Year	-	-	-	-	-	-
	Bank Balances	27	-	-			27
	Previous Year	(119)	-	-	-	-	(119)
	Unexpired Amount of CP	-					-
	Previous Year	-	-	-	-	-	-
	Rent receivable from SBI - Borivali Flat Tenants	-					-
	Previous Year	-	-	-	-	-	-
	Security Deposit	1		-			1
	Previous Year	-	-	(11)	-	-	(11)
	<b>Total - Current Year</b>	<b>28</b>	<b>16</b>	<b>-</b>	<b>0</b>		<b>44</b>
	<b>Total - Previous Year</b>	<b>(119)</b>	<b>(3)</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>(133)</b>
<b>5</b>	<b>INVESTMENTS :</b>						
	Investments in Equity shares		0.1				0
	Previous Year	-	(0.1)	-	-	-	(0)
<b>6</b>	<b>LIABILITY</b>						
	Debentures	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-
	Unsecured Loans	213,286	0.00	-			213,286
	Previous Year	(94,012)	(0)	-	-	-	(94,012)
	Salary Payable / Amounts Payable / Interest Payable	893	-	19			912
	Previous Year	(440)	-	(17)	-	-	(457)
	<b>Total - Current Year</b>	<b>214,179</b>	<b>0</b>	<b>19</b>			<b>214,199</b>
	<b>Total - Previous Year</b>	<b>(94,452)</b>	<b>(0)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>(94,469)</b>
<b>7</b>	<b>TRANSACTIONS</b>						
	Purchase of Shares (Transfer of shares from of Subsidiary Company)	-	-	-			-
	Previous Year	-	-	-	-	-	-
	Purchase of Fixed Assets	-	-	-			-
	Previous Year	-	-	-	-	-	-
	Sale of Fixed Assets	-	-	-			-
	Previous Year	-	-	-	-	-	-
	Commercial Papers Taken	-	-	-			-
	Previous Year	-	-	-	-	-	-

Commercial Papers Repaid	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Loan Taken	4,677,751	10	-	-	-	4,677,761
Previous Year	(1,595,101)	(11)	-	-	-	(1,595,113)
Repayment of Loan	4,558,477	10	-	-	-	4,558,486
Previous Year	(1,562,429)	(11)	-	-	-	(1,562,440)
Investment in Schemes of Mutual Fund	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Redemption of Schemes of Mutual Fund	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Investment in Fixed Deposit	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Fixed Deposit Matured	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Non - Convertible Debentures borrowed	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Repayment of Non - Convertible Debentures	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Refund of Security Deposit	-	-	-	-	-	-
Previous Year	-	-	(3)	-	-	(3)

## Note 32

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

## Note 33

Auditors' Remuneration:

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
For Statutory Audit	8	7
For Limited Review	5	5
For Tax Audit	3	3
For Other Services (Including certification)	4	5
For Out of pocket expenses	-	0
<b>TOTAL</b>	<b>19</b>	<b>20</b>

## Note 34

### Expenditure in Foreign Currency (On Accrual basis)

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Correspondent Fees	177	176
Membership and Subscription	6	8
Interest on Short Term Loans	532	418
Others	6	9
<b>TOTAL</b>	<b>721</b>	<b>612</b>

## Note 35

### Earnings in Foreign Currency:

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Income from Factoring :		
Interest	554	442
Factoring Charges	234	238
Processing Charges	42	30
Miscellaneous Income	-	0
<b>TOTAL</b>	<b>830</b>	<b>710</b>

## Note 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, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
"Book value of investments in security receipt"	383	383	-	-	383	383
Less: Provision	383	383	-	-	383	383
"Net Value of investments in security receipt"	-	-	-	-	-	-

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



## Note 37

### Investments in security receipts

(₹ in Lakhs)

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

## Note 38

### Tax on income

#### Income Tax

The components of income tax expense for the year ended are:

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
<b>Current Tax</b>		
In respect of Current Year	1,005	-
In respect of prior years	-	100
<b>Deferred Tax</b>		
In respect to of Current Year	433	(145)
<b>Total Income Tax expense recognised in statement of profit and loss</b>	<b>1,438</b>	<b>(45)</b>
<b>OCI Section</b>		
Remeasurement of the defined benefit liabilities	(3)	(3)
<b>Income tax charges to OCI</b>	<b>(3)</b>	<b>(3)</b>

#### 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 is as follows

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Accounting profit before tax	7,140	4,402
Income tax expense calculated at 25.168% (Previous Year 25.168%)	1,797	1,108
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Adjustments in respect of current income tax of previous year	-	100

Adjustments in respect of brought forward losses and unabsorbed losses	(407)	(2,850)
<b>Adjustments in respect of expenses/provisions not deductible in determining taxable profit</b>	49	1,597
<b>Deferred tax not created on losses for the year</b>	-	-
Income tax expense recognised in statement of profit and loss	1,438	(45)
<b>Income tax charges to OCI</b>	(3)	(3)

The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in the year 2024. Accordingly, the Company has recognised provision for income tax for the year ended 31 March 2025 and measured its deferred tax assets basis the rate prescribed in the section 115BAA of the Income Tax Act, 1961.

#### Movement in Deferred Tax (Assets) / Liabilities

(₹ in Lakhs)

	31st March, 2025			
Particulars	(DTA) / DTL As at April 01, 2024	Statement of Profit and Loss	OCI	(DTA) / DTL As at March 31, 2025
Fixed Asset: temporary difference on account of Depreciation and Amortisation	88	1		89
Bonus Disallowed due to non-payment	(38)	16		(21)
Provision for Gratuity	(32)	2		(30)
Provision for Leave Encashment	(24)	1		(22)
Provision for Expenses	(0)	(3)		(3)
Provision for doubtful debts on Non Performing Investments	(96)	-		(96)
Impairment allowances of Financial Assets	(1,324)	421		(903)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	-	-		-
Leases	(8)	(3)		(11)
Others - OCI	-	(3)	3	-
<b>Total</b>	<b>(1,434)</b>	<b>433</b>	<b>3</b>	<b>(998)</b>

(₹ in Lakhs)

	31st March, 2024			
Particulars	(DTA) / DTL As at April 01, 2023	Statement of Profit and Loss	OCI	(DTA) / DTL As at March 31, 2024
Fixed Asset: temporary difference on account of Depreciation and Amortisation	96	(7)		88
Bonus Disallowed due to non-payment	(35)	(3)		(38)
Provision for Gratuity	(32)	0		(32)
Provision for Leave Encashment	(22)	(1)		(24)
Provision for Expenses	(0)	(0)		(0)
Provision for doubtful debts on Non Performing Investments	(111)	15		(96)
Impairment allowances of Financial Assets	(1,178)	(146)		(1,324)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	-	-		-
Leases	(8)	0		(8)
Others - OCI	-	(3)	2	-
<b>Total</b>	<b>(1,292)</b>	<b>(145)</b>	<b>2</b>	<b>(1,434)</b>

## Note 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, 2025	March 31, 2024
Employer's Contribution to Provident Fund	33	20
Employer's Contribution to Pension Fund	11	12
<b>Total</b>	<b>44</b>	<b>31</b>

#### Defined Benefit Scheme

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

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

Actuarial Assumptions	March 31, 2025	March 31, 2024
Discount Rate	6.96%	7.23%
Future Salary Increases	10.00%	10.00%
Retirement Age	60 Years	60 Years
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%
Method	Projected Unit Credit Method	Projected Unit Credit Method

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

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
a) Present Value of obligation at the beginning of the year	178	188
b) Interest Cost	11	13
c) Past Service Cost	-	-
d) Current Service Cost	15	11
e) Benefits Paid	(42)	(34)
f) Actuarial (gain) / loss on Obligation	8	(0)
g) Present Value of obligation at the end of the year	170	178

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

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
a) Fair value of plan assets at the beginning of the year	50	78
b) Expected Return	4	5
c) Past Service Cost	-	-
d) Contributions	39	0
e) Benefits Paid	(42)	(34)
f) Actuarial gain / (Loss) on Plan Assets	2	2
g) Fair value of plan assets at the end of the year	52	50
h) Funded Status	(118)	(127)

**d) Actuarial gain/loss recognized**

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
a) Actuarial (gain) / loss for the year - Obligation	8	(0)
b) Actuarial (gain) / loss for the year - Plan Assets	2	2
c) Actuarial (gain) / loss recognized in the year	6	(2)

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

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
a) Present Value of obligation at the end of the year	170	178
b) Fair value of plan assets at the end of the year	52	50
c) Funded Status	(118)	(127)
d) Net liability recognized in the Balance Sheet	118	127

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

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
a) Current Service Cost	15	11
b) Past Service Cost	-	-
c) Interest Cost	11	13
d) Return on plan assets	(4)	(5)
e) Net Actuarial (gain) / loss recognized in the year	6	(2)
f) Interest on Fund Balance not recognised earlier	-	-
g) Expenses/(Income) recognized in the Statement of Profit & Loss	29	17

**g) Investment Details of Plan Assets**

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Assets managed by insurance scheme (100%)	52	50

**h) Balance Sheet Reconciliation**

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Opening Net Liability	(127)	(110)
Expenses as above	29	17
Employers Contribution	39	0
Amount Recognised in Balance sheet	(118)	(127)

**i) Amount Recognised in current year and previous two years**

(₹ in Lakhs)

	March 31, 2025	March 31, 2024	March 31, 2023
Defined Benefit Obligation	170	178	188
Plan Assets	52	50	78
(Surplus)/Deficit	118	127	110
Experience adjustments on plan liabilities Loss/(Gain)	8	(0)	3
Experience adjustments on plan Assets (Loss)/Gain	2	2	1

**j) Maturity Analysis of Projected Benefit Obligation: From the Fund**

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	30	16
2nd Following Year	17	26
3rd Following Year	17	28
4th Following Year	16	13
5th Following Year	16	13
Sum of Years 6 To 10	85	89

**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.

(₹ in Lakhs)

	March 31, 2025		March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	161	179	167	190
Withdrawal Rate (1% movement)	168	171	177	179
Future salary growth (1% movement)	178	162	187	169

**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, 2025	March 31, 2024
Privileged Leave	89	95



## Note 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, 2025			March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial Assets</b>						
Cash and Cash Equivalents	114	-	114	427	-	427
Loans*	276,625	-	276,625	178,454	-	178,454
Investments*	-	0	0	-	0	0
Other Financial Assets	25	182	206	36	165	202
<b>Non-Financial Assets</b>						
Current Tax Assets (Net)	604		604	861		861
Deferred Tax Assets (Net)	-	998	998	-	1,434	1,434
Property, Plant and Equipment		1,394	1,394	-	1,477	1,477
Capital Work in Progress	58		58	4		4
Other Intangible Assets	-	75	75	-	81	81
Other Non-Financial Assets	296	-	296	340	-	340
<b>Total Assets</b>	<b>277,721</b>	<b>2,649</b>	<b>280,369</b>	<b>180,122</b>	<b>3,157</b>	<b>183,280</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Derivative financial instruments	-		-	2	-	2
Debt Securities	-	9,988	9,988	9,869	9,987	19,856
Borrowings (Other than Debt Securities)	213,285	-	213,285	114,011	-	114,011
Other Financial Liabilities	2,991	700	3,691	1,780	756	2,536
<b>Non-Financial Liabilities</b>			-			-
Provisions	85	207	292	150	222	372
Other Non-Financial Liabilities	2,185	-	2,185	1,285	-	1,285
<b>Total Liabilities</b>	<b>218,546</b>	<b>10,896</b>	<b>229,441</b>	<b>127,097</b>	<b>10,965</b>	<b>138,062</b>
<b>Net</b>			<b>50,928</b>			<b>45,218</b>
* Represents net of provision						

## Note 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 in the Middle Layer (NBFC-ML) the Company follows regulations as per the Master Direction-RBI (NBFC-Scaled based Regulation) Directions 2023, 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 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, 2025	As at March 31, 2024
Tier I Capital	49,756	41,382
Tier II Capital	10,000	10,000
<b>Total Capital</b>	<b>59,756</b>	<b>51,382</b>
<b>Risk Weighted Assets</b>	<b>290,384</b>	<b>192,271</b>
<b>CRAR</b>		
Tier I Capital (%)	17.13%	21.52%
Tier II Capital (%)	3.44%	5.20%

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:

- Increase in NPA level requiring higher provision
- Large frauds in the standard assets of the Company and ability of the Company to provide for them.
- 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 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:

(₹ in Lakhs)

Particulars	As at March 31, 2025			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
<b>Financial Assets</b>				
Cash and Cash Equivalents	114			114
Loans	276,625			276,625
Investments*		0		0
Other Financial Assets	206			206
<b>Total</b>	<b>276,946</b>	<b>0</b>	<b>-</b>	<b>276,946</b>
<b>Financial Liabilities</b>				
Debt Securities	9,988			9,988
Borrowings (Other than Debt Securities)	213,285			213,285
Derivative Financial Instrument		-		
Other Financial Liabilities	3,691			3,691
<b>Total</b>	<b>226,965</b>	<b>-</b>	<b>-</b>	<b>226,965</b>
* Represent values less than ₹ 0.50 Lacs				
Particulars	As at March 31, 2024			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
<b>Financial Assets</b>				
Cash and Cash Equivalents	427			427
Loans	178,454			178,454
Investments*		0		0
Other Financial Assets	202			202
<b>Total</b>	<b>179,083</b>	<b>0</b>	<b>-</b>	<b>179,083</b>
<b>Financial Liabilities</b>				
Debt Securities	19,856			19,856
Borrowings (Other than Debt Securities)	114,011			114,011
Derivative Financial Instrument		2		2
Other Financial Liabilities	2,536			2,536
<b>Total</b>	<b>136,402</b>	<b>2</b>	<b>-</b>	<b>136,404</b>

\* Represent values less than ₹ 0.50 Lacs

## Note 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 nonmarket observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

### Fair Value Hierarchy

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

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

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

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

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

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

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investments *	0	-	-	0

\* Represent values less than ₹ 0.50 Lacs

### 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.

## Note 43

### Financial Risk Management

#### 1. Introduction

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

## 2. Risk Management Framework

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

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

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

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

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

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

### i)The Board of Directors (BOD)

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

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

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

The role of the Committee is as follows:-

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

**(b) Executive Committee of the Board (ECB)**

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

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

**(c) Audit Committee of the Board (ACB)**

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

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

**(a) Asset-Liability Committee (ALCO)**

Roles and Responsibilities

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

Composition

ALCO Committee is headed by the MD & CEO of the Company. Other members of the Committee comprise all EVPs, 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 Credit Policy and Credit Manual. Further, certain Branches have been granted discretionary power to sanction LC Bills Discounting Facility (post due date confirmation) of upto specified limits. The sanctions by the said Branches are controlled by the CCC-II on a monthly basis. Sanctions by the CCC-II are controlled by the CCC-I and the sanctions by the CCC-I are controlled by the Executive Committee of the Board.

**(c) Client Rating Validation Committee:**

The Client Rating Validation Committee validates the Client Rating of all eligible proposals being put up to the Sanctioning Authority. The committee is headed by VP – Chief Risk Officer and includes the following members VP – Business Development, VP-Credit Admin & New Initiatives, VP-Debt, VP-Client Services and AVP Debt

**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 recourse to him in the event of default by the debtor (buyer) in making payment on due date for the factored invoices drawn on him.

#### **Credit Mitigation measures**

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

##### **▪ Client wise Exposure Limit:**

The exposure on each single borrower and group of borrowers are restricted within a maximum limit prescribed by the RBI.

##### **Debtors Exposure Limit:**

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

The Maximum Exposure on a Single Rated Debtor and Single Unrated Debtors in respect of all clients is restricted by setting limits on the amount of risk it is willing to accept and by monitoring exposures in relation to such limits.

#### **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 put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, etc. Periodic testing is carried out to address gaps in the framework, if any. DR and BCP audits are conducted on a periodical basis to provide assurance regarding the effectiveness of the Company's readiness.

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

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

Every time the ALCO meets it monitors the cost, and maturity profile of funds borrowed and if required 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 specified limit 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, the position is regularized through purchase or sale of USD from time to time.

"The Company invests surplus funds in approved Overnight/Liquid (Debt) funds to earn some return vis-à-vis idle cash. The Guidelines contained in the Treasury & Investment policies 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 (7-90 days maturity)
- Bank lines of Credit (Domestic & Foreign)

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

- i) Undrawn, committed rupee facilities.
  - ii) Investments in liquid instruments,
- should always exceed aggregate of short term dated loans with no surety of roll over, and CP's falling due within the next one week.

Therefore, SBI Factors 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.

#### **E) Compliance Risk**

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

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

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

Maturity Pattern Assets and liabilities as on 31st March 2025

(₹ in Lakhs)

Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Cash and cash equivalents	114	-	-	-	-	-	-	-	114
Loans #*	61,877	66,334	58,759	44,348	22,560	26,336	-	-	280,214
Investments #*	-	-	-	-	-	-	-	0	0
Other Financial assets	-	-	-	-	25	182	-	-	206
Total	61,991	66,334	58,759	44,348	22,585	26,518	-	0	280,534
Debt Securities					-		-	9,988	9,988
Borrowings (other than Debt Securities)	180,100	24,500	-		8,685				213,285
Other Financials liabilities	2,498	-	-	493	-	700	-		3,691
Total	182,598	24,500	-	493	8,685	700	-	9,988	226,965

\* Represent values less than ₹ 0.50 Lacs

(# Represents Gross Value without provision)

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

Maturity Pattern Assets and Liabilities as on 31st March 2024

(₹ in Lakhs)

Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
Cash and cash equivalents	427	-	-	-	-	-	-	-	427
Loans	51,800	50,117	32,386	24,600	20,484	4,327	-	-	183,714
Investments*	-	-	-	383	-	-	-	0	383
Other Financials assets	-	-	-	-	36	165	-	-	202
Total	52,227	50,117	32,386	24,983	20,520	4,492	-	0	184,726
Debt Securities	-	9,869	-	-	-	-	-	9,987	19,856
Borrowings (other than Debt Securities)	84,600	-	12,700	-	16,712	-	-		114,012
Other Financials Liabilities	1,285	-	-	495	-	756	-		2,536
Total	85,885	9,869	12,700	495	16,712	756	-	9,987	136,403

(\* Represents Gross Value without provision)

\* 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)

## Note 44

### Segment Reporting

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

## Note 45

### 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 & TReDS

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 and thus the management has proposed 0.50% as probability of default on the entire portfolio of Export factoring portfolio is provided .

**Credit Quality :**

(₹ in Lakhs)

Particulars	Stage 1		Stage 2		Stage 3		Total
	Outstand- ing Loan	Impairment Losses	Outstand- ing Loan	Impairment Losses	Outstand- ing Loan	Impairment Losses	Impairment Losses
As at March 2025	275,877	1,501	2,511	702	1,826	1,385	3,588
As at March 2024	174,404	938	4,984	22	4,327	4,301	5,260

**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.”

## Note 46

**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, 2025		March 31, 2024	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
		₹ in lakhs		₹ 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*)	10,481	-	10,483	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	9,869	-
	(f) Other Loans (specify nature)				
	- Cash Credit/Working Capital Demand Loan	212,036	-	112,311	-
	- Bank Overdraft	1,249		1,700	-
ASSETS SIDE :		Amount Outstanding			
		March 31, 2025		March 31, 2024	
		₹ in lakhs		₹ in lakhs	
2	Break-up of Loans and Advances including bills receivables [other than those included in (3) below: ] #				
	(a) Secured		86,872		57,454
	(b) Unsecured		193,342		126,259
	(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 :		Amount Outstanding		₹ in lakhs
	Current Investments:		March 31, 2025	March 31, 2024	
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	0.10	0.10	0.10
		(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	383



5	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:				
	<b>Category</b>		<b>Amount net of provisions (₹ In Lakhs)</b>		
			<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1	Related Parties				
	(a) Subsidiaries				
	(b) Companies in the same group				
	(c) Other related parties		-	-	-
2	Other than related parties		86,872	193,342	280,214
	(Previous Year)		57,454	126,259	183,714
	Total (Current year)		86,872	193,342	280,214
	Total (Previous year)		57,454	126,259	183,714

6	Investor group-wise classification of all investments (current and long term) (both quoted and unquoted): (₹ In lakhs)					
	Category		March 31, 2025		March 31, 2024	
			Market Value/ Break-up or fair value or NAV	Book value (net of pro- visions)	Market Value/ Break-up or fair value or NAV	Book value (net of provi- sions)
	1	Related Parties				
		(a) Subsidiaries	-	-	-	-
		(b) Companies in the same group #*	-	0	-	0
		(c) Other related parties	-	-	-	-
	2	Other than related parties @	-	-	287	-
		Total	-	0	287	0
		# Disclosed as zero as amount is less than lakhs				
		@ 100% Provision is held in books against Investment, therefore book value is zero				
		* Represent values less than ₹ 0.50 Lacs				

7	Other Information		
		<b>March 31, 2025</b>	<b>March 31, 2024</b>
	<b>Particulars</b>	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
(i)	Gross Non Performing Assets		
	(a) Related Party	-	-
	(b) Other than Related Parties	1,826	4,327
(ii)	Net Non-Performing Assets		
	(a) Related Party		
	(B) Other than Related Parties	441	27
(iii)	Assets acquired in satisfaction of debts	-	-

## Note 47

**(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

Universal Insurance Building, Ground Floor

Sir P.M Road, Fort  
Mumbai, – 400 001  
Tel : +91 22 40807001

**(ii)**

	March 31, 2025	March 31, 2024
	₹ in Lakhs	₹ in Lakhs
(a) Credit rating and change in credit rating (if any);	No	No
(b) Debt-Equity ratio;	5.50	3.96
(c) (i) Previous due date for the payment of interest		
- 7.28% Tier II Bonds (10 Years)	28.07.2022	28.07.2022
(ii) Repayment of principal of non convertible debt securities	-	-
(d) (i) Next due date for the payment of Interest		
- 7.28% Tier II Bonds (10 Years)	28.07.2024	28.07.2024
(ii) Principal along with the amount of interest		
- 7.28% Tier II Bonds (10 Years)	28.07.2031	28.07.2031
(e) Capital redemption reserve / Debenture redemption reserve;	1,000	1,000
(f) Net Worth;	50,928	45,218
(g) Net Profit After Tax;	5,702	4,447
(h) Earnings Per Share:	3.57	2.78

## Note 48

**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, 2025	March 31, 2024
i.	CRAR (%)	20.58	26.72
ii	CRAR - Tier I Capital (%)	17.13	21.52
iii	CRAR - Tier II Capital (%)	3.44	5.20
iv	Amount of Subordinated debt as Tier II Capital ( ₹In Lakhs)	10,000	10,000
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, 2025	March 31, 2024
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

\* Represent values less than ₹ 0.50 Lacs

**(C) Derivatives - Forward Contract**

(₹ in Lakhs)

Sr NO	Particulars	March 31, 2025	March 31, 2024
i	Derivatives - Forward Contract	-	83.42
	For hedging	-	83.42

**(D) Disclosure relating to Securitisation****1) Details of Financial Assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction.**

(₹ in Lakhs)

Sr NO	Particulars	March 31, 2025	March 31, 2024
(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 during the year**

(₹ in Lakhs)

Sr NO	Particulars	March 31, 2025	March 31, 2024
(i)	No. of Accounts		-
(ii)	Aggregate value of accounts sold	-	-
(iii)	Aggregate consideration	-	-
(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, 2025	March 31, 2024
(i)	No. of Accounts	20	12
(ii)	Aggregate value of accounts purchased	132,652	56,216
(iii)	Aggregate consideration	132,652	56,216
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

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

**A) Details of Non-Performing Assets purchased**

(₹ in Lakhs)

Sr NO	Particulars	March 31, 2025	March 31, 2024
(i)	(a) No. of Accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

**B) Details of Non-Performing Financial Assets sold.**

(₹ in Lakhs)

Sr NO	Particulars	March 31, 2025	March 31, 2024
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate Consideration received	-	-

**(E) Asset Liability Maturity Pattern of certain items of Assets and liabilities**

(₹ in Lakhs)

Particulars	Up to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 year upto 5 years	Over 5 years	Total
<b>Deposits</b>	-	-	-	-	-	-	-	-	-
<b>Loans (Gross)</b>	61,877	66,334	58,759	44,348	22,560	26,336	-	-	280,214
<b>Investments</b>	-	-	-	-	-	-	-	383	383
<b>Borrowing</b>									
- CC Facility \$ / Bank Overdraft				-	8,685	-	-	-	8,685
- WCDL	180,100	24,500	-	-	-	-	-	-	204,600
- Commercial Papers				-	-	-	-	-	-
Debentures	-	-	-		-		-	9,988	9,988
Interest on Debentures	-	-	-	493	-	-	-	-	493
<b>Foreign Currency assets</b>									
- Bank Accounts	90	-	-	-	-	-	-	-	90
<b>Foreign Currency liability</b>									
- Import Factor- ing Commission	20	-	-	-	-	-	-	-	20
- Interest Pay- able on Loan		-	-	-	-	-	-	-	-

\* 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 line of Credit

**a) Exposure to Real Estate Sector \***

(₹ in Lakhs)

Category		March 31, 2025	March 31, 2024
<b>Direct Exposure</b>			
(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	-	-
(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	-	-
(iii)	"Investments in Mortgage Backed Securities (MBS) and other securitised exposures -"		
	a. Residential		
	b. Commercial Real Estate		
	<b>Total Exposure to Real Estate Sector @</b>	-	-

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

@ Out of the above exposure, an amount of Previous Year ₹Nil Lakhs

**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 - Nil****e) Unsecured Advances**

Type of Security	₹ in Lakhs	
	March 31, 2025	March 31, 2024
Insured through overseas Import Factor	8,196	6,294
Secured by way of Assignment of Receivables and through Residual / Subservient Charge	184,137	39,116
Fully Unsecured	1,009	80,849
<b>Total</b>	<b>193,342</b>	<b>126,259</b>

**Miscellaneous****a) Registration obtained from other financial sector regulators - Not Applicable****b) Disclosure of Penalties imposed by RBI and other regulators - Not Applicable****c) Related Party Transactions - Disclosed in Note 30****d) Ratings assigned by credit rating agencies and migration of ratings during the year**



Sr. No.	Rating Agency	Rating	Amount in Lakhs	"Instrument / Facility"	Validity Period **	
					From	To
i)	ICRA	[ICRA]AAA (Stable)	20,000	Subordinated Debt Programme	27.11.2024	26.11.2025
ii)	ICRA	[ICRA]AAA (Stable)	505,000	"Long-term/Short-term fund based/ Non-fund based bank lines"	27.11.2024	26.11.2025
iii)	ICRA	[ICRA]A1+	75,000	Commercial paper programme	27.11.2024	26.11.2025
iv)	CRISIL	CRISIL AAA/Stable	10,000	Subordinated Debt	16.07.2024	15.07.2025
v)	CRISIL	[CRISIL]A1+	75,000	Commercial Paper	16.07.2024	15.07.2025

\*\* 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 ₹ NIL (Previous Year NIL).**

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

**g) Consolidated Financial Statements - Not Applicable**

**ix. Additional Disclosure**

**a) Concentration of Deposits, Advances, Exposures and NPAs**

(₹ in Lakhs)

<b>i) Concentration of Deposits</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-

(₹ in Lakhs)

<b>ii) Concentration of Advances</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Total Advances of twenty largest borrowers	45,379	32,425
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	16.19	17.65

(₹ in Lakhs)

<b>iii) Concentration of Exposures (i + ii)</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Total Exposure to twenty largest borrowers /customers	132,000	88,900
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of NBFC on borrowers / customers	19.76	17.02

(₹ in Lakhs)

<b>iv) Concentration of NPAs</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Total Exposure to top four NPA Accounts	1,310	3,127

**b) Sector-wise NPAs**

(₹ in Lakhs)

	<b>Sector</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
		<b>Percentage of NPAs to Total Advances in that sector</b>	<b>Percentage of NPAs to Total Advances in that sector</b>
1	Agriculture & allied activities	-	-
2	MSME	2%	4%
3	Corporate Borrowers	0%	3%
4	Services	-	-
5	Unsecured Personal Loan	-	-
6	Auto Loans	-	-
7	Other personal Loans	-	-

**c) Movements of NPAs**

(₹ in Lakhs)

<b>Particulars</b>		<b>March 31, 2025</b>	<b>March 31, 2024</b>
i	Net NPAs to Net Advance (%)	0.16%	0.01%
ii	Movement of NPAs (Gross)		
	(a) Opening Balance	4,327	3,470
	(b) Additions during the year	1,788	1,952
	(c) Reductions during the year	4,289	1,095
	(d) Closing balance	1,826	4,327
iii	Movement of Net NPAs		
	(a) Opening Balance	27	7
	(b) Additions during the year	1,229	883
	(c) Reductions during the year	814	864
	(d) Closing balance	441	27
iv	Movement of Provisions of NPAs (Excluding Provision on Standard Assets)		
	(a) Opening Balance	4,301	3,463
	(b) Provision made during the year	559	1,069
	(c) Write off / write back of excess provisions	3,475	231
	(d) Closing Balance	1,385	4,301

**d) Overseas Asset (for those with joint ventures and subsidiaries abroad) - Not Applicable****e) Off Balance Sheet SPVs sponsored - Not Applicable**

**f) Disclosure of Complaints**

Customer Complaint			
	Particulars	March 31, 2025	March 31, 2024
a)	No. of Complaints pending at the beginning of the year	-	-
b)	No. of Complaints received during the year	1	2
c)	No. of Complaints redressed during the year	1	2
d)	No. of Complaints pending at the end of the year	-	-

**g) Information as required by Reserve Bank of India under Resolution framework for COVID related stress as per circular dated 06 August 2020**

Disclosures to be made in the half year ended March 31, 2025

(₹ in Lakhs)

	Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the 30th Sept 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
a)	Personal Loans	-	-	-	-	-
b)	Corporate persons*	-	-	-	-	-
c)	of which, MSMEs	-	-	-	-	-
d)	Others	-	-	-	-	-

Note: The Company has implemented Resolution Plan as per RBI circular dated 06-Aug-20 in One account during the Financial Year 2021-22. The detail of the account wherein RP has been invoked is as under Name of Borrower- Future Enterprises Limited (FEL) As per the OTR plan, SBI Factors Ltd outstanding dues of ₹3.53 crore was payable on 31st March 2022. However, the payment of SBI Factors Ltd and other lenders dues was defaulted by FEL and OTR plan failed. Therefore, the account was again downgraded to NPA in the books in April 2022 with a retrospective date viz.31st March 2021. FIU as on 31.03.2024 and 31.03.2025 stands at ₹2.79 cr. Apart from this there is no account under restructuring in terms of RBI's circular on Resolution Framework for COVID-19 related stress.

**h) Information as required by Reserve Bank of India Circular on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021 is attached as Annexure III. Disclosures to be made in the year ended March 31, 2025**

(₹ in Lakhs)

Sr No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process	-	-	-
(B)	"Number of accounts where resolution plan has been implemented under this window"	-	-	-

(C)	Exposure to accounts mentioned at (B) before implementation of the plan	-	-	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	"Additional funding sanctioned, if any, including between invocation of the plan and implementation"	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	-	-	-

## Note 49

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. During the year ended March 31, 2025 the Company have reported NIL fraud account and in the previous year two borrower accounts have been reported as fraud amounting to ₹ 6.77 Cr. and 2.41 Cr. respectively which have been fully provided for .

## Note 50

As per provisions of the Companies Act, 2013, the Company was required to spend ₹ 22.03 Lakhs (Previous Year ₹ Nil) on CSR activities for the year ended 31st March, 2025. The Company has, during the year, incurred expenditure relating to CSR activities amounting to ₹ 21.02 Lakh (Previous Year ₹ 2.30 Lakh) and the same is reflected in Note 26 under Other Expenses. The balance amount of ₹ 1.01 Lakh will be transferred to specified fund VII as per second provision to sub-section (5) of section 135 with in six months from end of the F.Y. 2024-25.

## Note 51

### Input Tax Credit under Goods and Services Tax

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

## Note 52

### Other additional regulatory disclosures as required under Schedule III

#### Valuation by registered valuer:

During the year the Company has not revalued its property, plant and equipment or intangible assets

#### Loans and advances

The Company has not granted any loans and advances in the nature of loans to promoters, directors, Key Managerial Personnel (KMPs) and the related parties, repayable on demand.

#### Benami Property:

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

#### Borrowing Against Security of Current Assets:

The has not borrowed any fund on the basis of security of current assets from Banks and Financial Institution during the year.

#### Wilful Defaulter:

The Company has not been declared as as wilful defaulter by any bank or financial institution or any other lender during the year.

**Relationship with Struck off Company:**

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**Registration of Charges or satisfaction with Register of Companies (ROC):**

The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond statutory period.

**Scheme of arrangement:**

During the year, there is no Scheme of Arrangements have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for the Company.

**Utilisation of Borrowed Fund:**

a) The Company has not advanced or loaned or invested any funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- iii) b) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- iv) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
- v) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**Undisclosed Income:**

The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessment under the Income Tax Act 1961.

**Virtual Currency:**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

The figures in respect of the previous year have been regrouped / rearranged, wherever necessary to make them comparable. The previous year figures have been given as per last audited accounts, audited by other auditors.

**Note 53**

The figures in respect of The previous year have been regrouped / rearranged, wherever necessary to make them comparable. The previous year figures have been given AS per last audited accounts, audited by other auditors.

**Note 54**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IndAS 109 provisions and IRACP norms
-1	-2	-3	-4	(5)=(3)-(4)	-6	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	275,877	1,501	274,376	1,104	398
	Stage 2	2,511	702	1,809	88	614
<b>Subtotal</b>		<b>278,388</b>	<b>2,203</b>	<b>276,185</b>	<b>1,192</b>	<b>1,012</b>

<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	537	220	317	134.18	86
Doubtful - up to 1 year	Stage 3			-	-	-
1 to 3 years	Stage 3	125	51	74	125	(74)
More than 3 years	Stage 3	85	35	50	85	(50)
<b>Subtotal for doubtful</b>		<b>210</b>	<b>86</b>	<b>124</b>	<b>210</b>	<b>(124)</b>
Loss	Stage 3	1,079	1,079	-	1,079	-
<b>Subtotal for NPA</b>		<b>1,826</b>	<b>1,385</b>	<b>441</b>	<b>1,423</b>	<b>(38)</b>
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	<b>Stage 1</b>	275,877	1,501	274,376	1,104	398
	<b>Stage 2</b>	2,511	702	1,809	88	614
	<b>Stage 3</b>	1,826	1,385	441	1,423	(38)
	<b>Total</b>	<b>280,214</b>	<b>3,588</b>	<b>276,625</b>	<b>2,615</b>	<b>974</b>

## Note 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: (Amount in lakhs)

### Public Disclosure on liquidity risk

(These details are pertaining to Year ended March, 2025)

(i) Funding concentration based on significant counterparty (Both deposits and borrowings) as on 31st March 2025

Sr. No.	Number of Significant Counterparties*	Amount	% of Total deposits	% of Total Liabilities
1	6	6,900	NA	3
2	2	213,285	NA	93
<b>Total</b>	<b>8</b>	<b>220,185</b>	<b>NA</b>	<b>96</b>

as on 31st March 2024

Sr. No.	Number of Significant Counterparties *	Amount	% of Total deposits	% of Total Liabilities
1	5	5,900	NA	4
2	2	10,000	NA	7
3	3	114,012	NA	83
<b>Total</b>	<b>10</b>	<b>129,912</b>	<b>NA</b>	<b>94</b>



- (ii) Top 20 large deposits ( amount in Rupees Lakhs) 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 Lakhs and % of total borrowings)

as on 31st March 2025

Sr. No.	Particulars of Lenders	March 31, 2025	% of Total Borrowings
1	SBI - (TB LINKED WCL) (INR)	204,600	92%
2	SBI LONDON (FOREX)	7,436	3%
3	EIL EMPLOYEES PROVIDENT FUND	1,900	1%
4	SBI - CC (INR)	1,249	1%
5	URANIUM CORPORATION OF INDIA LIMITED EMPLOYEES CONTRIBUTORY PROVIDENT FUND	1,000	0%
6	JAGRAN PRAKASHAN LIMITED	1,000	0%
7	POWERGRID EMPLOYEE PROVIDENT FUND TRUST	1,000	0%
8	BHEL EMPLOYEES PROVIDENT FUND TRUST BHOPAL	1,000	0%
9	SUNRISE GILTS & SECURITIES PVT. LTD	1,000	0%
	<b>Total</b>	<b>220,185</b>	<b>99%</b>

as on 31st March 2024

Sr. No.	Particulars of Lenders	March 31, 2024	% of Total Borrowings
1	SBI (INR)	79,001	59%
2	HDFC Bank	20,000	15%
3	SBI London (FOREX)	15,011	11%
4	CP - TATA MUTUAL FUND	5,000	4%
5	CP - SUNDARAM MUTUAL FUND	5,000	4%
6	EIL EMPLOYEES PROVIDENT FUND	1,900	1%
7	URANIUM CORPORATION OF INDIA LIMITED EMPLOYEES CONTRIBUTORY PROVIDENT FUND	1,000	1%
8	JAGRAN PRAKASHAN LIMITED	1,000	1%
9	POWERGRID EMPLOYEE PROVIDENT FUND TRUST	1,000	1%
10	BHEL EMPLOYEES PROVIDENT FUND TRUST BHOPAL	1,000	1%
	<b>Total</b>	<b>129,912</b>	<b>97%</b>

- (iv) Funding concentration based on significant instrument/product

as on 31st March 2025

Sr. No	Number of Instrument/product	Amount	% of Total Liabilities
1	TIER II Bonds	10,000	4
2	Bank Lines (INR+FOREX)	213,285	93
	<b>Total</b>	<b>223,285</b>	<b>97</b>

as on 31st March 2024

Sr. No	Number of Instrument/product	Amount	% of Total Liabilities
1	Commercial Papers	10,000	7
2	TIER II Bonds	10,000	7
3	Bank Lines (INR+FOREX)	114,012	83
	Total	134,012	97

(v) As per Ind AS

Sr. No.	Ratios	March 31, 2025	March 31, 2024
a)	Commercial paper as a % of Total Public Funds	NA	NA
	Commercial paper as a % of Total Liabilities	0	7
	Commercial paper as a % of Total Assets	0	5
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	95	92
	Other Short-term liabilities as a % of Total Assets	78	69
<b>Figures for arriving at the ratios given in above table are as follows:</b>			
Particulars		March 31, 2025	March 31, 2024
Total Assets		280,369	183,280
Total Liabilities		229,441	138,062
Total Public Funds		-	-
Commercial Paper		-	9,869
Non-convertible debentures(Original Maturity of less than 1 year)		-	-
Other Short-Term Liabilities		218,546	127,097

(vi) Institutional set-up of liquidity risk management

### I. Introduction

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

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

### II. Identification

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

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

### III. Treatment / Handling of Liquidity Risk

"Majority of the Company's assets are of short-term nature (Average 90 days) and are funded through combination of Commercial Papers (CPs), Owned funds and banks' lines of credit. In case of a tight liquidity

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

Further, to mitigate the liquidity risk, Company has a policy that the total of:"

a)Undrawn, committed rupee facilities;

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

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

As per our report of even date

**For BANSHI JAIN & ASSOCIATES**

Chartered Accountants

Firm Registration No. 100990W

**CA Parag Jain**

Partner

M.No. 078548

Mumbai, 16th April 2025

For and on behalf of the Board of Directors

**Ashwini Kumar Tewari**

Chairman

DIN :- 08797991

**Amit Sharma**

Chief Financial Officer

Mumbai, 16th April 2025

**Bharat Kumar Mishra**

Managing Director & CEO

DIN :- 09385794

**Rishika Puri**

Company Secretary

## Balance Sheet in \$

as at 31st March, 2025

(in \$)

	Particulars	March 31, 2025 *	March 31, 2024 **
	<b>ASSETS</b>		
<b>(1)</b>	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	133,061	511,512
(b)	Loans	323,633,125	213,961,813
(c)	Investments	117	120
(d)	Other Financial assets	241,579	241,670
		324,007,882	214,715,115
<b>(2)</b>	<b>Non-financial Assets</b>		
(a)	Current tax assets (Net)	706,139	1,032,255
(b)	Deferred tax Assets (Net)	1,167,308	1,718,928
(c)	Property, Plant and Equipment	1,631,129	1,770,959
(d)	Capital work-in-progress	54,587	-
(e)	Intangible assets under development	12,893	4,779
(f)	Other Intangible assets	87,559	97,506
(g)	Other non-financial assets	345,817	407,260
		<b>4,005,431</b>	<b>5,031,686</b>
	<b>Total Assets</b>	<b>328,013,312</b>	<b>219,746,801</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>(1)</b>	<b>Financial Liabilities</b>		
(a)	Derivative financial instruments	-	2,308
(b)	Debt Securities	11,685,812	23,806,482
(c)	Borrowings (Other than Debt Securities)	249,529,672	136,696,849
(d)	Other financial liabilities	4,317,906	3,040,186
		<b>265,533,391</b>	<b>163,545,825</b>
<b>2.</b>	<b>Non-Financial Liabilities</b>		
(a)	Provisions	341,766	446,038
(b)	Other non-financial liabilities	2,555,786	1,541,015
		<b>2,897,552</b>	<b>1,987,053</b>
<b>3.</b>	<b>EQUITY</b>		
(a)	Equity Share capital	18,705,512	19,169,758
(b)	Other Equity	40,877,114	35,044,429
		<b>59,582,626</b>	<b>54,214,187</b>
	<b>Total Liabilities and Equity</b>	<b>328,013,313</b>	<b>219,746,801</b>

\* 1 US \$ = 83.4050      \*\* 1 US \$ = 85.4750

Note:

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

## Statement of Profit & Loss in \$

for the period ended March 31, 2025

(in \$)

	Particulars	March 31, 2025 *	March 31, 2024 **
	<b>Revenue from operations :</b>		
(i)	<b>Interest income</b>	<b>24,295,968</b>	<b>15,610,302</b>
(ii)	<b>Dividend income</b>	-	-
(iii)	Rental Income	-	-
(ii)	Fees and commission income	783,800	432,641
(iii)	Sale of services	951,720	740,569
(iv)	Others	1,642,784	1,914,497
(v)	Reversal of provision	-	-
<b>(1)</b>	<b>Total revenue from operations</b>	<b>27,674,272</b>	<b>18,698,009</b>
<b>(2)</b>	<b>Other income</b>	<b>113,675</b>	<b>285,178</b>
<b>(3)</b>	<b>Total income</b>	<b>27,787,947</b>	<b>18,983,187</b>
	<b>Expenses :</b>		
(i)	Finance costs	12,840,312	7,742,173
(ii)	Fees and commission expense	206,508	210,617
(iii)	<b>Net loss on derecognition of financial instruments under amortised cost category</b>	<b>3,361,418</b>	-
(iv)	<b>Impairment on financial instruments</b>	<b>(2,004,825)</b>	<b>1,455,705</b>
(v)	Employee benefits expenses	2,344,223	2,207,754
(vi)	Depreciation, amortization and impairment	414,122	394,939
(vii)	Others expenses	2,224,390	1,694,529
<b>(4)</b>	<b>Total expenses</b>	<b>19,386,148</b>	<b>13,705,717</b>
(5)	Profit / (loss) before exceptional items and tax	8,353,248	5,277,469
(6)	Exceptional items	-	-
<b>(7)</b>	<b>Profit/(loss) before tax</b>	<b>8,353,248</b>	<b>5,277,469</b>
<b>(8)</b>	<b>Tax Expense:</b>	-	
	<b>Current Tax / Tax for previous year</b>	<b>1,176,188</b>	<b>120,136</b>
	<b>Deferred Tax</b>	506,390	(174,112)
	MAT Credit	-	-
<b>(9)</b>	<b>Profit / (loss) for the period from continuing operations</b>	<b>6,670,669</b>	<b>5,331,445</b>
(10)	Profit/(loss) from discontinued operations	-	-
<b>(11)</b>	<b>Tax Expense of discontinued operations</b>	-	-
(12)	Profit/(loss) from discontinued operations(After tax)	-	-
<b>(13)</b>	<b>Profit/(loss) for the year</b>	<b>6,670,669</b>	<b>5,331,445</b>
<b>(14)</b>	<b>Other Comprehensive Income</b>		
	(i) Items that will not be reclassified to profit or loss	-	-
	Remeasurement gain on Defined Benefit Plan	14,309	16,367
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	(3,601)	(3,960)
	<b>Subtotal (A)</b>	<b>10,708</b>	<b>12,407</b>
	(i) Items that will be reclassified to profit or loss	-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-
	<b>Subtotal (B)</b>	-	-
	<b>Other Comprehensive Income (A + B)</b>	<b>10,708</b>	<b>12,407</b>
<b>(15)</b>	<b>Total Comprehensive Income for the year</b>	<b>6,681,377</b>	<b>5,343,852</b>

\* 1 US \$ = 83.4050      \*\* 1 US \$ = 85.4750

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

# Registered Office

## Mumbai

6<sup>th</sup> Floor, Metropolitan Building, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051  
Tel: +91-22-4889 0300 E-mail: [contact@sbifactors.in](mailto:contact@sbifactors.in) Website: [www.sbifactors.in](http://www.sbifactors.in)  
CIN: U65929MH2001PLC131203

## Branches

### Mumbai

6<sup>th</sup> Floor, The Metropolitan Building,  
Bandra Kurla complex,  
Bandra (East), Mumbai-400 051.  
Tel. No.: 022-48890300

### Bengaluru

SG-14. Ground Floor, South Block,  
Manipal Centre, #47 Dickenson Road,  
Bengaluru-560 042  
Tel. No.: 080 40177277  
Fax No.: 080 40923761

### Chennai

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634, Anna Salai, Nandanam,  
Chennai - 600 035  
Tel. No: 044 24341201/2/3  
Fax No.: 044 24341204

### Coimbatore

4<sup>th</sup> Floor, Jaya Enclave, No. 1057,  
Avinashi Road,  
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Fax No.: 0422-2240676

### Hyderabad

Office # 3 ABK Olbee Plaza 8-2-618/ 8 & 9 Banjarahills  
Road # 11, Opposite to Care Hospital Lane,  
Hyderabad 500 034  
Tel. No.: 040 30648460  
Fax No. : 040 30648466

### Bankers

State Bank of India.  
Standard Chartered Bank.  
HDFC Bank Ltd  
South Indian Bank

### Solicitors

K Ashar and Co.  
1107-9 Raheja Centre (11th Floor),  
Free Press Journal Marg,  
Nariman Point,  
Mumbai-400 021.

### PKA Advocates

1st Floor, Jani Chambers, Opp Ali Chambers,  
Tamarind Lane, Fort, Mumbai- 400001.

### HSA Advocates

Construction House, 5<sup>th</sup> Floor, Walchand Hirachand  
Marg, Ballard Estate, Mumbai- 400001.

### Ethos Legal Alliance

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Sir Phirozshah Mehta Road,  
Fort, Mumbai - 400001

### Jaipur

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Fax : 0141 4002170

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Fax No.: 033 24756383

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Near Dholewal Bridge. Ludhiana 141 003  
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Fax No.: 0161 2741026

### New Delhi

906-907 Narain Manzil, 23 Barakhamba Road,  
Connaught Place, New Delhi-110001  
Tel. No.: 011 4160 8581/2/3  
Fax : 011 4160 8580

### Pune

107 & 108, City Square Apt. Plot no 29/2, City Survey no 1723,  
K M Gandhi Path, Shivaji Nagar (Bhamburda),  
Pune-411 005  
Tel. No.: 020 255363777  
Fax: 020 255363700

### Anand T. Bhautik

Advocate High Court of Bombay  
Office: 48, Krishna Apartment, Plot No. 34,  
Sector - 36, Kamothe, Navi Mumbai - 410209

### Rajdutt V. Kakade

Advocate High Court of Bombay  
Room No.5, Dominic D'mello Niwas,  
Kanjur Village Road, Opp-Model Bank,  
Near St. Francis Church,  
Bhandup (E), Mumbai-400042

### Auditors

M/s. Banshi Jain & Associates, Chartered Accountants  
5<sup>th</sup> floor, La Magasin,  
Above Rookkala store, SV Road,  
Santacruz West, Mumbai - 400 054.

### SBI Factors - Debenture Trustee

IDBI Trusteeship Services Limited  
Universal Insurance Building, Ground Floor,  
Sir Phirozshah Mehta Road, Fort, Mumbai - 400001.  
Contact Person: Ms. Sheetal Mehta  
Tel: +91 22 40607001  
Mob: +91 8097474623  
Mail id: [sheetal@idbitrustee.com](mailto:sheetal@idbitrustee.com) | Website: [www.idhitrustee.com](http://www.idhitrustee.com)





