

SBI Factors, Global Trade to merge operations

SBI Factors, a wholly-owned subsidiary of the State Bank of India (SBI), has acquired the Exim Bank-promoted factoring company Global Trade Finance (GTF) and hopes to merge operations in a year, a top company official said here Thursday.

'The merger process is on. It will take about a year for the merged entity to start operation,' SBI Factors and Commercial Services managing director and chief executive D.S. Das said.

GTF is India's largest factoring and forfeiting company.

After merger, the combined total asset value of SBI Factor would be Rs.70 billion by March 2009, giving it an 80 percent market-share in factoring, he said.

Following the merger, SBI would be able to provide umbrella service to small and medium corporates, key customers in the factoring business.

The company expects the export business in factoring to touch Rs.2.8 billion by March 31 2009. The present volume is Rs.800 million.

Within India, the market has grown from Rs.70 billion in 2002 to Rs.330-340 billion in 2007, he said.

SBI Factors, which offers a bouquet of domestic and international factoring services for the manufacturing sector, trade and services has opened a branch in Kolkata. It now has 11 branches across India.

It is also in talks with five foreign companies for forfeiting services.

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