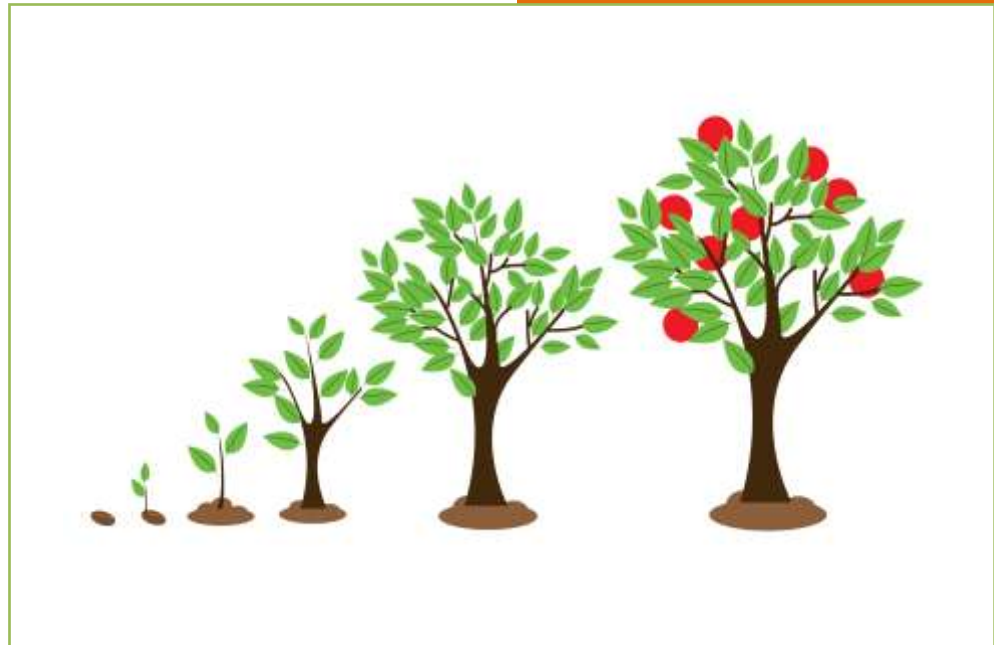




## Directors' Report 2016-17



**Samunnati Financial Intermediation & Services Pvt. Ltd.**

Module #2-A, 6<sup>th</sup> Floor, Block A, Phase II, IITM Research Park,  
Kanagam, Taramani Road, Chennai – 600113. Ph: 044-65654121

Email: [info@samfin.in](mailto:info@samfin.in)

Website: [www.samfin.in](http://www.samfin.in)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<u>NAME</u>	<u>DESIGNATION</u>
Mr. Narasimhan Srinivasan	Chairman and Independent Director
Ms. Jyotsna Krishnan	Non-Executive Director
Mr. SG AnilKumar	Executive Director and CEO
Ms. Seethalakshmi Krishnamurthy	Non-Executive Director
Mr. Mahendran Balachandran	Non-Executive Director

### REGISTERED OFFICE

MODULE 2A, 6<sup>TH</sup> FLOOR, BLOCK A, IITM RESEARCH PARK, KANAGAM,  
TARAMANI ROAD, CHENNAI – 600113.

TEL: 044 – 65654121

EMAIL: info@samfin.in

WEBSITE: www.samfin.in

CIN: U65990TN2014PTC096252

Company Secretary: Niranjan Chandrashekar

### STATUTORY AUDITOR

Walker, Chandiook & Co, LLP Chartered Accountants,  
7th Floor, Prestige Polygon, 471, Anna Salai, Teynampet, Chennai - 600018. Tel: 91 44  
42940000

### BANKERS

Axis Bank Limited

ICICI Bank Limited

DCB Bank Limited

State Bank of Travancore

City Union Bank Limited

IDFC Bank Limited

Registrar & Transfer Agent: Integrated Registry Management Services Private Limited

CIN: U65990TN2014PTC096252

## **DIRECTOR'S REPORT**

Your Directors have pleasure in presenting the 3<sup>rd</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2017.

### **1. OVERVIEW – BUSINESS AND OUTLOOK**

The Company was originally incorporated as Samunnati Financial Intermediation and Services Private Limited on 23<sup>rd</sup> June 2014, at Chennai, Tamil Nadu, India as a private limited company under the Companies Act, 2013. Pursuant to a certificate issued by the Reserve Bank of India ("RBI") on 25<sup>th</sup> February 2016, the Company was permitted to commence operations as a non-banking financial company ("NBFC") under section 45 IA of the Reserve Bank of India Act, 1934. The company is focused on agri value chains, aims to enhance the value of all players by providing them access to formal financial instruments customized to suit the requirements of the Value Chain that they operate in thereby making the value chains operate at a higher equilibrium.

Less than 30 months ago Samunnati disbursed its first loan, on a November morning. After setting up first base PHI (Point of High Contact) in Santhavasal Village (Tiruvannamalai District, Tamil Nadu), the journey has been encouraging as currently Samunnati has presence in 10 states and has grown to an outreach of close to 75000small holder farmers either directly or through its partners. Even though these are only early steps towards the larger vision of making the Agri value chains operate at a higher equilibrium, the impact and response of players across value chains is inspiring to deliver more and even more.

The company has done well to grow fast. Samunnati, ended 2016-17 with disbursements over INR 1216.28 MN with an outreach to 130+ Community Based Organizations and Agri-Enterprise clients. Samunnati also closed its Series B Equity investment led by Accel & Elevar, where all the other existing investors also participated.

### **External Environment**

In the past year, agriculture has been characterized by an operating environment where the government is taking series of steps to help farmers get better value for their produce. These steps include modern law on contract farming, government's effort to bring more regulated agriculture markets on the electronic National Agriculture Market (e-NAM) platform, implementation of schemes to improve access to irrigation and develop the dairy sector. All these have strengthened the operating environment of the agriculture sector as a whole.

A few recent developments of farmer agitations and farmer loan waivers by the state governments have raised some questions on viability of farming as an activity by farmers. However, loan repayments of NBFCs operating in rural and agriculture space have not been affected by these events. Infact, these agitations validate, Samunnati's own belief that for farming to be lucrative for farmers, they need to organize themselves into collectives, thereby bringing economies of scale. It is also important that in addition to increasing productivity from farmland, equal importance is accorded to building agri infrastructure. The company will continue to closely monitor the market developments and its own portfolio performance and adopt its model suitably as required.

## Looking Within

In 2016-17, “Team Samunnati” was able to deliver on the following areas through innovative thinking and commitment.

### □ Outreach:

- To maximize outreach and impact on small holders and various other players in Agri value chains, Samunnati started two new verticals (Along with Samunnati Retail) namely; Community Based Organizations (CBOs) and Agri Enterprises (AEs). Around 130+ CBOs and AEs are having their presence in 10 states (Tamil Nadu, Karnataka, Maharashtra, Gujarat, Bihar, New Delhi, Rajasthan, Andhra Pradesh, Telangana and Madhya Pradesh) with an outreach of 75000 members. Twelve Agri value chains were since been entered, with a model intervention approach called AMLA (Aggregation, Market Linkage and Advisory Services).
- Samunnati’s customer acquisition model benefits not just one player in the value chain but all other players by helping them grow together. The reach / impact increases as you go from Producer-Consumer, i.e. Up stream flow. Samunnati’s customer acquisition in three verticals namely Retail, CBOs and AEs takes place in bulk thus saving time & cost.
- Relationship Manager concept was introduced to build relationships and to closely associate to enable CBOs. The assessment of CBOs includes an in-depth understanding of their needs and aspirations across the spectrum of infrastructure, member services, market linkages as well as financial, co-financial and non-financial needs. The culmination of an assessment of a CBO is a long-term loan sanction by Samunnati for an amount that is in line with the business plan of the entity for the next 2 or 3 years, together with identifying areas which need to be built for its growth and sustenance as an Organization. The disbursement of the amount so sanctioned, is expected to be in tranches, based on achievements of the milestones that CBO and Samunnati have mutually agreed to build the capacity of the CBO. This would align the incentives of both the CBO and Samunnati, in working together to grow together.
- To effectively reach out to retail, CBOs and AEs (spread across 10 states) with a relationship manager approach, Samunnati diversified its human resource, with its team size now at 147 committed people and opened 4 new branches (Including one regional office). The head office in Chennai also got shifted to a bigger office space to cater to all the requirements of business and customers.

### □ Product & Solutions

- The focus on providing solution based offering to its clients enabled Samunnati to customize loans for a ten or as low as 3 days to as long as 5 years and credit amount varying from INR 10,000/- to 50 Million. Mode of

disbursement is happening both in the form of inputs or credit to Bank account, based on the requirements of customers. Pre-harvest loan is getting replaced by post-harvest solutions to not put pressure on the sales of the produce. Deduction at source is offered as one of the repayment options to assist the clients with easy payment solutions as flows of finance and product in the value chain guides the risk mitigation.

- In October 2016, Samunnati Agro Solutions Private Limited, was set up as a 100% Subsidiary (Wholly Owned) of Samunnati Financial Intermediation Services Private Limited for offering trading facilities to Agri value chain players as part of the internal value chain finance. Samunnati's bill discounting approach is helping the customers to expand their business opportunities and redefine the market boundaries across the globe. Samunnati Agro solutions is complementing the parental company's vision by offering better (customer) coverage and quick access to all trading pertaining services.
- This year, Samunnati registered itself as a Pledgee on NCDEX's COMTRACK Program allowing it to e-lend against goods deposited in NCDEX authorised warehouses. By tying up with NEML (NCDEX E-Markets Limited), Samunnati is providing financial solutions to sellers on NEML platform against their receivables from Agri produce transactions concluded on exchange.

#### □ **Tech Enabled Processes**

- To speed up enrolment procedures, financial intermediations and other need based services, Samunnati has structured its operations to leverage on the national infrastructure like UIDAI for taking care of the KYC of its individual customers. In E-KYC option, the person's KYC and photograph is downloaded instantly from the UIDAI server. This E-KYC data is then poured in real time into a set of electronic application forms. Client signatures are not required as application form is digitally completed, UID authenticated and E-Signed. The entire initiative is ensuring zero paper usage, no physical movement of documents and real-time authentication of data, to the extent possible.
- For speedy operations and timely services, Samunnati has adopted a few tech based solutions like access to credit bureau reports (CIBIL), staff location tracking and route optimization app, automated workflows, customer data based mobile app, live (Performance) dashboards and productivity optimization or workflow management app. The above tools are helping Samunnati to manage both employees (Efficiency) and customers (Genuine/needy customers).
- Samunnati introduced an online auditing platform called Digital Audit or Audit 360 to facilitate online logging of all the audit observations, track issues across base PHIs, state offices, clients and loan applications. The best part about this system is that any kind of audit or monitoring can be created on the fly within no time. The system allows Samunnati with full flexibility to

customize the audit or monitor the checklist. The person conducting the audit or monitoring the visit can log real time information on patterns & trends in errors, deviations and non-compliances on the established systems and processes. Audit 360 is helping Samunnati to ensure better productivity of the audit team and the auditees through automation of reporting, online issue closures with real time traceability options.

#### □ **Credit Underwriting and Operations**

- Samunnati rides on buyer-seller relationships for its credit decisioning. One key component of Samunnati's model is Deduction at Source (DAS) where Samunnati lends to the Sellers and the responsibility of the repayment is assumed by the Buyer. The DAS structure is implemented across verticals and product structures. Whether it is a lending to farmer, where the aggregator pays to Samunnati or lending to an aggregator where processor/exporter assumes the responsibility to repay Samunnati Loan.
- Samunnati's operations were designed to be cashless from day one. Samunnati uses NPCI's NACH solution for periodic debits to the customer bank account. Also, all disbursements directly happen into customer's bank account. To speed up the lending system and processes to farmers, in 2016-17, Samunnati has designed a card based solution (Samunnati pay card), where the farmer loan limits are linked to the card and the farmer can use the card to make payments for purchase of Farm Inputs at selected Input Merchant Outlets.

#### □ **Rewards and Recognitions**

- As a mark of recognition to the focus of your company on its mission, Samunnati has been given platinum (Five star) rating by an international rating firm GIIRS (on governance, workers and community management, environment and customers handling) for the work on the rural livelihoods and different Agri value chains at a pan India level.
- Samunnati's innovative solutions facilitated it to compete for reward and recognitions both at a national & international level. MetLife Inclusion plus award was one such event where Samunnati got shortlisted to the final round. Around 200 entities from different continents participated in the event.

Our leap last year will, hopefully be a step towards the right direction in times to come. The company incurred a loss of INR 758 lakhs for the FY 2016-17, which is in line with its plans. The company has built a strong team and has invested in systems and technologies which will be instrumental in not only growing fast and achieving operating sufficiency soon but also ensure that Samunnati continues to deliver consistent value to all its stakeholders, in line will the meaning of the word SAMUNNATI.

2. (a) FINANCIAL RESULTS - STANDALONE:

(INR. In Lakhs)

	For the Year Ended 31 <sup>st</sup> March,2017	For the Year Ended 31 <sup>st</sup> March,2016
<b>Gross Income</b>	998.51	132.96
<b>Less: Total Expenditure.</b>	1756.55	538.27
<b>Loss</b>	(758.04)	(405.32)

(b) FINANCIAL RESULTS - CONSOLIDATED:

(INR. In Lakhs)

	For the Year Ended 31 <sup>st</sup> March,2017	For the Year Ended 31 <sup>st</sup> March,2016
<b>Gross Income</b>	2421.87	132.96
<b>Less: Total Expenditure.</b>	3196.95	538.27
<b>Loss</b>	(775.07)	(405.32)

3. DIVIDEND

There is no dividend proposed for the Fiscal Year under review.

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY: -

There has been no significant change in the nature of business.

5. AMOUNT PROPOSED TO BE CARRIED TO RESERVES, IF ANY:

The company has transferred a loss of Rs. 758.04 Lacs to Reserves & Surplus during the year.

6. MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE (31ST MARCH 2017)

Your company has not made any significant material changes and commitments during the year.

7. DETAILS OF 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 has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.



## **8. INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING:**

The Company has adequate internal controls and processes in place with respect to its operations, which provide reasonable assurance regarding the reliability of the preparation of Financial statements and Financial reporting as also functioning of other operations which was evaluated by Independent Audit Firm. These controls and processes are driven through various policies and procedures.

## **9. STATUTORY AUDITORS:**

M/s. Walker, Chandiook & Co, LLP, Chartered Accountants, were appointed as Auditors of the Company for 5 years till the conclusion of the 6<sup>th</sup> Annual General Meeting to be held in the year 2020. The Company has received a letter from them, stating that they satisfy the criteria provided in Section 141 of the Companies Act, 2013 and the continuance of their appointment, if ratified, will be in accordance with the conditions prescribed under the Companies (Audit and Auditors) Rules, 2014. The Directors recommend the ratification of appointment of M/s Walker, Chandiook & Co, LLP, Chartered Accountants, as Auditors of the Company for FY 2017-18.

## **10. AUDITORS' REPORT:**

The Auditors' Report on the Balance Sheet and Profit and Loss Account for the Year ending 31st March 2017 is self-explanatory and contains no qualification, reservations, adverse remarks and disclaimers.

## **11. CHANGE IN SHARE CAPITAL:**

During the fiscal year 2016-17, the Company had made the following allotments:

<b>S No</b>	<b>Name of Shareholders</b>	<b>Date of Allotment</b>	<b>Type of Share</b>	<b>No of Shares</b>
<b>1.</b>	N. Gurunath, Trustee of Samunnati Employees Stock Option Welfare Trust	30/01/2017	Equity Shares	6,794
<b>2.</b>	M/s. ELEVAR M-III	02/02/2017	CCPS	67,935
<b>3.</b>	M/s. RSM Associates	02/02/2017	CCPS	7,279
<b>4.</b>	Mr. Ramaraj Rajasekhar	02/02/2017	CCPS	7,279
<b>5.</b>	M/s. ECAP Equities Limited	02/02/2017	Equity Shares	14,557
<b>6.</b>	M/s. Accel India V (Mauritius) Ltd	27/02/2017	CCPS	1,93,999
<b>7.</b>	M/s. Accel India V (Mauritius) Ltd	27/02/2017	Equity Shares	100

The Company has not issued any Equity Shares with differential rights or Sweat Equity Shares during the fiscal year.

The Company's Authorized Capital was increased from Rs.90,00,000/- (Rupees Ninety Lakhs) divided into 5,00,000(Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and 4,00,000(Four Lakhs) Preference shares of Rs.10/- (Rupees Ten) to Rs.



1,50,00,000/- (Rupees One Crores Fifty Lakhs) divided into 7,50,000 (Seven Lakhs Fifty Thousand) equity shares of Rs.10 (Rupees Ten) each and 7,50,000 (Seven Lakhs Fifty Thousand) Preference shares of Rs.10 (Rupees Ten) each”.

## **12. EMPLOYEE STOCK OPTION PLAN:**

The Company Currently administers Employee Stock Option Plan 2015, through Samunnati Employees Stock Option Welfare Trust to motivate the Employees to contribute to the growth and profitability of the Company and to create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come.

During the year, the Company had approved the transfer of 419 Equity shares each to two Employees of the Company from Samunnati Employees Stock Option Welfare Trust, pursuant to the exercise of options granted under Employee Stock Option Plan 2015 of the Company.

Disclosures under Rule 12(9) (a) to (i) of the Companies (Share Capital and Debentures) Rules, 2014 is as below:

<b>Particulars</b>	<b>ASOP2015</b>
<b>Outstanding Options at the beginning of the year</b>	62,500
<b>Add Additional Allotment to ESOP Pool in FY 16-17</b>	6,794
<b>Options Granted (in 15-16 and 16-17)</b>	32,825
<b>2015-16</b>	23,325
<b>2016-17</b>	9,500
<b>Options Vested</b>	838
<b>Options Exercised</b>	838
<b>Total No. of Shares arising as a result of exercise of Option</b>	838
<b>Options Lapsed</b>	7,775
<b>Exercise Price (Weighted)</b>	10
<b>Variation of terms of options</b>	NIL
<b>Money realized by exercise of Options</b>	8,380
<b>Total No. of Options in force as on 31st Mar 2017</b>	44,244

## **13. NON – ACCEPTANCE OF DEPOSITS**

Your Company has not accepted any public deposits during the financial year 2016-17.

## **14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

In term of Section 134(3) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, requires the disclosures regarding conservation of Energy and Technology Absorption & Foreign Exchange Earnings and Outgo.

## **Conservation of Energy**

### **Samunnati initiatives – 2016/17**

Samunnati as a responsible entity (to create safer and Greener future) has taken up many energy conservation initiatives in the last fiscal year.

- Samunnati “Pay card” solution is an innovative step to avoid hard cash transactions between farmers and a merchant to purchase Agri inputs and sell the grown produce.
- Samunnati is linking buyers and sellers using online market linkage platforms like NCDEX and reducing the multiple movements of the produce thereby reducing transportation costs and abridged carbon emissions.
- The five new branches opened in the last year are fitted with LED lights and all the earlier branches are functioning with CFL bulbs. The head office (Stationed in IITMRP) in Chennai is having solar enabled power, recycled & reusable water and scientific treatment and disposal of wastes.
- Financial intermediations to the customers are happening through NEFT transfers and repayment of loans are mostly happening online through NACH option.
- Video conference based meetings, reviews, planning and learning sessions is a promising step towards tumbling carbon foot prints.
- SMS or text messages (Using Encore software) to customers about payment confirmation, loan balance and other advisory based services are avoiding customers’ visit to Samunnati branches.
- The above initiatives are just a beginning towards conserving energy and Samunnati is dedicated to preserve energy for the global cause.

During the year, the Company did not have any foreign currency earnings/outgo.

### **15. CORPORATE SOCIAL RESPONSIBILITY:**

Samunnati aims at enabling Agri value chains to operate at higher equilibriums and believes in Corporate Social Responsibility (CSR), though Section 135 of Companies act, 2013 is not applicable. It’s part of our values and guides us on how we operate. Being a good corporate citizen is the right thing to do and is good for business. We focus on efforts that support Indian agriculture, help our customers succeed, give back to the Value Chains and the Farmer Communities across the country and create a great employee experience. We support the development of a sustainable, competitive and innovative Indian agriculture and livestock industry by providing knowledge and education, and by supporting initiatives and forming partnerships that make the agriculture value chains stronger.

In the year, 2016-17, Samunnati has undertaken the below mentioned initiatives towards empowering producers and other agriculture value chain players:

As a unique initiative (Social Investment) towards empowering producers and other value chain players, Samunnati in collaboration with Assefa (NGO) opened an innovative learning centre called “Sarva Seva Samunnati Farms”.

Sarva Seva Samunnati Farms as a centre for Agriculture and allied activities has a reach for more than 10000 SMBT (Sarvodaya Mutual Benefit Trust) farmers in Pooriyampakkam and T Kallupatti blocks in Tamil Nadu. The core purpose of establishing the center is to demonstrate advanced technologies and practices thereby to validate the adaptability to the local conditions and to influence farmers to adopt such practices.

Sarva Seva Samunnati Farms has many innovative technologies and practices like hydroponics, Stevia (Natural sweetener crop) experimental plot, nursery, poultry, cattle farming, cold press, demonstration fields on fruits and vegetables, reverse osmosis unit and perennial demo crops (Mango, Coconut, Lemon, Drumstick etc.).

Sarva Seva Samunnati Farms has also carried out many extension (Trainings and exposures) programs for farmers and other value chain players to learn and adopt some of the best technologies & practices. The center is also planning to train rural youth (School or college dropouts) on Agriculture and allied subjects to influence them to take up rural based (Agri or allied) livelihoods as a life time profession. These education programs are also aimed at preventing migration of rural people.

#### **16. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Mahendran Balachandran, nominee, representing Accel India V (Mauritius) Ltd, has been inducted as an Additional Director, with effect from 17<sup>th</sup> March 2017 to hold office up to the date of next annual General Meeting of the Company.

Mr. CS Niranjan Chandrashekar, member of the Institute of Company Secretaries of India, has been appointed as a Company Secretary, with effect from 14<sup>th</sup> December 2016.

#### **17. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During 2016-17, Eleven (11) Board Meetings, were held on 12<sup>th</sup> April 2016, 20<sup>th</sup> June 2016, 7<sup>th</sup> September 2016, 14<sup>th</sup> December 2016, 28<sup>th</sup> January 2017 at 3.00 p.m., 28<sup>th</sup> January 2017 at 3.30 p.m. 30<sup>th</sup> January 2017 at 4.00 p.m., 30<sup>th</sup> January 2017 at 5.00 p.m., 2<sup>nd</sup> February 2017, 27<sup>th</sup> February 2017 and 17<sup>th</sup> March 2017.

#### **18. LIST OF COMMITTEES:**

The Company has constituted the following Committees to ensure best Corporate Governance practices: -

##### **1. AUDIT COMMITTEE - COMPOSITION**

- a) Mr. N Srinivasan – Chairperson
- b) Ms. Jyotsna Krishnan – Member
- c) Mr. S G Anil Kumar – Member

## 2. NOMINATION & REMUNERATION COMMITTEE - COMPOSITION

- a) Mr. N Srinivasan – Chairperson
- b) Ms. Jyotsna Krishnan –Member
- c) Mr. S G Anil Kumar – Member

### **19. NUMBER OF COMMITTEE MEETINGS:**

During 2016-17, the below committee meetings were held: -

- Four (4) Audit Committee meetings were held on 20<sup>th</sup> June 2016, 7<sup>th</sup> September 2016, 14<sup>th</sup> December 2016 and 17<sup>th</sup> March 2017.
- The Nomination and Remuneration Committee met for three (3) times on 20<sup>th</sup> June 2016, 28<sup>th</sup> January 2017 and 17<sup>th</sup> March 2017.

### **20. AUDIT COMMITTEE:**

The Company has Constituted an Audit and Risk Management Committee in Accordance with Section 177 Of The Companies Act 2013.

The Role of Audit Committee shall include the following;

- i. Oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. The recommendation for appointment, compensation and terms of appointment of auditors of the company and, if required, the replacement or removal of auditors and the fixation of audit fees.
- iii. Approval of payment to auditors for any other services rendered by the auditors.
- iv. Review and monitor the auditors' independence and performance and effectiveness of audit process
- v. Reviewing, with the management, the annual financial statements before submission to the board for approval, with reference to:
  - a. Changes, if any, in accounting policies and practices and reasons for the same.
  - b. Major accounting entries involving estimates based on the exercise of judgment by management.
  - c. Significant adjustments made in the financial statements arising out of audit findings
  - d. Disclosure of any related party transactions

- e. Qualifications in the draft audit report.
- vi. Examination of the financial statements and the auditors' report thereon before submission to the board for approval.
- vii. Valuation of undertakings or assets of the company, wherever it is necessary.
- viii. Discussion with internal auditors any significant findings and follow up there on.
- ix. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- x. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xi. To review risk management systems, their adequacy and make recommendations for improvement
- xii. To consider risk related MIS and reports and offer suggestions and recommendations to the board
- xiii. To recommend to board prudential limits on risk exposures in loans and investments portfolios
- xiv. To review functioning of the vigil mechanism, in case the same is existing.
- xv. Evaluation of internal financial controls
- xvi. approval or any subsequent modification of transactions of the company with related parties;
- xvii. scrutiny of inter-corporate loans and investments;
- xviii. Monitoring the end use of funds raised through private placement and public offers and related matters.
- XIX. Any other responsibility as may be assigned by the Board from time to time.

**21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

Not applicable as the Company is a Non-Banking Financial Company.

**22. CAPITAL ADEQUACY RATIO:**

The Capital Adequacy Ratio as on March 31, 2017 is 38.79%. The minimum Capital adequacy ratio prescribed by RBI is 15%.

### **23. REGULATORY COMPLIANCE**

The Company has complied with all the mandatory regulatory compliances as required under the Reserve Bank of India guidelines, the Companies Act, various tax statutes and other regulatory bodies.

### **24. RISKMANAGEMENT POLICY:**

Agriculture and agricultural finance encompasses the entire range of producers and target groups from small, family farm households to specialized, SME-type commercial farmers to large agricultural enterprises and agribusinesses. However, access to finance has been most severely limited for small farmers and – to a certain extent – for emerging commercial farmers and they become Samunnati’s primary target customers.

Banks and other financial institutions have been extremely reluctant to engage with small farmers or for that matter even commercial farmers, aggregators and other agriculture value chain actors – and even more so in agricultural finance – for many reasons. The remoteness of rural clients coupled with poor rural infrastructure and lack of their branch networks imply a high cost of service delivery and, as a result, profitability is assumed to be low. With its innovative value chain finance approach, thin branches and by using robust technology solutions Samunnati, in its first few months of operations has been able to prove that working with small farmers and other Agri value chain participants can be profitable.

We have a Risk Management and Internal Control process to identify, assess, monitor and manage the credit and operational risk in accordance with well define procedures.

Credit Committee have been constituted to oversee and approve the new products and business proposals and monitor the portfolio quality.

We have an independent credit function to handle different products. Operations and Credit process is centralized and technology-enabled.

### **25. RECEIPT OF ANY COMMISSION BY MD/WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION/REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:**

The company does not have any Managing director / whole time directors, hence the above provision does not apply to the company

### **26. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

Your company believes in providing a safe and harassment free workplace for every individual and endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year under review, your company has not received any complaints pertaining to sexual harassment.

## **27. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 134(3) (c) of the Companies Act 2013, the Directors, based on the representations received from the operating management after due enquiry, confirm that:

- a) In the preparation of the annual accounts for the fiscal year ended 31<sup>st</sup> March 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 as at 31<sup>st</sup> March 2017 and of the profit and loss of the Company for that period;
- c) The directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The Board of Directors have laid down internal Financial Controls to be followed by the Company and that such internal financial control is adequate and were operating effectively.

The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **28. PARTICULARS OF EMPLOYEES:**

The Company has no employee whose details to be disclosed as required under Section 197(12) of the act read with Rule 5(2) of the Companies (appointment and Remuneration of Managerial Personnel Rules, 2014.

## **29. EXTRACT OF ANNUAL RETURN**

Extract of the Annual Return as provided under 92(3) – MGT 9 is annexed under Annexure I of the report.



**30. RELATED PARTY TRANSACTIONS:**

Particulars of the related party transactions under Section 188(1) – AOC-2 are provided under Annexure II of the Report

**31. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

The Company has incorporated a wholly owned Subsidiary, Samunnati Agro Solutions Private Limited is offering trading facilities to Agri value chain players as part of the internal value chain finance. The information as required under the first proviso to Sub-Section (3) of Section 129 is given in Form AOC- 1 in Annexure III.

The Company has no associates or Joint Ventures.

**32. DECLARATION FROM INDEPENDENT DIRECTOR:**

The Independent Director have submitted a declaration of independence, as required pursuant to section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149(6). In the opinion of the Board, the ID fulfil the conditions specified in the Act and the rules made thereunder for appointment as ID and confirm that they are independent of the Management.

**33. DETAILS OF FRAUDS REPORTED BY THE STATUTORY AUDITORS:**

During the year under review, the Statutory Auditors of the Company have not reported any fraud as required under Section 143(12) of the CA 2013.

**34. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company has implemented a vigil mechanism to provide a framework for the Company's employees and Directors to promote responsible and secure whistle blowing.

**ACKNOWLEDGEMENT:**

On behalf of the Directors of the Company, I would like to place on record our deep appreciation to our Shareholders, Auditors, Customers, Bankers and Business Partners.

Last, but certainly not least, we appreciate and value the contributions made by all our employees.

**BY ORDER OF THE BOARD OF DIRECTORS  
SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**



Mrs K Seethalakshmi  
Director  
DIN: 01867616



Mr. S G Anil Kumar  
Director and CEO  
DIN: 01189011

PLACE: CHENNAI  
DATE: 21<sup>ST</sup> JUNE 2017

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March, 2017 of

**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I REGISTRATION AND OTHER DETAILS**

i) CIN	U65990TN2014PTC096252
ii) Name of the Company	SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED
Registered office address	Module 2-A, 6 <sup>th</sup> Floor, Block A, Phase II, IITM Research Park, Kanagam, Taramani Road, Chennai - 600113
E-mail ID	secretarial@samfin.in
Telephone No.	044-65654121
Website	www.samfin.in
iii) Date of Incorporation	23/06/2014

iv)	Type of company	Category of Company	Sub-Category of Company
	Private Limited company	Company Limited by shares	Indian Non-Government company

v) Details of Stock Exchange where shares are listed

NIL

Name, Address and Contact details of Registrar and Transfer Agent.

Integrated Registry Management Services Private Limited,  
2<sup>nd</sup> Floor, Kences Towers, No.1,  
Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 117.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

S. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Financing Activity (NBFC)	K 64990	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Samunnati Agro Solutions Private Limited	U74999TN2016PTC112925	Subsidiary	100	2(87)



## IV (A)

## (i) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others [Specify]	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	-	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>										
a) Bodies corporates	-	-	-	-	-	-	-	-	-	-
i) Indian	-	61142	61142	16.36%	-	75699	75699	19.15%	2.79%	-
ii) Overseas	-	100	100	0.027%	-	200	200	0.051%	0.024%	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	838	838	0.212%	0.212%	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others [ESOP Trust]	-	62500	62500	16.72%	-	68456	68456	17.32%	0.6%	-
<b>SUB TOTAL (B)(2):</b>		123,742	123,742	33.11%		145,193	145,193	36.73%	3.62%	-
<b>Total Public Shareholding</b>		123,742	123,742	33.11%		145,193	145,193	36.73%	3.62%	-
<b>(B)= (B)(1)+(B)(2)</b>										
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		373,742	373,742	100%	0	395,193	395,193	100%		

**(ii) SHARE HOLDING OF PROMOTERS (Equity Share Capital)**

S No	Shareholders' 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 of the Company	% of Shares pledged encumbered to total Shares	No of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total Shares	
1	S.G. Anil Kumar	245,000	65.55%	-	245,000	62.00%	-	(3.55)
2	K. Seetha Lakshmi	5,000	1.34%	-	5,000	1.27%	-	(0.07)
	<b>Total</b>	<b>250,000</b>	<b>66.89%</b>	<b>-</b>	<b>250,000</b>	<b>63.27%</b>	<b>-</b>	

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING (Equity Share Capital) ( Specify if there is no change)**

S No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	<b>250,000</b>	66.89%	<b>250,000</b>	66.89%
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	-	-	-	-
3	At the end of the year	<b>250,000</b>	63.27%	<b>250,000</b>	63.27%

*There has been no change in the shareholding of the promoters during the year. However, the percentage of Shareholding of promoters has come down due to further issue of the shares during the year.*

**(iv) Shareholding Pattern (Equity Share Capital) of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Accel India v (Mauritius) Ltd**	-	-	100	0.03%
2.	Elevar M-III	100	0.27%	100	0.03%
3.	ECAP Equities Limited**	61,142	16.36%	75,699	19.15%
4.	N.Gurunath, (Trustee of Samunnati Employee Stock Option Trust)** \$	62,500	16.72%	68,456	17.33%
5.	Ritesh Nair \$	-	-	419	0.11%
6.	Nitin \$	-	-	419	0.11%
	<b>TOTAL</b>	<b>123,742</b>	<b>33.35%</b>	<b>145,193</b>	<b>36.76%</b>

**\*\* Allotment of Shares \$ - Transfer of Shares**



(v) **Shareholding of Directors & KMP (Equity Share)**

S No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1</b>	<b>S.G. Anil Kumar</b>				
<b>(i)</b>	At the beginning of the year	<b>245,000</b>	65.55%	<b>245,000</b>	65.55%
<b>(ii)</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	-	-	-	-
<b>(iii)</b>	At the end of the year	<b>245,000</b>	62.00%	<b>245,000</b>	62.00%
<b>2</b>	<b>K. Seethalakshmi</b>				
<b>(i)</b>	At the beginning of the year	<b>5,000</b>	1.34%	<b>5,000</b>	1.34%
<b>(ii)</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	-	-	-	-
<b>(iii)</b>	At the end of the year	<b>5,000</b>	1.27%	<b>5,000</b>	1.27%



## IV (A)

## (i) SHAREHOLDING PATTERN (Preference Share capital Break up as % to total Preference)

Category of Shareholders	No. of Shares held at the beginning of the				No. of Shares held at the end of the				% change during the	
	year				year				year	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others [Specify]	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	-	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>										
a) Bodies corporates	-	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	224,086	224,086	78.56%	-	486,020	486,020	86.52%	7.96	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	61,142	61,142	21.44%	-	75,700	75,700	13.48%	-	(7.96)
c) Others	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>		285,228	285,228	100.00 %		561,720	561,720	100.00%		-
<b>Total Public Shareholding</b>										
<b>(B)= (B)(1)+(B)(2)</b>		285,228	285,228	100.00 %		561,720	561,720	100.00%		
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		285,228	285,228	100.00 %		561,720	561,720	100.00%		

**(iii) SHARE HOLDING OF PROMOTERS (Preference Share Capital)**

S No	Shareholders' 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 of the Company	% of Shares pledged encumbered to total Shares	No of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total Shares	
1	S.G. Anil Kumar	-	-	-	-	-	-	-
2	K. Seethalakshmi	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-

**(iv) CHANGE IN PROMOTERS' SHAREHOLDING (Preference Share Capital) ( Specify if there is no change)**

S No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	-	-	-	-
3	At the end of the year	-	-	-	-

*There has been no change in the shareholding of the promoters during the year. However, the percentage of Shareholding of promoters has come down due further issue of the shares during the year.*

**(v) Shareholding Pattern (Preference Share Capital) of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Accel India v (Mauritius) Ltd**	-	-	1,93,999	34.54
2.	Elevar M-III**	2,24,086	78.56	2,92,021	51.98
3.	RSM Associates **	30,571	10.72	37,850	6.74
4.	Ramaraj Rajasekhar**	30,571	10.72	37,850	6.74
	<b>TOTAL</b>	2,85,228	100	5,61,720	100

*\*\* Allotment of Shares \$ - Transfer of Shares*

(vi) **Shareholding of Directors & KMP (Preference Share)**

S No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1</b>	<b>S.G. Anil Kumar</b>				
(iv)	At the beginning of the year	-	-	-	-
(v)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	-	-	-	-
(vi)	At the end of the year	-	-	-	-
<b>2</b>	<b>S.G. Anil Kumar</b>				
(iv)	At the beginning of the year	-	-	-	-
(v)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	-	-	-	-
(vi)	At the end of the year	-	-	-	-

## V INDEBTEDNESS

<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	10,000,000		-	10,000,000
ii) Interest due but not paid	-		-	-
iii) Interest accrued but not due	-		-	-
<b>Total (i+ii+iii)</b>	<b>10,000,000</b>		<b>-</b>	<b>10,000,000</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	645,000,000		-	645,000,000
Reduction	90,720,022		-	(90,720,022)
<b>Net Change</b>	<b>554,279,978</b>		<b>-</b>	<b>554,279,978</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	564,279,978	-	-	564,279,978
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,120,753	-	-	3,120,753
<b>Total (i+ii+iii)</b>	<b>567,400,731</b>	<b>-</b>	<b>-</b>	<b>567,400,731</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director, Executive Director and/or Manager:**

<b>Sl.No</b>	<b>Particulars of Remuneration</b>	<b>Name of the MD/WTD</b>	<b>Total Amount</b>
		<b>NA</b>	
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	-	-
	<b>Ceiling as per the Act</b>	<b>NA</b>	



**B. REMUNERATION TO OTHER DIRECTORS****NIL**

<b>Sl.No</b>	<b>Particulars of Remuneration</b>	<b>NAME OF THE DIRECTOR</b>	<b>TOTAL AMOUNT</b>
1	<b>Independent Directors</b>		
	(a) Fee for attending board committee meetings		
	(b) Commission	-	-
	(c) Others, please specify	-	-
	<b>Total (1)</b>	-	-
2	<b>Other Non Executive Directors</b>		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify.		
	<b>Total (2)</b>		
	<b>Total (B)=(1+2)</b>		
	<b>Total Managerial Remuneration</b>		
	<b>Overall Cieling as per the Act.</b>		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

<b>Sl. No.</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>		<b>Total</b>
1	<b>Gross Salary</b>	<b>CEO - S.G. ANILKUMAR</b>	<b>Company Secretary – Niranjan Chandrashekar</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	65,24,000	2,19,600*	67,43,600
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
		-	-	-
	<b>Total</b>	<b>65,24,000</b>	<b>2,19,600*</b>	<b>67,43,600</b>

\*The remuneration of CS includes Remuneration received for the period December 2016 – 31<sup>st</sup> March 2017

VII PENALTIES/ PUNISHMENT /COMPOUNDING OF OFFENCES

NIL

Type	Section of the Companies Act	Brief Description	Details Of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

By order of the Board of Directors  
Samunnati Financial intermediation & services private limited

  
Mr. S G Anil Kumar  
Director and CEO  
DIN: 01189011

  
Mrs K Seethalakshmi  
Director  
DIN: 01867616

## Annexure II

### Form No. AOC -2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act,2013 including certain Arm's Length Transactions under third provision thereto.

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/arrangements /transactions	Justification for entering into such contracts or arrangements or transactions	Date of Approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General Meeting as required under first proviso to section 188
NIL						

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in Rs.)	Date of Approval by the Board	Amount paid as advances, if any
Employees of Samunnati Financial Intermediation & Services Private Limited and Samunnati Agro Solutions Private Limited	Deputation of the Employees of Samunnati Financial Intermediation & Services Private Limited, to it's wholly owned subsidiary, Samunnati Agro Solutions Private Limited	As per the agreement	An amount of Rs. 41,28,040/- (inclusive of Service Taxes, has been apportioned to the Company's wholly owned Subsidiary, Samunnati Agro Solutions Private Limited, as deputation charges	NA	NIL

**ANNEXURE - II****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.) –  
**NOT APPLICABLE**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the subsidiary	Samunnati Agro Solutions Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	14 <sup>th</sup> October 2016-31 <sup>st</sup> March 2017
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	Rs.1,00,000/-
5.	Reserves & surplus	Rs.(1,702,986)/-
6.	Total assets	Rs. 188,667,754/-
7.	Total Liabilities	Rs. 190,270,739/-
8.	Investments	NIL
9.	Turnover	Rs. 144,824,100/-
10.	Profit before taxation	Rs.(1,702,986)/-
11.	Provision for taxation	NIL
12.	Profit after taxation	Rs.(1,702,986)/-
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	<b>NA</b>
1. Latest audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	

Amount of Investment in Associates/Joint Venture	
Extent of Holding%	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**FOR WALKER CHANDIOK & CO LLP  
CHARTERED ACCOUNTANTS  
FRN: 001076N/N500013**

**FOR SAMUNNATI FINANCIAL INTERMEDIATION &  
SERVICES PRIVATE LIMITED**

**Sd-  
S G ANIL KUMAR**

**Sd-  
K SEETHALAKSHMI**

**Sd-  
NIRANJAN  
CHANDRASHEKARAN  
COMPANY SECRETARY**

**Sd-  
Partner: Sumesh E S  
M. No. : 206931**

**DIRECTOR  
DIN: 01189011**

**DIRECTOR  
DIN: 01867616**

Place: Chennai  
Date: 21<sup>st</sup> June 2017



Standalone financial statements and Independent auditor's report

Samunnati Financial Intermediation & Services Private Limited

31 March 2017

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
7th Floor, Prestige Polygon  
471, Anna Salai, Teynampet  
Chennai 600018  
India

T +91 44 4294 0000  
F +91 44 4294 0044

## Independent Auditor's Report

To the Members of Samunnati Financial Intermediation & Services Private Limited

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Samunnati Financial Intermediation & Services Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and



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perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, 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 so far as it appears from our examination of those books;
  - c. The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. 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 does not have any pending litigation which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. The Company, as detailed in Note 30 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Sumesh E S*  
per Sumesh E S  
Partner

Membership No.: 206931



Place: Chennai

Date: 21 June 2017

# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited, on the standalone financial statements for the year ended 31 March 2017

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) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to a company covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
  - (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular;
  - (c) there is no overdue amount in respect of loans granted to the company.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 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 Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
  - (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.



# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Samunnati Financial Intermediation & Services Private Limited, on the standalone financial statements for the year ended 31 March 2017

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures or borrowings from government during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has made private placement of equity shares and compulsorily convertible preference shares. In respect of the same, in our opinion, the company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though surplus funds which were not required for immediate utilization have been invested in liquid investments, payable on demand.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Suresh E S*  
per Suresh E S  
Partner

Membership No.: 206931



Place: Chennai

Date: 21 June 2017



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Balance sheet**

	Note	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	8,885,020	5,964,700
Reserves and surplus	4	360,953,495	141,151,384
		<u>369,838,515</u>	<u>147,116,084</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	357,052,152	3,333,328
Long-term provisions	7	1,461,725	1,079,463
		<u>358,513,877</u>	<u>4,412,791</u>
<b>Current liabilities</b>			
Short-term borrowings	6	36,870,782	-
Short-term provisions	7	14,395,605	178,096
Other current liabilities	8	186,410,737	34,559,795
		<u>237,677,124</u>	<u>34,737,891</u>
<b>Total</b>		<u><b>966,029,516</b></u>	<u><b>186,266,766</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	11,223,560	7,313,017
Intangible assets	10	468,566	78,357
Intangible assets under development		800,000	160,300
Non-current investments	11	100,000	-
Receivables from financing activity	12	79,225,314	-
Long-term loans and advances	13	10,655,396	1,604,770
Other non-current assets	14	20,500,000	1,500,000
		<u>122,972,836</u>	<u>10,656,444</u>
<b>Current assets</b>			
Trade receivables	15	7,333,468	2,559,239
Cash and bank balances	16	178,657,572	170,266,373
Receivables from financing activity	12	505,118,987	-
Short-term loans and advances	13	127,835,243	1,637,080
Other current assets	17	24,111,410	1,147,630
		<u>843,056,680</u>	<u>175,610,322</u>
<b>Total</b>		<u><b>966,029,516</b></u>	<u><b>186,266,766</b></u>

**Notes 1 to 34 form an integral part of these financial statements**

This is the balance sheet referred to in our report of even date

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP  
Chartered Accountants

per Suresh E S  
Partner  
Membership No: 206931



For and on behalf of the Board of Directors of  
Samunnati Financial Intermediation & Services Private Limited

*S G Anil Kumar*  
S G Anil Kumar  
Director  
DIN: 01189011

*K Seethalakshmi*  
K Seethalakshmi  
Director  
DIN: 01867616

*Niranjan Chandrashekar*  
Niranjan Chandrashekar  
Company Secretary

Place: Chennai  
Date: 21 June 2017

Place: Chennai  
Date: 21 June 2017



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Statement of profit and loss**

	Notes	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
<b>Revenue</b>			
Revenue from operations	18	83,638,281	13,295,655
Other income	19	16,213,090	-
<b>Total revenue</b>		<b>99,851,371</b>	<b>13,295,655</b>
<b>Expenses</b>			
Purchases of traded goods	20	13,080,935	-
Employee benefits expense	21	65,057,980	34,797,668
Finance costs	22	36,980,611	358,128
Depreciation and amortisation expense	23	2,013,914	724,811
Other expenses	24	58,522,456	17,947,369
<b>Total expenses</b>		<b>175,655,896</b>	<b>53,827,976</b>
<b>Loss for the period</b>		<b>(75,804,525)</b>	<b>(40,532,321)</b>
<b>Earnings per equity share</b>			
- Basic (₹)	27	(200.97)	(129.59)
- Diluted (₹)		(200.97)	(129.59)

**Notes 1 to 34 form an integral part of these financial statements**

This is the statement of profit and loss referred to in our report of even date

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP  
Chartered Accountants

per Suresh E S  
Partner  
Membership No: 206931



For and on behalf of the Board of Directors of  
**Samunnati Financial Intermediation & Services Private Limited**

*S G Anil Kumar*  
S G Anil Kumar  
Director  
DIN: 01189011

*K Seethalakshmi*  
K Seethalakshmi  
Director  
DIN: 01867616

*C.S. Nr*

**Niranjan Chandrashekar**  
Company Secretary

Place: Chennai  
Date: 21 June 2017

Place: Chennai  
Date: 21 June 2017





**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Cash flow statement**

	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
<b>A. Cash flow from operating activities</b>		
Loss for the period	(75,804,525)	(40,532,321)
<b>Add: Adjustments for</b>		
Interest income on deposits *	-	(4,756,204)
Interest expenses *	-	255,070
Gratuity and leave encashment expenses	259,432	1,079,463
Employee stock option expense	1,487,028	-
Depreciation and amortization expense	2,013,914	724,811
Loss on sale of fixed assets	286,202	-
Provision for first loss in relation to loan servicing arrangement	11,116,139	178,096
Provision against standard assets	2,905,699	-
Provision against non-performing assets	318,501	-
Interest on loan to subsidiary	(2,487,764)	-
<b>Operating loss before working capital changes</b>	<b>(59,905,374)</b>	<b>(43,051,085)</b>
(Decrease)/increase in other liabilities	(15,300,264)	20,223,140
(Increase) in trade receivables	(4,774,229)	(1,545,935)
(Increase) in receivables from financing activity	(584,344,301)	-
(Increase) in loans and advances	(6,338,491)	(1,245,821)
(Increase) in other assets	(20,476,016)	-
<b>Cash used in operating activities</b>	<b>(691,138,675)</b>	<b>(25,619,701)</b>
Income taxes paid	(1,559,716)	(1,248,570)
<b>Net cash used in operating activities</b>	<b>(692,698,391)</b>	<b>(26,868,271)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets including movement in capital work-in-progress and capital advances	(7,309,409)	(6,706,667)
Proceeds from sale of tangible assets	454,253	-
Movement in deposits with banks and financial institutions	4,695,662	(79,707,124)
Investment in subsidiary	(100,000)	-
Loans and advances to subsidiary	(129,128,040)	-
Interest income on deposits *	-	3,753,615
<b>Net cash used in investing activities</b>	<b>(131,387,534)</b>	<b>(82,660,176)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	301,732,058	162,105,598
Share issue expenses	(2,960,002)	(2,229,980)
Proceeds from borrowings	655,000,000	10,000,000
Repayment of borrowings	(97,599,270)	(3,439,913)
Interest expenses *	-	(255,070)
<b>Net cash generated from financing activities</b>	<b>856,172,786</b>	<b>166,180,635</b>
<b>Net increase in cash and cash equivalents</b>	<b>32,086,861</b>	<b>56,652,188</b>
Cash and cash equivalents as at the beginning of the year	92,059,249	35,407,061
<b>Cash and cash equivalents as at the end of the year</b>	<b>124,146,110</b>	<b>92,059,249</b>

\*Interest income on deposits and interest expenses are considered as operating activities in the current year due to commencement of NBFII operations



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Cash flow statement**

	Year ended 31 March 2017	Year ended 31 March 2016
	In ₹	In ₹

**Notes:**

Cash and cash equivalents comprises of (Also, refer note 16) :-

Cash on hand	524,340	3,734
Balances with banks		
- in current accounts	123,621,770	24,606,226
- in deposit accounts (with original maturity upto three months)	-	67,449,289
	<b>124,146,110</b>	<b>92,059,249</b>

This is the cash flow statement referred to in our report of even date

*Walker Chandiook & Co LLP*

For **Walker Chandiook & Co LLP**  
Chartered Accountants

per *Suresh E S*  
Partner  
Membership No: 206931



For and on behalf of the Board of Directors of  
**Samunnati Financial Intermediation & Services Private Limited**

*S G Anil Kumar*  
S G Anil Kumar  
Director  
DIN: 01189011

*K Seethalakshmi*  
K Seethalakshmi  
Director  
DIN: 01867616

*Niranjan Chandrashekar*  
Niranjan Chandrashekar  
Company Secretary

Place: Chennai  
Date: 21 June 2017

Place: Chennai  
Date: 21 June 2017



## SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

### Summary of significant accounting policies and other explanatory information

#### 1.1 General information

All amounts in the financial statements are presented in Indian Rupees except share data and as otherwise stated. Figures for the previous period have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year.

#### 1.2 Company Overview

Samunnati Financial Intermediation & Services Private Limited ('the Company') is an Non-Banking Financial Institution (NBFI) incorporated on 23 June 2014. The Company has received Certificate of Registration dated 25 February 2016 from the Reserve Bank of India to carry on the business of Non-Banking Financial Institution without accepting deposits. The Company provides secured and unsecured loans to farmers, farmer producer organisations, community based organizations and Agri-enterprises. The Company commenced active NBFI operations from the month of July 2016. The figures for the previous year represents loan servicing operations for the full year and are therefore not strictly comparable.

### 2 Summary of accounting policies

#### 2.1 Basis of accounting

The financial statements are prepared under the historic cost convention on accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, (to the extent notified and applicable). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures of contingent liabilities as at the date of the financial statements and reported amounts of revenue and expenses for the year. The key estimates made by the Company in preparing these financial statements comprise future obligations under employee retirement benefit plans, sufficiency of future taxable income for recognition of deferred tax assets, provision for loan losses, provision for doubtful accounts and the useful lives of fixed assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### 2.3 Fixed assets

Tangible assets are stated at acquisition cost less accumulated depreciation and impairment losses, if any. Cost of acquisition comprises of purchase price and directly attributable costs of bringing the asset to its working condition for the intended use and is net of refundable duties and taxes as applicable. Cost of assets not ready for the intended use before such date is disclosed as capital work in progress. Subsequent expenditure incurred on an item of tangible asset is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on assets is provided on straight line method over its estimated useful life prescribed under Schedule II of the Companies Act, 2013. Leasehold improvements are amortized over the estimated useful lives or the remaining primary lease period, whichever is less.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment, if any. Software is stated at cost less accumulated amortization and are being amortised on a straight line basis over the estimated useful life.

The amortisation period and method are reviewed at each balance sheet date. If the expected useful life of the asset is significantly different from the previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the method of amortisation is changed to reflect the changed pattern. Such changes are accounted in accordance with Accounting Standard (AS) 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.



#### **2.4 Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's or cash generating unit's net selling price and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows from continuing use that are largely independent of those from other assets or group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and previously recognized impairment loss is accordingly reversed in the statement of profit and loss.

#### **2.5 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the collectibility is reasonably assured.

Interest on loans is recognised on accrual basis (Internal rate of return/IRR), except in the case of Non Performing Assets ("NPAs"), where interest is recognised upon realisation as per RBI guidelines.

Interest income on deposits with banks and financial institutions is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Loan processing fees is accounted up-front as and when it becomes due.

Service fee is recognized on accrual basis in accordance with terms of the agreement.

Revenue from sale of agricultural products is recognised on transfer of ownership. Sales are net of returns and excludes sales tax.

#### **2.6 Taxation**

Provision for tax for the year comprises current income tax and deferred tax. Provision for current income tax is made based on the estimated tax liability in accordance with the relevant tax rates and tax laws.

Current tax is payable on taxable profits, which differ from profit or loss in the financial statements. Current tax is computed based on tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed by the Company at each balance sheet date and the carrying amount of a deferred tax asset is written down to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

The Company offsets deferred tax assets and deferred tax liabilities if the Company has a legally enforceable right to set off assets against liabilities representing current tax.

In computing current taxes the Company takes into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. In cases wherever the tax liability computed as per above is less than the Minimum Alternate Tax, the Company is liable to pay the Minimum Alternate Tax (MAT), in accordance with Section 115JB of the Income Tax Act, 1961. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there the recoverable amount subject to a maximum of depreciated historical cost and previously recognized impairment lo

#### **2.7 Contingent liabilities and provisions**

A provision is recognized when the Company has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources





## SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

### Summary of significant accounting policies and other explanatory information

#### 2.8 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for effects of all dilutive potential equity shares.

#### 2.9 Leases

Leases where the lessor effectively retains substantially, all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### 2.10 Borrowing costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds. Borrowing costs incurred in connection with arrangement of borrowings is amortized over the tenure of the respective loans on a straight line basis.

#### 2.11 Securities issue expenses

Securities issue expenses and redemption premium, if any, are adjusted against the securities premium account as permissible under Act, to the extent balance is available for utilisation in the securities premium account.

#### 2.12 Employee benefits

**Defined contribution plan:** The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. Contributions to provident fund are charged to the statement of profit and loss on accrual basis.

**Defined benefit plan:** The Company provides gratuity, a defined benefit retirement plan covering eligible employees. The Company provides the gratuity benefit through annual contribution to a fund. Liabilities related to the gratuity plan are determined by an independent actuarial valuation carried out using projected unit credit method as at the balance sheet date. Actuarial gain or loss is recognized immediately in the statement of profit and loss.

#### 2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated based on the available information. Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 2.14 Classification and provisioning of loan assets

The loans are classified and provided based on management's estimates which are more prudent than the classification and provision norms required as per "Non-Banking Financial Company - Non Systematically Important Non-Deposit taking Company (ReserveBank) Directions, 2016, Master Direction DNBR.PD.007/03.10.119/2016-17, dated 1 September 2016, (as amended) issued by the RBI.

Asset classification	Installment due for a period	Provision %
Standard	Less than or equal to 90 Days	0.5%
Sub standard	Between 91 days and less than or equal to 360 days	10%
Doubtful	Between 361 days and less than or equal to 540 days	20%
Loss/Write Off	541 days and above	100%



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	As at 31 March 2017		As at 31 March 2016	
	Number	₹	Number	₹
<b>3 Share capital</b>				
<b>Authorised</b>				
Equity shares of ₹ 10 each	750,000	7,500,000	500,000	5,000,000
Compulsorily Convertible Preference shares of ₹ 10 each	750,000	7,500,000	400,000	4,000,000
	<b>1,500,000</b>	<b>15,000,000</b>	<b>900,000</b>	<b>9,000,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	395,193	3,951,930	373,742	3,737,420
Less: Amount recoverable from Samunnati ESOP Welfare Trust -(Refer note g)	(68,411)	(684,110)	(62,500)	(625,000)
Series A1 - Compulsorily convertible preference shares of ₹ 10 each	98,585	985,850	98,585	985,850
Series A2 - Compulsorily convertible preference shares of ₹ 10 each	125,501	1,255,010	125,501	1,255,010
Series A3 - Compulsorily convertible preference shares of ₹ 10 each	61,142	611,420	61,142	611,420
Series B - Compulsorily convertible preference shares of ₹ 10 each	276,492	2,764,920	-	-
	<b>888,502</b>	<b>8,885,020</b>	<b>596,470</b>	<b>5,964,700</b>
<b>a) Reconciliation of equity share capital</b>				
Balance at the beginning of the year	373,742	3,737,420	312,600	3,126,000
Issued during the year	21,451	214,510	61,142	611,420
Balance at the end of the year	<b>395,193</b>	<b>3,951,930</b>	<b>373,742</b>	<b>3,737,420</b>
<b>b) Reconciliation of preference share capital</b>				
<b>Series A1 - Compulsorily convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	98,585	985,850	98,585	985,850
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>98,585</b>	<b>985,850</b>	<b>98,585</b>	<b>985,850</b>
<b>Series A2 - Compulsorily convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	125,501	1,255,010	-	-
Issued during the year	-	-	125,501	1,255,010
Outstanding at the end of the year	<b>125,501</b>	<b>1,255,010</b>	<b>125,501</b>	<b>1,255,010</b>
<b>Series A3 - Compulsorily convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	61,142	611,420	-	-
Issued during the year	-	-	61,142	611,420
Outstanding at the end of the year	<b>61,142</b>	<b>611,420</b>	<b>61,142</b>	<b>611,420</b>
<b>Series B - Compulsorily convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	-	-	-	-
Issued during the year	276,492	2,764,920	-	-
Outstanding at the end of the year	<b>276,492</b>	<b>2,764,920</b>	<b>-</b>	<b>-</b>
<b>c) Shareholders holding more than 5% of the aggregate shares in the company</b>	<b>Number</b>	<b>% of holding</b>	<b>Number</b>	<b>% of holding</b>
<b>Equity shares of ₹ 10 each</b>				
S G Anil Kumar	245,000	62.00%	245,000	64.22%
Samunnati ESOP Welfare Trust	68,411	17.31%	62,500	16.72%
Ecap Equities Limited	61,142	15.47%	61,142	16.36%
<b>Series A1 - Compulsorily convertible preference shares of ₹ 10 each</b>				
Elevar M - III	98,585	100.00%	98,585	100.00%
<b>Series A2 - Compulsorily convertible preference shares of ₹ 10 each</b>				
Elevar M - III	125,501	100.00%	125,501	100.00%
<b>Series A3 - Compulsorily convertible preference shares of ₹ 10 each</b>				
RSM Associates	30,571	50.00%	30,571	50.00%
P Ramaraj	30,571	50.00%	30,571	50.00%
<b>Series B - Compulsorily convertible preference shares of ₹ 10 each</b>				
Elevar M - III	61,142	100.00%	-	-
Accel India V (Mauritius) Ltd	193,999	70.16%	-	-



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

d) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back since incorporation of the Company.

**e) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, excluding interim dividend, is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

**f) Terms and rights attached to preference shares**

The Company has issued Series A1, A2, A3 and B compulsorily convertible preference shares having a face value of ₹ 10 per share. At the option of the holders, these shares, either in whole or in part, may be converted into equity shares before the expiry of 19 years from the issuance of such compulsorily convertible preference shares. Each holder of the compulsorily convertible preference shares is entitled to one vote per share. Dividend on each compulsorily convertible preference shares is 0.01% per annum, subject to cash flow solvency, and such dividend shall be a preferred dividend. In the event of liquidation of the Company, the holders of compulsorily convertible preference shares shall have a preference over other share holders of the Company.

g) The Company has given an interest and collateral free loan to an Employee Stock Option Trust ("Samunnati Employee Stock Option Plan Welfare Trust" or "ESOP Trust") to provide financial assistance for purchase of equity shares of the Company under Employee Stock Option Scheme. The Company has established ESOP Trust to which the stock options issuable have been transferred. The amount recoverable from the ESOP Trust has been reduced from issued share capital (to the extent of face value) and from securities premium (to the extent of premium on shares).

	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>4 Reserves and surplus</b>		
<b>a) Securities premium reserve</b>		
Balance at the beginning of the year	194,305,958	36,908,190
Add : Additions made during the year	298,811,738	159,627,748
Less : Utilised towards share issue expenses	(2,960,002)	(2,229,980)
	490,157,694	194,305,958
Less: Amount recoverable from Samunnati ESOP Welfare Trust (Refer note 3(g))	(1,732,128)	-
Balance at the end of the year	<b>488,425,566</b>	<b>194,305,958</b>
<b>b) Stock options outstanding account</b>		
Balance at the beginning of the year	-	-
Add : Share based compensation for the year	1,487,028	-
Balance at the end of the year	<b>1,487,028</b>	-
<b>Deficit in the statement of profit and loss</b>		
Balance at the beginning of the year	(53,154,574)	(12,622,253)
Add: Transferred from statement of profit and loss	(75,804,525)	(40,532,321)
Balance at the end of the year	<b>(128,959,099)</b>	<b>(53,154,574)</b>
	<b>360,953,495</b>	<b>141,151,384</b>



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>5 Long-term borrowings</b>		
<b>Secured</b>		
Term loans (Also, refer note 31)		
From parties other than banks	527,409,195	10,000,000
	<u>527,409,195</u>	<u>10,000,000</u>
Less: Amounts disclosed as other current liabilities (Refer note 8)		
Current maturities of long term borrowings		
From parties other than banks	(170,357,043)	(6,666,672)
	<u>357,052,152</u>	<u>3,333,328</u>

**6 Short-term borrowings**

**Secured**

Term loans (Also, refer note 31)

From parties other than banks

36,870,782

-

36,870,782

-

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
	In ₹	In ₹	In ₹	In ₹
<b>7 Provisions</b>				
Provision for employee benefits (Refer note 9)	1,338,895	-	1,079,463	-
Provision against standard assets	120,829	2,784,870	-	-
Provision against non-performing assets	2,001	316,500	-	-
Provision for loss loans	-	11,294,235	-	178,096
	<u>1,461,725</u>	<u>14,395,605</u>	<u>1,079,463</u>	<u>178,096</u>

	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>Movement in</b>		
<b>(i) Provision against standard assets</b>		
Opening balance	-	-
Add: Provision made during the year	2,905,699	-
	<u>2,905,699</u>	-
<b>(ii) Provision against non-performing assets</b>		
Opening balance	-	-
Add: Provision made during the year	318,501	-
	<u>318,501</u>	-
<b>(iii) Provision for loss loans</b>		
Opening balance	178,096	-
Add: Provision made during the year	15,977,183	178,096
Less: Provision utilised	(4,861,044)	-
	<u>11,294,235</u>	<u>178,096</u>

**8 Other current liabilities**

Current maturities of long-term debt (Also, refer note 5)

170,357,043

6,666,672

Interest accrued but not due on borrowings

3,120,753

-

Payables towards loan servicing arrangement

1,398,599

21,603,390

Creditor for capital goods

458,742

118,660

Employee related payables

2,821,533

1,006,613

Creditors for expenses

6,069,682

4,306,622

Statutory dues payable

2,184,385

857,838

180,410,757

31,539,795





**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED****Summary of significant accounting policies and other explanatory information****9 Employee benefits****i) Gratuity**

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (“the Gratuity Plan”) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. The Company does not maintain any plan assets to fund its obligation towards gratuity liability.

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation. The Company provides for gratuity liability under the provisions of the Payment of Gratuity Act, 1972 from financial year 2015-16.

	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	609,324	-
Service cost	638,057	453,107
Interest cost	47,527	-
Past service cost	-	156,217
Actuarial gain	(208,751)	-
<b>Projected benefit obligation at the end of the year (unfunded)</b>	<b>1,086,157</b>	<b>609,324</b>

**Assumptions used**

Discount rate	6.90%	7.80%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	16.00%	12.00%

**ii) Compensated absences**

The Company permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences.

**Principal actuarial assumptions used :**

Discount rate	6.90%	7.80%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	16.00%	12.00%



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

**10 Fixed assets**

	Tangible assets						Intangible assets
	Furniture and fittings	Office equipment	Computers and accessories	Vehicles	Leasehold improvements	Total	Software
<b>In ₹</b>							
<b>Gross Block</b>							
As at 31 March 2015	842,480	289,533	377,632	-	-	1,509,645	-
Additions	3,051,370	765,671	1,992,986	775,000	-	6,585,027	80,000
As at 31 March 2016	3,893,850	1,055,204	2,370,618	775,000	-	8,094,672	80,000
Additions	1,030,765	1,695,051	1,102,416	2,007,234	736,520	6,571,986	483,135
Disposals	-	(101,043)	(63,750)	(775,000)	-	(939,793)	-
As at 31 March 2017	4,924,615	2,649,212	3,409,284	2,007,234	736,520	13,726,865	563,135
<b>Accumulated depreciation and amortisations</b>							
As at 31 March 2015	3,090	21,110	34,287	-	-	58,487	-
Charge for the year	159,897	123,995	366,528	72,748	-	723,168	1,643
As at 31 March 2016	162,987	145,105	400,815	72,748	-	781,655	1,643
Charge for the year	402,813	323,667	1,018,024	163,440	13,044	1,920,988	92,926
Reversal on disposal of assets	-	(47,950)	(20,806)	(130,582)	-	(199,338)	-
As at 31 March 2017	565,800	420,822	1,398,033	105,606	13,044	2,503,305	94,569
<b>Net Block</b>							
As at 31 March 2016	3,730,863	910,099	1,969,803	702,252	-	7,313,017	78,357
As at 31 March 2017	4,358,815	2,228,390	2,011,251	1,901,628	723,476	11,223,560	468,566

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**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>11 Non-current investments (Trade investments)</b>		
Valued at cost unless stated otherwise		
Investments in equity instruments of Wholly -owned Subsidiary		
-Unquoted		
Samunnati Agro Solutions Private Limited		
10,000 equity shares of ₹ 10 each	100,000	-
	<u>100,000</u>	<u>-</u>

	As at 31 March 2017		As at 31 March 2016	
	Non-current In ₹	Current In ₹	Non-current In ₹	Current In ₹
<b>12 Receivables from financing activity</b>				
(Secured, considered good)				
<b>Standard assets</b>				
- Disbursed as NBFIs	53,687,250	335,385,280	-	-
<b>Non-performing assets</b>				
- Disbursed as NBFIs	-	126,490	-	-
	<u>53,687,250</u>	<u>335,511,770</u>	<u>-</u>	<u>-</u>
(Unsecured, considered good)				
<b>Standard assets</b>				
- Disbursed as NBFIs	25,518,850	159,466,359	-	-
- Out of assignment transactions	-	7,101,551	-	-
<b>Non-performing assets</b>				
- Disbursed as NBFIs	-	436,404	-	-
- Out of assignment transactions	19,214	2,602,903	-	-
	<u>25,538,064</u>	<u>169,607,217</u>	<u>-</u>	<u>-</u>
	<u>79,225,314</u>	<u>505,118,987</u>	<u>-</u>	<u>-</u>

	As at 31 March 2017		As at 31 March 2016	
	Long-term In ₹	Short-term In ₹	Long-term In ₹	Short-term In ₹
<b>13 Loans and advances</b>				
(Unsecured, considered good)				
Security deposits	3,531,200	586,000	168,000	1,181,795
Capital advances	37,870	-	83,200	-
Balances with government authorities	-	607,179	-	272,289
Tax deducted at source receivable	2,808,286	-	1,248,570	-
Employee advances	-	172,416	-	166,496
Prepaid expenses	-	1,303,578	-	-
Other advances	45,000	166,070	-	16,500
Loans and advances to subsidiary * (Also, refer note 28(b) and (c))	4,128,040	125,000,000	-	-
Loans to Samunnati ESOP Welfare Trust	105,000	-	105,000	-
	<u>10,655,396</u>	<u>127,835,243</u>	<u>1,604,770</u>	<u>1,637,080</u>

\* The Company has advanced loans amounting to ₹125,000,000 (interest was charged at 16.5% - 18%) to Samunnati Agro Solutions Private Limited for working capital purposes repayable within one year from the date of disbursement.

₹4,128,040 pertains to recharge of salary costs to Samunnati Agro Solutions Private Limited which is not expected to be collected in next one year.

	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>14 Other non-current assets</b>		
Deposits held with financial institutions	20,500,000	1,500,000
	<u>20,500,000</u>	<u>1,500,000</u>



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>15 Trade receivables</b>		
(Unsecured, considered good)		
Outstanding for a period not exceeding six months		
Loan service fee receivable	5,993,386	1,013,304
Receivable towards trading activity	1,340,082	1,545,935
	<u>7,333,468</u>	<u>2,559,239</u>
<b>16 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	524,340	3,734
Balances with banks		
- in current accounts	123,621,770	24,606,226
- in deposit account (with original maturity upto 3 months)	-	67,449,289
	<u>124,146,110</u>	<u>92,059,249</u>
<b>Other bank balances</b>		
Bank deposits with remaining maturity upto 12 months*	54,511,462	78,207,124
	<u>54,511,462</u>	<u>78,207,124</u>
	<u>178,657,572</u>	<u>170,266,373</u>
*Includes ₹ 8,670,000 (Previous year-Nil) held as security against borrowings and other commitments		
<b>17 Other current assets</b>		
Interest accrued but not due on		
- Bank deposits	2,226,522	1,147,630
- Receivables from financing activity	9,615,019	-
- Loans to subsidiary (Also, refer note 28(c))	2,487,764	-
Unamortised finance costs	7,297,118	-
Others	2,484,987	-
	<u>24,111,410</u>	<u>1,147,630</u>

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**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
<b>18 Revenue from operations</b>		
Interest income on		
- Loans given	59,716,795	-
- Deposits with banks and financial institutions	4,137,781	4,756,204
Loan processing fee	4,452,972	-
Loan servicing fees	15,031,763	7,887,018
Other operating income	298,970	652,433
	<b>83,638,281</b>	<b>13,295,655</b>
<b>19 Other income</b>		
Sale of agricultural products	13,668,659	-
Interest on loan to subsidiary (Also, refer note 28(b))	2,487,764	-
Miscellaneous income	56,667	-
	<b>16,213,090</b>	<b>-</b>
<b>20 Purchases of traded goods</b>		
Purchase of agricultural products	13,080,935	-
	<b>13,080,935</b>	<b>-</b>
<b>21 Employee benefits expense</b>		
Salaries and wages	58,969,327	31,267,430
Gratuity and leave encashment expenses (Refer note 9)	259,432	1,079,463
Contribution to provident and other funds	2,705,749	1,124,928
Employee stock option expense	1,487,028	-
Staff welfare expenses	1,636,444	1,325,847
	<b>65,057,980</b>	<b>34,797,668</b>
<b>22 Finance costs</b>		
Interest expenses	35,109,442	255,070
Other borrowing costs	1,871,169	103,058
	<b>36,980,611</b>	<b>358,128</b>
<b>23 Depreciation and amortisation expense</b>		
Depreciation on tangible assets (Refer note 10)	1,920,988	723,168
Amortisation on intangible assets (Refer note 10)	92,926	1,643
	<b>2,013,914</b>	<b>724,811</b>
<b>24 Other expenses</b>		
Provision for loss loans in loan servicing arrangement	15,977,183	178,096
Provision against standard assets	2,905,699	-
Provision against non-performing assets	318,501	-
Power and fuel	287,946	92,889
Rent (Also, refer note 29)	3,232,009	1,216,164
Repairs and maintenance - others	1,194,173	342,072
Insurance	106,696	153,651
Rates and taxes	365,160	262,843
Travelling and conveyance	9,488,501	3,891,372
Legal and professional charges	10,965,297	6,517,621
Payments to auditors (Also, refer note 25)	1,164,200	903,800
Communication and technology expenses	8,777,545	3,850,104
Expenditure relating to trading activities	1,561,734	-
Printing and stationery	477,374	747,480
Loss on sale of fixed assets	286,202	-
Miscellaneous expenses	1,414,736	296,277
	<b>58,522,456</b>	<b>17,947,369</b>



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
<b>25 Payments to auditors (excluding service tax)</b>		
Statutory audit	1,150,000	900,000
Out of pocket expenses	14,200	3,800
	<b>1,164,200</b>	<b>903,800</b>

**26 Payables to micro and small enterprises**

Based on the information available with the Company, as at 31 March 2017 and 31 March 2016, there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

**27 Earnings per equity share**

Loss after tax (in ₹)	(75,804,525)	(40,532,321)
Less: Preference dividend (in ₹)	-	-
Profit attributable to equity shareholders (in ₹)	(75,804,525)	(40,532,321)
Weighted average number of equity shares in calculating basic EPS	377,200	312,768
Add: Effect of dilutive potential equity shares *	561,720	285,228
Weighted average number of equity shares in calculating diluted EPS	938,920	597,996
Earnings per equity share (In ₹)		
- Basic	(200.97)	(129.59)
- Diluted	(200.97)	(129.59)

\* in view of losses incurred during the period, potential equity shares are anti-dilutive in nature

**28 Related party disclosures**

As per the requirement of Accounting Standard 18, on related party disclosures, the name of the related parties with the description of the relationships and transactions between a reporting enterprise and its related parties, as identified and certified by the management are:

**a) Names of related parties and nature of relationship**

Name of relationship	Name of related party
Key management personnel (KMP)	S G Anil Kumar- Managing Director
Entity in which KMP has significant influence	Samunnati ESOP Welfare Trust
Wholly owned subsidiary	Samunnati Agro Solutions Private Limited

**b) Related party transactions**

Nature of transactions	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
<b>S G Anil Kumar</b>		
Advances received	-	200,000
Remuneration *	4,742,463	4,545,000
Reimbursement of expenses	118,660	63,660
Purchase of fixed assets	-	775,000
Advances repaid	-	5,597,645
<b>Samunnati Agro Solutions Private Limited</b>		
Loans given	125,000,000	-
Interest income on loans given	2,487,764	-
Advances provided	4,128,040	
<b>Samunnati ESOP Welfare Trust</b>		
Loans given	1,791,238	730,000
Shares subscribed including premium	1,791,238	625,000

\* The amount excludes provision for gratuity of the year, which is determined for the Company as a whole on actuarial basis.





**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

**c) Balance at the end of the period**

Particulars	As at	As at
	31 March 2017	31 March 2016
	In ₹	In ₹
<b>S G Anil Kumar</b>		
Reimbursements of expenses	54,530	118,660
<b>Samunnati Agro Solutions Private Limited</b>		
Loans and advances	129,128,040	-
Interest accrued on loans given	2,487,764	-
<b>Samunnati ESOP Welfare Trust</b>		
Advances given	2,521,238	730,000

**29 Disclosure in respect of non-cancellable operating leases**

The Company has entered into operating lease agreements for its office premises. These leases expire over various periods and are further renewable at the mutual consent of the Company and the lessor. The lease agreements carry an escalation in the range of 5% to 20% on the rent payable at the end of pre-determined periods, from the date of entering into the lease agreements.

**Payments falling due**

	As at	As at
	31 March 2017	31 March 2016
	In ₹	In ₹
Payable not later than 1 year	3,094,916	453,400
Payable later than 1 year not later than five years	3,648,582	921,560
Payable later than 5 years	-	-
<b>Total</b>	<b>6,743,498</b>	<b>1,374,960</b>

**30 Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated 30 March 2017. The details of SBN held and transacted during the period between 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification are given below:-

Particulars	SBNs*	Other denomination notes	In ₹
			Total
Closing cash in hand as on 08 November 2016	1,320,000	91,695	1,411,695
(+) Permitted receipts	4,096,000	10,774,305	14,870,305
(-) Permitted payments	-	53,488	53,488
(-) Amount deposited in banks	5,416,000	10,632,241	16,048,241
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>180,271</b>	<b>180,271</b>

\*For the purpose of this clause, the term "Specified Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 08 November 2016.



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

Summary of significant accounting policies and other explanatory information

**31 Details of security, repayment terms, applicable interest rates.**

Indian rupee loan from financial institutions

Original maturity of loan	Rate of interest	Sanction limit In ₹	Balance outstanding as at		Due within one year		Due beyond one year		Security details
			31 March 2017 In ₹	31 March 2016 In ₹	No of installment	Amount In ₹	No of installment	Amount In ₹	
<b>Long-term borrowings*</b>									
Monthly repayment of principal	15%-16%	20,000,000	8,333,323	10,000,000	3-9	8,333,323	-	-	Book debts and cash collateral
18 months	14%-15%	315,000,000	281,575,872	-	12	95,357,057	17-24	186,218,815	Book debts
Quarterly repayment of principal									
36 months	14%-15%	100,000,000	100,000,000	-	12	33,333,332	24	66,666,668	Book debts
36 months	15%-16%	100,000,000	87,500,000	-	12	33,333,331	16-24	54,166,669	Book debts and cash collateral
48 months	14%-15%	200,000,000	50,000,000	-	-	-	12	50,000,000	Book debts
<b>Total</b>			<b>527,409,195</b>	<b>10,000,000</b>		<b>170,357,043</b>		<b>357,052,152</b>	
<b>Short-term borrowings*</b>									
Monthly repayment of principal	15%-16%	60,000,000	29,370,782	-	3-9	29,370,782	-	-	Book debts and cash collateral
Quarterly repayment of principal	14%-15%	10,000,000	7,500,000	-	3-9	7,500,000	-	-	Book debts
12 months			<b>36,870,782</b>	<b>-</b>		<b>36,870,782</b>		<b>-</b>	
<b>Total</b>									

\*Interest is paid on monthly basis

**32 Segment reporting**

In accordance with Accounting Standard (AS) 17- Segment Reporting, the company has presented segment information as part of consolidated financial statements.





**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

**33 Additional disclosure pursuant to the RBI directions vide Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016**

	As at 31 March 2017 In ₹	As at 31 March 2017 In ₹
	<u>Amount outstanding</u>	<u>Amount overdue</u>
<b>Liabilities side:</b>		
<b>1 Loans and advances availed by the non-banking financial company inclusive of interest</b>		
(a) Debentures		
-Secured	-	-
-Unsecured (other than falling within the meaning of public deposits*)	-	-
(b) Deferred credits	-	-
(c) Term loans	564,279,977	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Other loans (specify nature)	-	-
<b>Assets side:</b>		
		<b>Amount outstanding</b>
<b>2 Break-up of loans and advances</b>		
(a) Secured		389,199,020
(b) Unsecured		333,635,920
<b>3 Break up of leased assets and stock on hire and other assets counting towards AFC activities</b>		
(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		-
<b>4 Break-up of Investments</b>		
<b>Current Investments</b>		
<b>1) Quoted</b>		
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

**33 Additional disclosure pursuant to the RBI directions vide Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016**

	As at 31 March 2017 In ₹		
(i) Shares			
(a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			-
<b>3) Long term investments</b>			
<b>1) Quoted</b>			
(i) Shares			
(a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			-
<b>2) Unquoted</b>			
(i) Shares			
(a) Equity			100,000
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			-
<b>5 Borrower group-wise classification of assets financed as in 2 (a) and (b) above :</b>			
<b>Category</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
			<b>In ₹</b>
1) Related parties			
(a) Subsidiaries	-	129,128,040	129,128,040
(b) Companies in the same group	-	-	-
(c.) Other related parties	-	105,000	105,000
2) Other than related parties	389,199,020	204,402,880	593,601,900
<b>Total</b>	<b>389,199,020</b>	<b>333,635,920</b>	<b>722,834,940</b>



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

**33 Additional disclosure pursuant to the RBI directions vide Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016**

**6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	In ₹	
1) Related Parties		
(a) Subsidiaries	100,000	100,000
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2) Other than related parties	-	-
<b>Total</b>		
		As at 31 March 2017
		In ₹
(a) Related parties		-
(b) Other than related parties		3,058,521
Net Non-Performing Assets		
(a) Related parties		-
(b) Other than related parties		2,752,669
(iii) Assets acquired in satisfaction of debt		-

*This space has been intentionally left blank*



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**  
**Summary of significant accounting policies and other explanatory information**

**34 Employee share based plan- ESOP 2015 Scheme**

On 08 September 2015, the Board of Directors approved and the Company adopted the "Employees Stock Option Plan 2015" (the "Plan") under which not more than 62,500 shares of the Company's equity shares was reserved for issuance to employees. In the Board meeting dated 28 January 2017, additional 6,794 shares were added to the Plan, issued and allotted to Samunnati ESOP Welfare Trust.

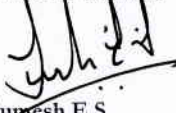
The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board of Directors. The share options vest in a graded manner over a period of four years and are exercisable within 2 months of exercise event, failing which the options shall lapse. The Stock compensation cost is computed under the intrinsic value method and has been recognised on a straight line basis over the vesting period up to 31 March 2017.

	No. of options as at 31 March 2017	Weighted average exercise price in ₹	No. of options as at 31 March 2016	Weighted average exercise price in ₹
Options outstanding at the beginning of the year	23,325	233,250	-	-
Granted during the year	9,500	95,000	23,325	233,250
Exercised during the year	838	8,380	-	-
Expired/ lapsed during the year	7,775	77,750	-	-
Options outstanding at the end of the year	24,212	242,120	23,325	233,250
Options exercisable as at the end of the period	-	-	-	-

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 778 days (previous year 965 days).

This is the summary of significant policies and other explanatory information referred to in our report of even date


  
 For Walker Chandiook & Co LLP  
 Chartered Accountants

  
 per Sumresh E S  
 Partner  
 Membership No: 206931



For and on behalf of the Board of Directors of  
**Samunnati Financial Intermediation & Services Private Limited**

  
 S G Anil Kumar  
 Director  
 DIN: 01189011

  
 K Seethalakshmi  
 Director  
 DIN: 01867616

  
 Niranjn Chandrashekar  
 Company Secretary

Place: Chennai  
 Date: 21 June 2017

Place: Chennai  
 Date: 21 June 2017



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Consolidated Balance sheet**

	Notes	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>EQUITY AND LIABILITIES</b>			
<i>Shareholders' funds</i>			
Share capital	3	8,885,020	5,964,700
Reserves and surplus	4	359,250,507	141,151,384
		<u>368,135,527</u>	<u>147,116,084</u>
<i>Non-current liabilities</i>			
Long-term borrowings	5	357,052,152	3,333,328
Long-term provisions	6	1,461,725	1,079,463
		<u>358,513,877</u>	<u>4,412,791</u>
<i>Current liabilities</i>			
Short-term borrowings	7	86,870,782	-
Trade payables			-
Total outstanding dues of micro and small enterprises	8	-	-
Total outstanding dues of creditors other than micro and small enterprises	8	8,390,062	-
Short-term provisions	6	14,395,605	178,096
Other current liabilities	9	186,630,612	34,559,795
		<u>296,287,061</u>	<u>34,737,891</u>
<b>Total</b>		<b><u>1,022,936,465</u></b>	<b><u>186,266,766</u></b>
<b>ASSETS</b>			
<i>Non-current assets</i>			
Fixed assets			
Tangible assets	11	11,223,560	7,313,017
Intangible assets	11	468,566	78,357
Intangible assets under development		800,000	160,300
Receivables from financing activity	12	79,225,314	-
Long-term loans and advances	13	7,067,756	1,604,770
Other non-current assets	14	23,000,000	1,500,000
		<u>121,785,196</u>	<u>10,656,444</u>
<i>Current assets</i>			
Trade receivables	15	120,282,503	2,559,239
Cash and bank balances	16	247,285,191	170,266,373
Receivables from financing activity	12	505,118,987	-
Short-term loans and advances	13	6,840,942	1,637,080
Other current assets	17	21,623,646	1,147,630
		<u>901,151,269</u>	<u>175,610,322</u>
<b>Total</b>		<b><u>1,022,936,465</u></b>	<b><u>186,266,766</u></b>

Notes 1 to 34 form an integral part of these financial statements

This is the consolidated balance sheet referred to in our report of even date

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP  
Chartered Accountants

*Sumesh E S*  
per Sumesh E S  
Partner  
Membership No: 206931



For and on behalf of the Board of Directors of  
Samunnati Financial Intermediation & Services Private Limited

*S G Anil Kumar*  
S G Anil Kumar  
Director  
DIN: 01189011

*K Seethalakshmi*  
K Seethalakshmi  
Director  
DIN: 01867616

*Niranjan Chandrashekar*  
Niranjan Chandrashekar  
Company Secretary

Place: Chennai  
Date: 21 June 2017

Place: Chennai  
Date: 21 June 2017



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**  
**Consolidated Statement of profit and loss**

	Notes	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
<b>Revenue</b>			
Revenue from operations	18	242,131,040	13,295,655
Other income	19	56,667	-
<b>Total revenue</b>		<b>242,187,707</b>	<b>13,295,655</b>
<b>Expenses</b>			
Purchases of traded goods	20	151,490,020	-
Employee benefits expense	21	69,186,020	34,797,668
Finance costs	22	37,621,374	358,128
Depreciation and amortisation expense	23	2,013,914	724,811
Other expenses	24	59,383,892	17,947,369
<b>Total expenses</b>		<b>319,695,220</b>	<b>53,827,976</b>
<b>Loss for the period</b>		<b>(77,507,513)</b>	<b>(40,532,321)</b>
<b>Earnings per equity share</b>			
- Basic (₹)	27	(205.48)	(129.59)
- Diluted (₹)		(205.48)	(129.59)

**Notes 1 to 34 form an integral part of these financial statements**

This is the consolidated statement of profit and loss referred to in our report of even date

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP  
Chartered Accountants  
per Sunesh E S  
Partner  
Membership No: 206931



For and on behalf of the Board of Directors of  
**Samunnati Financial Intermediation & Services Private Limited**

*S G Anil Kumar*  
S G Anil Kumar  
Director  
DIN: 01189011

*K Seethalakshmi*  
K Seethalakshmi  
Director  
DIN: 01867616

*Co. Sec.*  
Niranjan Chandrashekar  
Company Secretary

Place: Chennai  
Date: 21 June 2017

Place: Chennai  
Date: 21 June 2017





**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**  
**Consolidated cash flow statement**

	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
<b>A. Cash flow from operating activities</b>		
Loss for the period	(77,507,513)	(40,532,321)
<b>Add: Adjustments for</b>		
Interest income on deposits *	-	(4,756,204)
Interest expenses *	-	255,070
Gratuity and leave encashment expenses	259,432	1,079,463
Employee stock option expense	1,487,028	-
Depreciation and amortization expense	2,013,914	724,811
Loss on sale of fixed assets	286,202	-
Provision for first loss in relation to loan servicing arrangement	11,116,139	178,096
Provision against standard assets	2,905,699	-
Provision against non-performing assets	318,501	-
<b>Operating loss before working capital changes</b>	<b>(59,120,598)</b>	<b>(43,051,085)</b>
(Decrease)/increase in other liabilities	(15,100,594)	20,223,140
(Increase) in trade payables	8,390,062	-
(Increase) in trade receivables	(117,723,264)	(1,545,935)
(Increase) in receivables from financing activity	(584,344,301)	-
(Increase) in loans and advances	(10,834,590)	(1,245,821)
(Increase) in other assets	(20,476,016)	-
<b>Cash used in operating activities</b>	<b>(799,209,301)</b>	<b>(25,619,701)</b>
Income taxes paid	(1,609,716)	(1,248,570)
<b>Net cash used in operating activities</b>	<b>(800,819,017)</b>	<b>(26,868,271)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets including movement in capital work-in-progress and capital advances	(7,309,408)	(6,706,667)
Proceeds from sale of tangible assets	454,252	-
Movement in deposits with banks and financial institutions	2,195,662	(79,707,124)
Interest income on deposits *	-	3,753,615
<b>Net cash used in investing activities</b>	<b>(4,659,494)</b>	<b>(82,660,176)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	301,732,058	162,105,598
Share issue expenses	(2,960,002)	(2,229,980)
Proceeds from borrowings	741,870,782	10,000,000
Repayment of borrowings	(134,449,847)	(3,439,913)
Interest expenses *	-	(255,070)
<b>Net cash generated from financing activities</b>	<b>906,192,991</b>	<b>166,180,635</b>
<b>Net increase in cash and cash equivalents</b>	<b>100,714,480</b>	<b>56,652,188</b>
Cash and cash equivalents as at the beginning of the year	92,059,249	35,407,061
<b>Cash and cash equivalents as at the end of the year</b>	<b>192,773,729</b>	<b>92,059,249</b>

\*Interest income on deposits and interest expenses are considered as operating activities in the current year due to commencement of NBFI operations



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Consolidated cash flow statement**

	Year ended 31 March 2017	Year ended 31 March 2016
	In ₹	In ₹
<b>Notes:</b>		
Cash and cash equivalents comprises of (Also, refer note 16) :-		
Cash on hand	524,340	3,734
Balances with banks		
- in current accounts	192,249,389	24,606,226
- in deposit accounts (with original maturity upto three months)	-	67,449,289
	192,773,729	92,059,249

This is the consolidated cash flow statement referred to in our report of even date

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP  
Chartered Accountants

*Suresh E S*  
per Suresh E S  
Partner  
Membership No: 206931



For and on behalf of the Board of Directors of  
**Samunnati Financial Intermediation & Services Private Limited**

*G Anil Kumar*  
G Anil Kumar  
Director  
DIN: 01189011

*K Seethalakshmi*  
K Seethalakshmi  
Director  
DIN: 01867616

*C.S. Nii*  
Niranjan Chandrashekar  
Company Secretary

Place: Chennai  
Date: 21 June 2017

Place: Chennai  
Date: 21 June 2017





## SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

### Summary of significant accounting policies and other explanatory information

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#### 1.1 General information

All amounts in the financial statements are presented in Indian Rupees except share data and as otherwise stated. Figures for the previous period have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year.

#### 1.2 Group overview

Samunnati Financial Intermediation & Services Private Limited ('the Company') is a Non-Banking Financial Institution (NBFI) incorporated on 23 June 2014. The Company has received Certificate of Registration dated 25 February 2016 from the Reserve Bank of India to carry on the business of Non-Banking Financial Institution without accepting deposits. The Company provides secured and unsecured loans to farmers, farmer producer organisations, community based organizations and Agri-enterprises.

The Company has one wholly owned subsidiary as at the year end, namely Samunnati Agro Solutions Private Limited ('the Subsidiary') which was incorporated on 14 October 2016, and undertakes wholesale trading activities related to agricultural inputs and commodities. The Company along with its subsidiary, shall hereinafter, be collectively referred to as 'the Group'. The subsidiary commenced operations in the current year and the Company commenced active NBFI operations from the month of July 2016. The figures for the previous year represents only loan servicing operations of the Company and are therefore not strictly comparable.

## 2 Summary of accounting policies

### 2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared under the historic cost convention on accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India and the provisions of Companies Act, 2013. Accounting policies have been consistently applied as in the previous year. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

Assets and liabilities are classified as current or non-current as per Group's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of work, the Group has ascertained its operating cycle as upto twelve months for the purpose of current and non-current classification of assets and liabilities.

The Consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standards 21 (AS 21) on Consolidated Financial Statements, as specified in the standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India.

The financial statements of the parent company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transaction and unrealized profits in full. The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the parent company and its share in the relevant reserves of the subsidiary. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended 31 March 2017.

As far as practicable, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.

As per Accounting Standard 21 - Consolidated Financial Statements prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the parent having no bearing on the true and fair view of the consolidated financial statements of the group is not disclosed in the consolidated financial statements.



## SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

### Summary of significant accounting policies and other explanatory information

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#### 2.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures of contingent liabilities as at the date of the financial statements and reported amounts of revenue and expenses for the year. The key estimates made by the Group in preparing these financial statements comprise future obligations under employee retirement benefit plans, sufficiency of future taxable income for recognition of deferred tax assets, provision for loan losses, provision for doubtful accounts and the useful lives of fixed assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### 2.3 Fixed assets

Tangible assets are stated at acquisition cost less accumulated depreciation and impairment losses, if any. Cost of acquisition comprises of purchase price and directly attributable costs of bringing the asset to its working condition for the intended use and is net of refundable duties and taxes as applicable. Cost of assets not ready for the intended use before such date is disclosed as capital work in progress. Subsequent expenditure incurred on an item of tangible asset is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on assets is provided on straight line method over its estimated useful life prescribed under Schedule II of the Companies Act, 2013. Leasehold improvements are amortized over the estimated useful lives or the remaining primary lease period, whichever is less.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment, if any. Software is stated at cost less accumulated amortization and are being amortised on a straight line basis over the estimated useful life.

The amortisation period and method are reviewed at each balance sheet date. If the expected useful life of the asset is significantly different from the previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the method of amortisation is changed to reflect the changed pattern. Such changes are accounted in accordance with Accounting Standard (AS) 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

#### 2.4 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's or cash generating unit's net selling price and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows from continuing use that are largely independent of those from other assets or group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and previously recognized impairment loss is accordingly reversed in the statement of profit and loss.



## SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

### Summary of significant accounting policies and other explanatory information

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#### 2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the collectability is reasonably assured.

Interest on loans is recognised on accrual basis (Internal rate of return/IRR), except in the case of Non Performing Assets ("NPAs"), where interest is recognised upon realisation as per RBI guidelines.

Interest income on deposits with banks and financial institutions is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Loan processing fees is accounted up-front as and when it becomes due.

Service fee is recognized on accrual basis in accordance with terms of the agreement.

Revenue from sale of Agricultural products is recognised at the point of transfer of ownership. Sales are net of returns and excludes sales tax.

#### 2.6 Taxation

Provision for tax for the year comprises current income tax and deferred tax. Provision for current income tax is made based on the estimated tax liability in accordance with the relevant tax rates and tax laws.

Current tax is payable on taxable profits, which differ from profit or loss in the financial statements. Current tax is computed based on tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed by the Group at each balance sheet date and the carrying amount of a deferred tax asset is written down to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

The Group offsets deferred tax assets and deferred tax liabilities if the Group has a legally enforceable right to set off assets against liabilities representing current tax.

In computing current taxes the Group takes into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. In cases wherever the tax liability computed as per above is less than the Minimum Alternate Tax, the Group is liable to pay the Minimum Alternate Tax (MAT), in accordance with Section 115JB of the Income Tax Act, 1961. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT Credit Entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no recoverable amount subject to a maximum of depreciated historical cost and previously recognized impairment

#### 2.7 Contingent liabilities and provisions

A provision is recognized when the Group has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.



## SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

### Summary of significant accounting policies and other explanatory information

#### 2.8 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for effects of all dilutive potential equity shares.

#### 2.9 Leases

Leases where the lessor effectively retains substantially, all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### 2.10 Borrowing costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds. Borrowing costs incurred in connection with arrangement of borrowings is amortized over the tenure of the respective loans on a straight line basis.

#### 2.11 Securities issue expenses

Securities issue expenses and redemption premium, if any, are adjusted against the securities premium account as permissible under Act, to the extent balance is available for utilisation in the securities premium account.

#### 2.12 Employee benefits

**Defined contribution plan:** The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. Contributions to provident fund are charged to the statement of profit and loss on accrual basis.

**Defined benefit plan:** The Company provides gratuity, a defined benefit retirement plan covering eligible employees. The Company provides the gratuity benefit through annual contribution to a fund. Liabilities related to the gratuity plan are determined by an independent actuarial valuation carried out using projected unit credit method as at the balance sheet date. Actuarial gain or loss is recognized immediately in the statement of profit and loss.

#### 2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Group are segregated based on the available information. Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 2.14 Classification and provisioning of loan assets

The loans are classified and provided based on management's estimates which are more prudent than the classification and provision norms required as per "Non-Banking Financial Company - Non Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Master Direction DNBR.PD.007/03.10.119/2016-17, dated 1 September 2016, (as amended) issued by the RBI.

Asset classification	Installment due for a period	Provision %
Standard	Less than or equal to 90 Days	0.5%
Sub standard	Between 91 days and less than or equal to 360 days	10%
Doubtful	Between 361 days and less than or equal to 540 days	20%
Loss/Write Off	541 days and above	100%





**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	As at 31 March 2017		As at 31 March 2016	
	Number	₹	Number	₹
<b>3 Share capital</b>				
<b>Authorised</b>				
Equity shares of ₹ 10 each	750,000	7,500,000	500,000	5,000,000
Compulsorily Convertible Preference shares of ₹ 10 each	750,000	7,500,000	400,000	4,000,000
	<b>1,500,000</b>	<b>15,000,000</b>	<b>900,000</b>	<b>9,000,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	395,193	3,951,930	373,742	3,737,420
Less: Amount recoverable from Samunnati ESOP Welfare Trust -(Refer note g)	(68,411)	(684,110)	(62,500)	(625,000)
Series A1 - Compulsorily convertible preference shares of ₹ 10 each	98,585	985,850	98,585	985,850
Series A2 - Compulsorily convertible preference shares of ₹ 10 each	125,501	1,255,010	125,501	1,255,010
Series A3 - Compulsorily convertible preference shares of ₹ 10 each	61,142	611,420	61,142	611,420
Series B - Compulsorily convertible preference shares of ₹ 10 each	276,492	2,764,920	-	-
	<b>888,502</b>	<b>8,885,020</b>	<b>596,470</b>	<b>5,964,700</b>
<b>a) Reconciliation of equity share capital</b>				
Balance at the beginning of the year	373,742	3,737,420	312,600	3,126,000
Issued during the year	21,451	214,510	61,142	611,420
Balance at the end of the year	<b>395,193</b>	<b>3,951,930</b>	<b>373,742</b>	<b>3,737,420</b>
<b>b) Reconciliation of preference share capital</b>				
<b>Series A1 - Compulsorily convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	98,585	985,850	98,585	985,850
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>98,585</b>	<b>985,850</b>	<b>98,585</b>	<b>985,850</b>
<b>Series A2 - Compulsorily convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	125,501	1,255,010	-	-
Issued during the year	-	-	125,501	1,255,010
Outstanding at the end of the year	<b>125,501</b>	<b>1,255,010</b>	<b>125,501</b>	<b>1,255,010</b>
<b>Series A3 - Compulsorily convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	61,142	611,420	-	-
Issued during the year	-	-	61,142	611,420
Outstanding at the end of the year	<b>61,142</b>	<b>611,420</b>	<b>61,142</b>	<b>611,420</b>
<b>Series B - Compulsorily convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	-	-	-	-
Issued during the year	276,492	2,764,920	-	-
Outstanding at the end of the year	<b>276,492</b>	<b>2,764,920</b>	<b>-</b>	<b>-</b>
<b>c) Shareholders holding more than 5% of the aggregate shares in the Company:</b>				
<b>Equity shares of ₹ 10 each</b>	<b>Number</b>	<b>% of holding</b>	<b>Number</b>	<b>% of holding</b>
S G Anil Kumar	245,000	62.00%	245,000	64.22%
Samunnati ESOP Welfare Trust	68,411	17.31%	62,500	16.72%
Ecap Equities Limited	61,142	15.47%	61,142	16.36%
<b>Series A1 - Compulsorily convertible preference shares of ₹ 10 each</b>				
Elevar M - III	98,585	100.00%	98,585	100.00%
<b>Series A2 - Compulsorily convertible preference shares of ₹ 10 each</b>				
Elevar M - III	125,501	100.00%	125,501	100.00%
<b>Series A3 - Compulsorily convertible preference shares of ₹ 10 each</b>				
RSM Associates	30,571	50.00%	30,571	50.00%
P Ramaraj	30,571	50.00%	30,571	50.00%
<b>Series B - Compulsorily convertible preference shares of ₹ 10 each</b>				
Elevar M - III	67,935	24.57%	-	-
Accel India V (Mauritius) Ltd	193,999	70.16%	-	-



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

- d) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back since incorporation of the Company.
- e) **Terms and rights attached to equity shares**  
The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, excluding interim dividend, is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.
- f) **Terms and rights attached to preference shares**  
The Company has issued Series A1, A2, A3 and B compulsorily convertible preference shares having a face value of ₹ 10 per share. At the option of the holders, these shares, either in whole or in part, may be converted into equity shares before the expiry of 19 years from the issuance of such compulsorily convertible preference shares. Each holder of the compulsorily convertible preference shares is entitled to one vote per share. Dividend on each compulsorily convertible preference shares is 0.01% per annum, subject to cash flow solvency, and such dividend shall be a preferred dividend. In the event of liquidation of the Company, the holders of compulsorily convertible preference shares shall have a preference over other share holders of the Company.
- g) The Company has given an interest and collateral free loan to an Employee Stock Option Trust ("Samunnati Employee Stock Option Plan Welfare Trust" or "ESOP Trust") to provide financial assistance for purchase of equity shares of the Company under Employee Stock Option Scheme. The Company has established ESOP Trust to which the stock options issuable have been transferred. The amount recoverable from the ESOP Trust has been reduced from issued share capital (to the extent of face value) and from securities premium (to the extent of premium on shares).

**4 Reserves and surplus**

**a) Securities premium reserve**

	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
Balance at the beginning of the year	194,305,958	36,908,190
Add : Additions made during the year	298,811,738	159,627,748
Less : Utilised towards share issue expenses	(2,960,002)	(2,229,980)
	490,157,694	194,305,958
Less: Amount recoverable from Samunnati ESOP Welfare Trust (Refer note 3(g))	(1,732,128)	-
Balance at the end of the year	<b>488,425,566</b>	<b>194,305,958</b>

**b) Stock options outstanding account**

Balance at the beginning of the year	-	-
Add : Share based compensation for the year	1,487,028	-
Balance at the end of the year	<b>1,487,028</b>	-

**Deficit in the statement of profit and loss**

Balance at the beginning of the year	(53,154,574)	(12,622,253)
Add: Transferred from statement of profit and loss	(77,507,513)	(40,532,321)
Balance at the end of the year	<b>(130,662,087)</b>	<b>(53,154,574)</b>
	<b>359,250,507</b>	<b>141,151,384</b>

**5 Long-term borrowings**

**Secured**

	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
Term loans (Also, refer note 31)		
From parties other than banks	527,409,195	10,000,000
	<b>527,409,195</b>	<b>10,000,000</b>
Less: Amount disclosed as other current liabilities (Refer note 9)		
Current maturities of long term borrowings		
From parties other than banks	(170,357,043)	(6,666,672)
	<b>357,052,152</b>	<b>3,333,328</b>



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
	In ₹	In ₹	In ₹	In ₹
<b>6 Provisions</b>				
Provision for employee benefits (Also, refer note 10)	1,338,895	-	1,079,463	-
Provision against standard assets	120,829	2,784,870	-	-
Provision against non-performing assets	2,001	316,500	-	-
Provision for loss loans	-	11,294,235	-	178,096
	<b>1,461,725</b>	<b>14,395,605</b>	<b>1,079,463</b>	<b>178,096</b>
			As at	As at
			31 March 2017	31 March 2016
			In ₹	In ₹
<b>Movement in</b>				
<b>(i) Provision against standard assets</b>				
Opening balance			-	-
Add: Provision made during the year			2,905,699	-
			<b>2,905,699</b>	<b>-</b>
<b>(ii) Provision against non-performing assets</b>				
Opening balance			-	-
Add: Provision made during the year			318,501	-
			<b>318,501</b>	<b>-</b>
<b>(iii) Provision for loss loans</b>				
Opening balance			178,096	-
Add: Provision made during the year			15,977,183	178,096
Less: Provision utilised			(4,861,044)	-
			<b>11,294,235</b>	<b>178,096</b>
<b>7 Short-term borrowings</b>				
<b>Secured</b>				
Term loans (Also, refer note 31)				
From parties other than banks			86,870,782	-
			<b>86,870,782</b>	<b>-</b>
<b>8 Trade payables</b>				
Dues to micro and small enterprises			-	-
Dues to others			8,390,062	-
			<b>8,390,062</b>	<b>-</b>
<b>9 Other current liabilities</b>				
Current maturities of long-term debt (Also, refer note 5)			170,357,043	6,666,672
Interest accrued but not due on borrowings			3,140,958	-
Payables towards loan servicing arrangement			1,398,599	21,603,390
Creditor for capital goods			458,742	118,660
Employee related payables			2,821,533	1,006,613
Creditors for expenses			6,069,682	4,306,622
Statutory dues payable			2,234,385	857,838
Other payables			149,670	-
			<b>186,630,612</b>	<b>34,559,795</b>



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

**10 Employee benefits**

**i) Gratuity**

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. The Company does not maintain any plan assets to fund its obligation towards gratuity liability.

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation. The Company provides for gratuity liability under the provisions of the Payment of Gratuity Act, 1972 from financial year 2015-16.

	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	609,324	-
Service cost	638,057	453,107
Interest cost	47,527	-
Past service cost	-	156,217
Actuarial gain	(208,751)	-
<b>Projected benefit obligation at the end of the year (unfunded)</b>	<b>1,086,157</b>	<b>609,324</b>

**Assumptions used**

Discount rate	6.90%	7.80%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	16.00%	12.00%

**ii) Compensated absences**

The Company permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences.

	As at 31 March 2017	As at 31 March 2016
<b>Principal actuarial assumptions used :</b>		
Discount rate	6.90%	7.80%
Long-term rate of compensation increase	10.00%	10.00%
Attrition rate	16.00%	12.00%





**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**  
**Summary of significant accounting policies and other explanatory information**

**11 Fixed assets**

	Tangible assets						Intangible assets
	Furniture and fittings	Office equipment	Computers and accessories	Vehicles	Leasehold improvements	Total	Software
<b>In ₹</b>							
<b>Gross Block</b>							
As at 31 March 2015	842,480	289,533	377,632	-	-	1,509,645	-
Additions	3,051,370	765,671	1,992,986	775,000	-	6,585,027	80,000
As at 31 March 2016	3,893,850	1,055,204	2,370,618	775,000	-	8,094,672	80,000
Additions	1,030,765	1,695,051	1,102,415	2,007,234	736,520	6,571,985	483,135
Disposals	-	(101,043)	(63,750)	(775,000)	-	(939,793)	-
As at 31 March 2017	4,924,615	2,649,212	3,409,283	2,007,234	736,520	13,726,864	563,135
<b>Accumulated depreciation</b>							
As at 31 March 2015	3,090	21,110	34,287	-	-	58,487	-
Charge for the year	159,897	123,995	366,528	72,748	-	723,168	1,643
As at 31 March 2016	162,987	145,105	400,815	72,748	-	781,655	1,643
Charge for the year	402,813	323,667	1,018,024	163,440	13,044	1,920,988	92,926
Reversal on disposal of assets	-	(47,951)	(20,806)	(130,582)	-	(199,339)	-
As at 31 March 2017	565,800	420,821	1,398,033	105,606	13,044	2,503,304	94,569
<b>Net Block</b>							
As at 31 March 2016	3,730,863	910,099	1,969,803	702,252	-	7,313,017	78,357
As at 31 March 2017	4,358,815	2,228,391	2,011,250	1,901,628	723,476	11,223,560	468,566

	As at 31 March 2017		As at 31 March 2016	
	Non-current	Current	Non-current	Current
	In ₹	In ₹	In ₹	In ₹
<b>12 Receivables from financing activity</b>				
(Secured, considered good)				
<b>Standard assets</b>				
- Disbursed as NBFI	53,687,250	335,385,280	-	-
<b>Non-performing assets</b>				
- Disbursed as NBFI	-	126,490	-	-
	<b>53,687,250</b>	<b>335,511,770</b>	-	-
(Unsecured, considered good)				
<b>Standard assets</b>				
- Disbursed as NBFI	25,518,850	159,466,359	-	-
- Out of assignment transactions	-	7,101,551	-	-
<b>Non-performing assets</b>				
- Disbursed as NBFI	-	436,404	-	-
- Out of assignment transactions	19,214	2,602,903	-	-
	<b>25,538,064</b>	<b>169,607,217</b>	-	-
	<b>79,225,314</b>	<b>505,118,987</b>	-	-



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	As at 31 March 2017		As at 31 March 2016	
	Non-current	Current	Non-current	Current
	In ₹	In ₹	In ₹	In ₹
<b>13 Loans and advances</b>				
(Unsecured, considered good)				
Security deposits	4,021,600	586,000	168,000	1,181,795
Capital advances	37,870	-	83,200	-
Balances with government authorities	45,000	607,179	-	272,289
Tax deducted at source receivable	2,858,286	-	1,248,570	-
Employee advances	-	172,416	-	166,496
Prepaid expenses	-	2,309,277	-	-
Other advances	-	3,166,070	-	16,500
Loans to Samunnati ESOP Welfare Trust	105,000	-	105,000	-
	<b>7,067,756</b>	<b>6,840,942</b>	<b>1,604,770</b>	<b>1,637,080</b>
			<b>As at</b>	<b>As at</b>
			<b>31 March 2017</b>	<b>31 March 2016</b>
			In ₹	In ₹
<b>14 Other non-current assets</b>				
Deposits held with financial institutions			23,000,000	1,500,000
			<b>23,000,000</b>	<b>1,500,000</b>
<b>15 Trade receivables</b>				
(Unsecured, considered good)				
Outstanding for a period not exceeding six months				
Loan service fee receivable			5,993,386	1,013,304
Receivable towards trading activity			114,289,117	1,545,935
			<b>120,282,503</b>	<b>2,559,239</b>
<b>16 Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
Cash on hand			524,340	3,734
Balances with banks				
- in current accounts			192,249,389	24,606,226
- in deposit account (with original maturity upto 3 months)			-	67,449,289
			<b>192,773,729</b>	<b>92,059,249</b>
<b>Other bank balances</b>				
Bank deposits with remaining maturity upto 12 months *			54,511,462	78,207,124
			54,511,462	78,207,124
			<b>247,285,191</b>	<b>170,266,373</b>
*Includes ₹ 8,670,000 (Previous year-Nil) held as security against borrowings and other commitments				
<b>17 Other current assets</b>				
Interest accrued but not due on				
- Bank deposits			2,226,522	1,147,630
- Receivables from financing activity			9,615,019	-
Unamortised finance costs			7,297,118	-
Others			2,484,987	-
			<b>21,623,646</b>	<b>1,147,630</b>



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
<b>18 Revenue from operations</b>		
Interest income on		
- Loans given	59,716,795	-
-Deposits with banks and financial institutions	4,137,781	4,756,204
Loan processing fee	4,452,972	-
Loan servicing fees	15,031,763	7,887,018
Sale of agricultural products	158,492,759	-
Other operating income	298,970	652,433
	<b>242,131,040</b>	<b>13,295,655</b>
<b>19 Other income</b>		
Miscellaneous income	56,667	-
	<b>56,667</b>	<b>-</b>
<b>20 Purchases of traded goods</b>		
Purchase of agricultural products	151,490,020	-
	<b>151,490,020</b>	<b>-</b>
<b>21 Employee benefits expense</b>		
Salaries and wages	63,097,367	31,267,430
Gratuity and leave encashment expenses	259,432	1,079,463
Contribution to provident and other funds	2,705,749	1,124,928
Employee stock option expense	1,487,028	-
Staff welfare expenses	1,636,444	1,325,847
	<b>69,186,020</b>	<b>34,797,668</b>
<b>22 Finance costs</b>		
Interest expenses	35,129,647	255,070
Other borrowing costs	2,491,727	103,058
	<b>37,621,374</b>	<b>358,128</b>
<b>23 Depreciation and amortisation expense</b>		
Depreciation on tangible assets (Refer note 11)	1,920,988	723,168
Amortisation on intangible assets (Refer note 11)	92,926	1,643
	<b>2,013,914</b>	<b>724,811</b>
<b>24 Other expenses</b>		
Provision for loss loans in loan servicing arrangement	15,977,183	178,096
Provision against standard assets	2,905,699	-
Provision against non-performing assets	318,501	-
Power and fuel	287,946	92,889
Rent (Also, refer note 29)	3,361,108	1,216,164
Repairs and maintenance - others	1,194,173	342,072
Insurance	710,997	153,651
Rates and taxes	365,160	262,843
Travelling and conveyance	9,490,537	3,891,372
Legal and professional charges	11,091,297	6,517,621
Payments to auditors (Also, refer note 25)	1,164,200	903,800
Communication and technology expenses	8,777,545	3,850,104
Expenditure relating to trading activities	1,561,234	-
Printing and stationery	477,374	242,480
Loss on sale of fixed assets	286,202	-
Miscellaneous expenses	1,414,736	296,277
	<b>59,383,892</b>	<b>17,947,369</b>



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
<b>25 Payments to auditors (excluding service tax)</b>		
Statutory audit	1,150,000	900,000
Out of pocket expenses	14,200	3,800
	<b>1,164,200</b>	<b>903,800</b>

**26 Payables to micro and small enterprises**

Based on the information available with the Company, as at 31 March 2017 and 31 March 2016, there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

**27 Earnings per equity share**

Loss after tax (in ₹)	(77,507,513)	(40,532,321)
Less: Preference dividend (in ₹)	-	-
Profit attributable to equity shareholders (in ₹)	(77,507,513)	(40,532,321)
Weighted average number of equity shares in calculating basic EPS (nos)	377,200	312,768
Add: Effect of dilutive potential equity shares (nos) *	561,720	285,228
Weighted average number of equity shares in calculating diluted EPS (nos)	938,920	597,996
Earnings per equity share (In ₹)		
- Basic	(205.48)	(129.59)
- Diluted	(205.48)	(129.59)

\* in view of losses incurred during the period, potential equity shares are anti-dilutive in nature

**28 Related party disclosures**

As per the requirement of Accounting Standard 18, on related party disclosures, the name of the related parties with the description of the relationships and transactions between a reporting enterprise and its related parties, as identified and certified by the management are:

**a) Names of related parties and nature of relationship**

Name of the relationship	Name of the related party
Key management personnel (KMP)	S G Anil Kumar- Managing Director
Entity in which KMP has significant influence	Samunnati ESOP Welfare Trust
Wholly owned subsidiary	Samunnati Agro Solutions Private Limited

**b) Related party transactions**

Nature of transactions	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
<b>S G Anil Kumar</b>		
Advances received	-	200,000
Remuneration *	4,742,463	4,545,000
Reimbursement of expenses	118,660	63,660
Purchase of fixed assets	-	775,000
Advances repaid	-	5,597,645
<b>Samunnati ESOP Welfare Trust</b>		
Loans given	1,791,238	730,000
Shares subscribed including premium	1,791,238	625,000

\* The amount excludes provision for gratuity of the year, which is determined for the Company as a whole on actuarial basis.

**c) Balance at the end of the period**

Particulars	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
<b>S G Anil Kumar</b>		
Reimbursements of expenses	54,530	118,660



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**  
**Summary of significant accounting policies and other explanatory information**

**29 Disclosure in respect of non-cancellable operating leases**

The Group has entered into operating lease agreements for its office premises. These leases expire over various periods and are further renewable at the mutual consent of the Company and the lessor. The lease agreements carry an escalation in the range of 5% to 20% on the rent payable at the end of pre-determined periods, from the date of entering into the lease agreements.

**Payments falling due**

	As at 31 March 2017	As at 31 March 2016
	In ₹	In ₹
Payable not later than 1 year	3,793,104	453,400
Payable later than 1 year not later than five years	4,188,022	921,560
Payable later than later than five years	-	-
<b>Total</b>	<b>7,981,126</b>	<b>1,374,960</b>

**30 Disclosure on Specified Bank Notes (SBNs)**

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated 30 March 2017. The details of SBN held and transacted during the period between 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification are given below:-

Particulars	SBNs*	Other denomination notes	In ₹
			Total
Closing cash in hand as on 08 November 2016	1,320,000	91,695	1,411,695
(+) Permitted receipts	4,096,000	10,774,305	14,870,305
(-) Permitted payments	-	53,488	53,488
(-) Amount deposited in Banks	5,416,000	10,632,241	16,048,241
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>180,271</b>	<b>180,271</b>

\*For the purpose of this clause, the term "Specified Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407( E), dated 08 November 2016.

*This space has been intentionally left blank.*





**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

Summary of significant accounting policies and other explanatory information

**31 Details of security, repayment terms, applicable interest rates.**

Indian rupee loan from financial institutions

Original maturity of loan	Rate of interest	Sanction limit	Balance outstanding as at		Due within one year		Due beyond one year		Security details
			31 March 2017	31 March 2016	No of installment	Amount	No of installment	Amount	
<b>Long-term borrowings*</b>			In ₹	In ₹					
Monthly repayment of principal									
18 Months	15%-16%	20,000,000	8,333,323	10,000,000	3-9	8,333,323	-	-	Book debts and cash collateral
36 Months	14%-15%	315,000,000	281,575,871	-	12	95,357,058	17-24	186,218,813	Book debts
Quarterly repayment of principal									
36 Months	14%-15%	100,000,000	100,000,000	-	12	33,333,331	24	66,666,669	Book debts
36 Months	15%-16%	100,000,000	87,500,001	-	12	33,333,331	16-24	54,166,670	Book debts and cash collateral
48 Months	14%-15%	200,000,000	50,000,000	-	-	-	12	50,000,000	Book debts
<b>Total</b>			<b>527,409,195</b>	<b>10,000,000</b>		<b>170,357,043</b>		<b>357,052,152</b>	
<b>Short-term borrowings*</b>									
Monthly repayment of principal									
12 Months	14.75%-15%	50,000,000	50,000,000	-	12	50,000,000	-	-	Book debts, Corporate guarantee and cash collateral
12 Months	15%-16%	60,000,000	29,370,782	-	3-9	29,370,782	-	-	Book debts and cash collateral
Quarterly repayment of principal									
12 Months	14%-15%	10,000,000	7,500,000	-	3-9	7,500,000	-	-	Book debts
<b>Total</b>			<b>86,870,782</b>	<b>10,000,000</b>		<b>86,870,782</b>		<b>357,052,152</b>	
			<b>614,279,977</b>	<b>10,000,000</b>		<b>257,227,825</b>			

\*Interest is paid on monthly basis



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**  
**Summary of significant accounting policies and other explanatory information**

**32 Segment reporting**

The Group has considered business segments as the primary segments for disclosure on the basis that the risk and returns of the Group is primarily determined by the nature of products and services. The products included in each of the reported domestic business segments are as follows:

1. Financing - Providing loans to borrowers
2. Loan servicing - originate, collect and service financial products and services
3. Trading - Trading of agricultural products

The Group operates only in India and hence does not disclose geographic segment reporting.

Fixed assets used in the Group's business, assets or liabilities contracted in the course of business, other than those specifically identifiable, have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments. The Group believes that it is currently not practicable to provide segment disclosures relating to such assets and liabilities since a meaningful segregation of the available data is onerous.

Revenue and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other costs, wherever allocable, are apportioned to the segments on an appropriate basis. Certain income and expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group believes that it is not practicable to provide segment disclosures relating to such income and expenses, and accordingly such income and expenses are separately disclosed as 'unallocated'.

The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Particulars	Year ended 31 March 2017			Year ended 31 March 2016			In ₹			
	Financing	Loan servicing	Trading	Unallocated	Total	Financing		Loan servicing	Trading	Unallocated
<b>Revenue</b>										
Revenue from external customers	68,606,518	15,031,763	158,492,759	56,667	242,187,707	-	13,295,655	-	-	13,295,655
<b>Total revenue</b>	<b>68,606,518</b>	<b>15,031,763</b>	<b>158,492,759</b>	<b>56,667</b>	<b>242,187,707</b>	<b>-</b>	<b>13,295,655</b>	<b>-</b>	<b>-</b>	<b>13,295,655</b>
<b>Results</b>										
Segment result	(34,747,852)	(32,519,425)	(2,859,575)	56,667	(70,070,185)	-	(2,715,830)	-	(37,816,491)	(40,532,321)
Unallocated corporate expenses	-	-	(7,437,328)	(7,437,328)	(7,437,328)	-	-	-	-	-
<b>Profit for the year</b>	<b>(34,747,852)</b>	<b>(32,519,425)</b>	<b>(2,859,575)</b>	<b>(7,380,661)</b>	<b>(77,507,513)</b>	<b>-</b>	<b>(2,715,830)</b>	<b>-</b>	<b>(37,816,491)</b>	<b>(40,532,321)</b>
<b>Other information</b>										
Segment assets	746,210,541	35,626,861	187,947,134	53,151,929	1,022,936,465	-	5,206,869	-	181,059,897	186,266,766
Segment liabilities	533,774,353	12,692,834	95,260,844	13,072,907	654,800,938	-	31,781,486	-	7,369,196	39,150,682
Capital expenditure	-	-	-	7,055,120	7,055,120	-	-	-	6,665,027	6,665,027
Depreciation and amortisation	-	-	-	2,013,914	2,013,914	-	-	-	724,811	724,811
Other non-cash expenses	-	-	-	20,947,843	20,947,843	-	-	-	1,257,559	1,257,559



**SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED**

**Summary of significant accounting policies and other explanatory information**

**33 Employee share based plan- ESOP 2015 Scheme**

On 08 September 2015, the Board of Directors approved and the Company adopted the “Employees Stock Option Plan 2015” (the “Plan”) under which not more than 62,500 shares of the Company’s equity shares was reserved for issuance to employees. In the Board meeting dated 28 January 2017, additional 6,794 shares were added to the Plan, issued and allotted to Samunnati ESOP Welfare Trust.

The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board of Directors. The share options vest in a graded manner over a period of four years and are exercisable within 2 months of exercise event, failing which the options shall lapse.

The Stock compensation cost is computed under the intrinsic value method and has been recognised on a straight line basis over the vesting period up to 31 March 2017.

	No. of options as at 31 March 2017	Weighted Average exercise price ₹	No. of options as at 31 March 2016	Weighted Average exercise price ₹
Options outstanding at the beginning of the year	23,325	233,250	-	-
Granted during the year	9,500	95,000	23,325	233,250
Exercised during the year	838	8,380	-	-
Expired/ lapsed during the year	7,775	77,750	-	-
Options outstanding at the end of the year	24,212	242,120	23,325	233,250
Options exercisable as at the end of the period	-	-	-	-

The weighted average remaining contractual life for the stock options outstanding at the end of the year was 778 days (previous year 965 days).

**34 Additional information required as per Schedule-III of the Companies Act, 2013**

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated assets	Amount ₹	As a % consolidated profit or loss	Amount ₹
Parent	100.44%	369,838,515	97.80%	(75,804,525)
<b>Subsidiary:</b>				
Samunnati Agro Solutions Private Limited	-0.44%	(1,602,988)	2.20%	(1,702,988)
	<b>100.00%</b>	<b>368,235,527</b>	<b>100.00%</b>	<b>(77,507,513)</b>

This is the summary of significant policies and other explanatory information referred to in our report of even date

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP  
Chartered Accountants

per *Suresh E S*  
Partner  
Membership No: 206931



For and on behalf of the Board of Directors of  
**Samunnati Financial Intermediation & Services Private Limited**

*S G Anil Kumar*  
S G Anil Kumar  
Director  
DIN: 01189011

*K Seethalakshmi*  
K Seethalakshmi  
Director  
DIN: 01867616

*C.S. Niranjan*

**Niranjan Chandrasekaran**  
Company Secretary

Place: Chennai  
Date: 21 June 2017

Place: Chennai  
Date: 21 June 2017

